

REMINDER TO DISTRICTS THAT PLEDGED THEIR AUGUST PAYMENT

Approximately 133 school districts participated in the Michigan Finance Authority's (MFA) State Aid Note (SAN) Programs 2015 C-2 and 2015 C-3 (no set-aside pool), and pledged 100% of their August 2016 school aid payment for the repayment of this obligation. If your district participated in this program, please be reminded that all or part of your August payment will not be deposited in your bank account. Rather, the note set-aside portion will be deposited with the bank. If you have questions please contact Nichole Dorr, Michigan Finance Authority 517-335-0525 or DorrN@Michigan.gov.

AUGUST PAYMENT INFORMATION

The August state school aid payment is the 11th and final payment of the year and reflects a cumulative 100% of the year's allocations for Sections 22a, 51c, and 22b as well as for the categorical funding.

Updated Categoricals - The following categorical were updated in the August payment although the updates may not have affected the allocation amounts for all districts. If the allocation amount for your district has changed and you have questions concerning that change, contact the consultants identified below:

- Adult Education – Section 107 (Sandy Thelen, Workforce Development Agency, Adult Education, 517-373-3395, ThelenS@Michigan.gov)
- Renaissance Zones – Section 26a (Howard Heideman, Treasury, Revenue and Tax Analysis, 517-373-9002, HeidemanH@Michigan.gov)
- Great Start Readiness – Section 32d (Pat Sargent, Early Childhood Education, 517-241-4741, SargentP@Michigan.gov)

FINANCIAL INFORMATION DATABASE (FID) REMINDER

All public schools that received state school aid during FY 2016 are required to electronically submit financial data to the Financial Information Database (FID) by November 1, 2016. Failure to submit the FID data by that date is cause for the withholding of the November and subsequent state school aid payments (MCL 388.1618(9)). Questions related to the financial data required in this submission may be directed to Chris May at 517-335-1263 or e-mail MayC@Michigan.gov. **The FID application will open for district submissions on September 6, 2016.** At least one staff member must be designated by each district and public school academy to submit data via the FID application. To become authorized, this individual must download and complete a security agreement. To locate the agreement, go [here](http://www.Michigan.gov/CEPI) (www.Michigan.gov/CEPI) and click on "CEPI Applications" from the left-side navigation bar, and then on "Financial Information Database." In the lower left-hand corner of the screen, click on the "FID Security Agreements" link located in the "Upload FID Data to CEPI" box. Questions related to accessing the system or submission of data to the FID may be directed to the CEPI Customer support by e-mail at CEPI@michigan.gov or telephone 517-335-0505.

FY 2016 STATE SCHOOL AID REVENUE RECOGNITION

State school aid revenue reported on the 2015-2016 financial data submission should be consistent with amounts shown on the district's August 2016 State Aid Financial Status Report. Minor differences may occur as the result of accounts payable and receivable issues. Care should be taken to record the revenues in the appropriate fund, major class codes, and suffix as indicated in the *Michigan Public School Accounting Manual*. Account numbers for the 2015-2016 state school aid revenue may be found [here](http://www.Michigan.gov/mde/0,1607,7-140-6530_6605-21356--,00.html) (http://www.Michigan.gov/mde/0,1607,7-140-6530_6605-21356--,00.html). Unearned Revenue – any restricted state grant funds (i.e., At Risk, Adult Education, Math/Science) received and remaining unspent at year end should be recorded in the financial statements as unearned revenue (balance sheet major class code 471) rather than as a reserve of fund balance. This does not apply to funds that are awarded without

restriction as to use. Questions related to revenue recognition should be directed to Chris May, Office of State Aid and School Finance, at (517-335-1263 or by e-mail at MayC@Michigan.gov).

BUDGET TRANSPARENCY REMINDER

Budgets and subsequent amendments for 2016-17 must be posted to your Budget Transparency page within **15 days** of board approval. At this point, all districts should have their initial 2016-17 budget posted. Budgets and amendments must be detailed at the function level. They must also include **beginning and ending fund balances**. Please view our [transparency guidance](#) for an example of a budget that meets the legislative requirements. Questions related to Budget Transparency may be directed to Chad Urchike at UrchikeC1@Michigan.gov or 517-335-1261.

CLOSED PSA MEMBERSHIP FTE TRANSFER

Section 6(4)(ff) of the State School Aid Act requires that the Department make a membership adjustment in the amount claimed by a closed public school academy during the Supplemental count of the preceding school year for a pupil who enrolls in a district in the subsequent fall. Those adjustments are reflected at the top of the August status report next to the line labeled "Supplemental 2015" count for those districts that enrolled pupils from an eligible closed public school academy. A spreadsheet detailing the membership adjustments can be found [here](http://www.michigan.gov/documents/mde/Spring_2015_Closed_PSA_Transfer_532349_7.pdf) (http://www.michigan.gov/documents/mde/Spring_2015_Closed_PSA_Transfer_532349_7.pdf). Questions related to this adjustment should be directed to Brian Ciloski, Office of State Aid and School Finance, at 517-373-3352 or by e-mail at CiloskiB@Michigan.gov.

SECTION 23A MEMBERSHIP AND SECTION 25G CATEGORICAL ADJUSTMENTS

Pursuant to language in Section 6(4)(dd) of the State School Aid Act pupils in Section 23a Dropout Recovery programs can generate more than a 1.0 FTE in certain instances. That portion of the FTE above 1.0 is to be paid out of categorical funding in Section 25g. The August status report reflects the Section 25g funding on a line labeled "25g Pupil Exceeding 1.0 FTE" in the Current Year Allowance section. Districts will see the Section 23a FTE at the top of the status report adjusted accordingly. Questions related to this adjustment should be directed to Brian Ciloski, Office of State Aid and School Finance, at 517-373-3352 or by e-mail at CiloskiB@Michigan.gov.

