

STATE SCHOOL AID DATA UPDATED FOR MAY

The May state school aid payment is the 8th regular payment of the year and reflects 72.72% of the year's allocation for Sections 22a, 51c, and 22b, as well as for most categoricals. Prior year adjustments are made at 100% in a single payment. The payment will post at the districts' banks on Thursday, May 20, 2021.

TAXABLE VALUE figures used to calculate the May payment represent the tax year 2020 values provided by county treasurers via the web-based taxable valuation collection process. Any revisions to taxable values received prior to May 5, 2021 were incorporated into the payment calculation. County treasurers should have reported by that date the taxable valuations as of the date that they settled with the local unit treasurers. The settlement numbers will have value changes from the July and December Boards of Review, as well as any other changes since the fourth Monday in May 2020. Districts may want to contact their county treasurers to encourage them to report the revised values if it is apparent that they have not yet done so.

The **MEMBERSHIP BLEND** used to calculate the May payment incorporated all Michigan Student Data System (MSDS) pupil (FTE) counts released to the Department as of April 26, 2021, the date the Department downloaded the pupil counts from the Center for Educational Performance and Information.

UPDATED FINANCIAL ACCOUNTING GUIDANCE DURING THE COVID-19 PANDEMIC

[Financial Accounting Guidance During the COVID-19 Pandemic](#) was recently updated with new information on the proper accounting and other guidance related to ESSER II Discretionary funds and additional State categoricals. This publication will continue to be updated frequently as MDE receives additional questions from districts and information regarding state and federal financial reporting requirements. Questions regarding this item may be directed to Christopher May at 517-335-1263 or MayC@michigan.gov.

MPSERS RETIREMENT FUNDS

Section 147a(2) and 147e payments include actual amounts reported to the Office of Retirement Services (ORS) through March 31, 2021 and will continue to be paid on a quarterly basis in the November, February, May, and August payments.

SECTION 23b(2)d

The May 2021 payment carries the first payment under Section 23b(2)d towards additional payments for summer programs and credit recovery programs that are offered as part of COVID-19 remediation services that the department's innovation council designates as innovative under subsection 11.

SECTION 11r(4) ESSER PER-PUPIL EQUALIZATION PAYMENTS

Beginning in the May 2021 State School Aid payment, districts receiving less than an equivalent of \$450 per-pupil in ESSER II formula funds will begin receiving new Section 11r(4) "ESSER PER PUPIL EQUALIZATION" funds. These are restricted state revenues and should be coded under Major Class 312, Suffix 0250, and expenditures (of these equalization funds only) should be recorded with Grant Code 387. Please see Page 2 of [Financial Accounting Guidance During the COVID-19 Pandemic](#) for additional information and other accounting considerations related to these funds. Questions related to this item may be directed to Christopher May at 517-335-1263 or MayC@michigan.gov.

BUDGETARY ASSUMPTION REPORTING – EARLY WARNING

Pursuant to Public Act 109 of 2015, each school district and public school academy that has a general fund balance less than 5% of total unrestricted general revenue for either of the 2018-2019 or 2019-2020 school fiscal years is required to submit budgetary assumptions to the Center for Educational Performance and Information (CEPI). The Department of Treasury will contact school districts and public school academies that are required to submit budgetary assumptions. The budgetary assumption data collection period begins June 1, 2021 and is open through July 7, 2021. The Department of Treasury will not declare potential fiscal stress based solely on a school district's or public school academy's budgetary assumption data. For additional guidance on submitting budgetary assumptions, please see the [CEPI Budgetary Assumptions User Guide](#). If you would like more information regarding budgetary assumptions and early warning, please visit www.Michigan.gov/OSRFA. If you have any questions, please contact the School Review and Fiscal Accountability Division at OSRFA@Michigan.gov.

INDIRECT COSTS

The [indirect cost rate](#) information is available. The new rate information includes Special Education rates for 2020-2021 and preliminary rate information for 2021-2022. Form R0418A, **Costs for the Development of 2020-2021 Federal Indirect Cost Rates**, details the cost data used to calculate preliminary indirect cost rates. Form R0418, **Carryforward Calculation for 2021-2022 Federal Indirect Cost Rates**, shows the results of the preliminary calculation. Form DS-4513 allows a district to edit preliminary cost information to reflect more accurate indirect cost rates. Form DS-4513 is due by June 1, 2021.

Districts with [membership greater than 2,999](#) have been identified and will be required to complete the Head of Component tab (Part IV-HOC) of form DS-4513. Districts required to complete this worksheet will submit an organizational chart along with form DS-4513. Districts are also encouraged to enter a Business Manager contact in the Educational Entity Master (EEM) to receive Head of Component communications.

Two video tutorials have been added to the [indirect webpage](#) to assist districts with the indirect process and completing the DS-4513. Each tutorial addresses different sections of form DS-4513. You may review a particular section of interest or watch the videos in their entirety. The videos may be particularly helpful if you are new to the indirect process, have questions about completing the subcontracts section, or are new to Head of Component.

Indirect forms will continue to be submitted through the [online portal](#).

If you have any questions or comments, please contact Jessica Beagle at BeagleJ1@Michigan.gov.

DEFICIT DISTRICT INFORMATION

Districts incurring a negative general fund balance as of June 30, 2021 or adopting a 2021-2022 deficit budget are required to submit a Deficit Elimination Plan (DEP) to the Department 30 days after the local school board adopts the budget or 30 days after the state school aid budget is enacted, whichever is later.

Districts incurring a negative general fund balance as of June 30, 2021 or adopting a 2021-2022 deficit budget should contact the State Aid and School Finance Unit. The DEP template is available on our [website](#). Questions should be directed to Chad Urchike at UrchikeC1@Michigan.gov.

MAY REVENUE ESTIMATING CONFERENCE

Leaders from the House and Senate Fiscal Agencies and the State Treasurer will meet for the May Revenue Estimating Conference on May 21, 2021. The purpose of the conference is to reach a consensus on the current fiscal year (2020-2021) revenues and the projected revenues for fiscal year 2021-2022. For more information regarding the revenue estimating conference, please visit the [House Fiscal Agency website](#) and/or the [Senate Fiscal Agency website](#).

GENERAL INFORMATION

- The proration factor for Section 31a At-Risk funding is 78.59350004%.
- The Section 22d(4) Isolated District funds are paid at \$52.3437360805 per pupil.
- The Headlee Obligation for Data Collection funds are paid at \$25.9895726146 per pupil.

*Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or **Phil Boone, Assistant Director, Office of Financial Management**, cell phone: **517-899-0796**, fax: **517-241-0196**, e-mail: BooneP2@Michigan.gov