PRELIMINARY HEADCOUNT REPORT

Districts in their first or second year of operation, or districts that have added a grade for the first time, are required to report their headcounts for a day during the week of September 12-16, for use during the October state aid payment. The form used to submit head counts is located [here](https://fs10.formsite.com/SASF/form3/index.html) (<https://fs10.formsite.com/SASF/form3/index.html>). Headcount data must be submitted by September 23, 2016.

ONLINE TRAVEL WAIVER FORM

The Department has updated the form used for requesting a travel waiver for the 2016-17 school year. The new form, found [here](https://fs10.formsite.com/SASF/form1/index.html) (<https://fs10.formsite.com/SASF/form1/index.html>), must be used to ensure that your request is received and can be considered for approval. Districts should no longer submit the form in paper copy. Questions related to this form should be directed to Jessica Beagle, Office of State Aid and School Finance, at 517-241-6435 or by e-mail at BeagleJ1@Michigan.gov.

WEIGHTED AVERAGE FOUNDATION GRANT USED FOR DUAL ENROLLMENT

The "postsecondary dual enrollment weighted average foundation" to be used in FY 2017 is \$7,586. The Postsecondary Enrollment Options Act (MCL 388.514) was amended in 2012 to require districts to pay a prorated share of the state weighted average foundation for pupils enrolled in a postsecondary institution. The per pupil foundation grants used to calculate the postsecondary dual enrollment weighted average foundation are capped at the basic foundation (\$8,169 for FY 2016). The [State Aid Foundation Allowance parameter sheet](#) posted on the Department's website has been revised to reflect the dual enrollment weighted average

foundation. Questions related to the dual enrollment calculation may be directed to Christopher May at 517-335-1263. Office of State Aid and School Finance, or MayC@Michigan.gov.

DEFICIT DISTRICT INFORMATION

Deficit Elimination Plans (DEP) for districts or academies incurring a negative general fund balance as of June 30, 2016 or whose Board has adopted a 2016-2017 deficit budget were due to the MDE no later than July 31, 2016. Districts having incurred a negative general fund balance as of June 30, 2016 should contact the Office of State Aid and School Finance as soon as possible to begin planning their DEP submissions, if they have not already done so. Current DEP forms are available on the Department's website [here](http://www.michigan.gov/mde/0,1607,7-140-6530_6605-106599--,00.html) (http://www.michigan.gov/mde/0,1607,7-140-6530_6605-106599--,00.html). Questions related to a DEP should be directed to Jeff Kolb, Office of State Aid and School Finance, at 517-373-1908 or by e-mail at KolbJ2@Michigan.gov or Chad Urchike at 517-335-1261 or UrchikeC1@Michigan.gov.

IMPORTANT DATES TO REMEMBER

- **October 18, 2016** is the date of the annual **MDE/MSBO Fall Workshop**. This year's conference will be at the Kellogg Center in East Lansing, Michigan.
- Pursuant to Section 380.1284b of the Revised School Code, **school is not to be in session prior to Labor Day** (September 5, 2016).
- **Wednesday, October 5, 2016** is the **pupil membership count day** for 2016-2017 and the second adult education participant count day of the year. (Brian Ciloski, 517-373-3352, CiloskiB@Michigan.gov)
- The **SE-4096 Special Education Cost Report** for the FY 2016 school fiscal year is due on **September 30, 2016**. (Dianne Easterling, 517-373-6488, EasterlingD@Michigan.gov)
- The **SE-4094 Special Education Transportation Expenditure Report** for the FY 2016 school fiscal year is due on **October 7, 2016**. (Dianne Easterling, 517-373-6488, EasterlingD@Michigan.gov)
- The October 20, 2016 state school aid payment is the first payment of FY 2016. There is no September school aid payment.
- Districts are required to report by **November 1** to the local health department the immunization status of all students entering kindergarten or a new school in grades 1-12. Also, districts are required to report by **November 1** to the local health department the **immunization status** of all pupils who enrolled in grade 7 in the district or ISD for the first time between January 1 and September 30, 2015. (Patty Lawless 517-373-1122, LawlessP@Michigan.gov)
- **November 1** is the deadline for local districts (including PSAs) to file their **2015-2016 financial audit report** with the ISDs. Both the **financial and pupil accounting audit reports** are due electronically to the Department on **November 1**. Failure to file these reports will result in the withholding of state aid. (Naomi Krefman, 517-335-6858, KrefmanN@Michigan.gov)
- The **FY 2016 FID – Annual Comprehensive Financial Report** is due from local and intermediate districts to CEPI by **November 1** (see related item above). Failure to file this report will result in the withholding of state aid. (Christopher May, 517-335-0524, MayC@Michigan.gov)
- The **DS-4168, Days and Clock Hours Report** for 2015-16 was due **August 1, 2016**.
- Section 23a claims for the months of July 2015 – June 2016 must be submitted by **September 1, 2016**.
- **Proration factors:** Section 31a – At Risk funding per pupil proration is \$186.7711671756.
- The Section 22d(4) Isolated District funds are being paid at a rate of \$44.1640226917 per pupil
- Section 152a Headlee Obligation for Data Collection funds are being paid at a rate of \$25.1788112702 per pupil.

Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or Dan Hanrahan, Director, State Aid and School Finance, MDE, phone: 517-335-0521, fax: 517-241-0196, e-mail: HanrahanD@Michigan.gov.
