

REMINDER TO DISTRICTS THAT PLEDGED THEIR AUGUST PAYMENT

Approximately 107 school districts participated in the Michigan Finance Authority's (MFA) State Aid Note (SAN) Program 2017 A-2 (no set-aside pool), and pledged 100% of their August 2018 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 Michigan Finance Authority. 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)

SECTION 147E REMINDER

Included with your August State School Aid payment is the final reimbursement for the 2017-18 school fiscal year increased retirement costs due to the passage of Public Act 92 of 2017. The state's reimbursement consists of the 4-percent employer contribution (effective October 1, 2017) for participants in the Defined Contribution (DC) plan, and the difference between Pension Plus and Pension Plus 2 employer normal cost contributions (3.13 percent for the fiscal year ending September 30, 2018). As a reminder, Section 147e revenue should be accounted for similarly to Section 147a. This is additional revenue for your district to offset its own costs related to employees enrolled in certain MPSERS plans. Therefore, no repayment to ORS is involved, and similar to other Section 147 subsections, the grant code is optional when recording expenditures related to these funds.

Questions related to Section 147e and calculated payment amounts may be directed to ORS' Employer Reporting Unit at ORS_Web_Reporting@michigan.gov. Questions related to the accounting of these funds may be directed to Christopher May at MayC@michigan.gov or 517-335-1263.

FINANCIAL INFORMATION DATABASE (FID) REMINDER

All districts are required to electronically submit financial data to the Financial Information Database (FID) by November 1, 2018. Failure to submit FID data consistent with audited financial statements by November 1st will result in the withholding of the November and subsequent state school aid payments (MCL 388.1618(10)). **The FID application will open for district submissions on September 4, 2018.** Questions related to financial accounting and reporting may be directed to Christopher May at 517-335-1263 or MayC@Michigan.gov. Questions related to accessing the system or submission of data to the FID may be directed to the CEPI Customer support at CEPI@michigan.gov or 517-335-0505.

FY 2018 STATE SCHOOL AID REVENUE RECOGNITION

State school aid revenue reported in the 2017-2018 Financial Information Database (FID) should be consistent with amounts shown on districts' August 2018 State Aid Financial Status Reports. Minor differences may occur as the result of accounts payable and receivable. Care should be taken to record the revenues in the appropriate fund, major class codes, and suffix codes as indicated in the Accounting for State School Aid Revenues document. This document has also been updated with accounting guidance for new sections of State Aid for FY 2019. Unearned Revenue such as 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 and accounting may be directed to Christopher May at 517-335-1263 or MayC@Michigan.gov.

BUDGET TRANSPARENCY REMINDER

Budgets and subsequent amendments for 2017-18 must be posted to your Budget Transparency page within **15 days** of board approval. At this point, all districts should have their initial 2017-18 budget posted. Budgets and amendments must be detailed at the function level. They must also include **beginning and ending fund balances**. Updated budget transparency guidance for 2017-18 should be available by the end of August. Questions related to Budget Transparency may be directed to Chad Urchike at UrchikeC1@Michigan.gov or 517-335-1261.

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 10-14, for use during the October state aid payment. Please use this [form](#) to submit head counts. Headcount data must be submitted by September 21, 2018.

SECTION 64b DUAL ENROLLMENT INCENTIVE FUNDS

Section 64b dual enrollment incentive payments will be included in August state school aid payments for districts that supported postsecondary courses that met eligibility criteria and coded those courses as Course Type "10" in the 2017-18 Teacher Student Data Link (TSDL) collection. Questions related to the processing of Section 64b Dual Enrollment Incentives and the TSDL collection may be directed to the Center for Educational Performance and Information (CEPI) at 517-335-0505 or CEPI@michigan.gov. Questions related to dual enrollment and eligibility for these incentives may be directed to Eric Lipinski at 517-241-6895 or LipinskiE@michigan.gov.

DUAL ENROLLMENT CALCULATION WORKSHEET/2018-19 WEIGHTED AVERAGE FOUNDATION

The "postsecondary dual enrollment weighted average foundation" to be used in FY 2019 is \$7,801. 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. The [Dual Enrollment Calculation Worksheet](#) has been updated to reflect this amount. Questions related to the dual enrollment calculation may be directed to Christopher May, Office of State Aid and School Finance, at 517-335 1263, or MayC@Michigan.gov.

DEFICIT DISTRICT INFORMATION

Districts with a negative general fund balance as of June 30, 2018 or districts adopting a deficit budget for 2018-19 were required to submit a Deficit Elimination Plan (DEP) to the Department no later than July 30, 2018. The DEP template is available on our [website](#). Questions may be directed to Chad Urchike at 517-335-1261 or UrchikeC1@Michigan.gov.

IMPORTANT DATES TO REMEMBER

- **October 23, 2018** 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 3, 2018).
- **Wednesday, October 3, 2017** is the **pupil membership count day** for 2018-2019 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 FY 2018 is due on **October 1, 2018**. (Scott Kemmer-Slater, 517-335-1662, KemmerSlaterS@michigan.gov)
- The **SE-4094 Special Education Transportation Expenditure Report** for FY 2018 is due on **October 8, 2018**. (Scott Kemmer-Slater, 517-335-1662, KemmerSlaterS@michigan.gov)
- The October 22, 2018 state school aid payment is the first payment of FY 2019. There is no September school aid payment.
- **November 1** is the deadline for local districts (including PSAs) to file their **2017-2018 financial audit report** with their ISD. 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 Casher, 517-335-6858, CasherN@Michigan.gov)
- The **FY 2017 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, 517-335-1263, MayC@Michigan.gov)
- The **DS-4168, Days and Clock Hours Report** for 2017-18 was due **August 1, 2018**.
- August Section 23a claims may be submitted in the 2017-18 SRM. The 2017-2018 SRM Collection is open until **September 12, 2018 at 11:59 p.m. EDT**. This submission must include students that less than 20 years of age as of 9/1/2017. August Section 23a claims may also be submitted in the 2018-19 SRM opening 9/27/18.
- **Proration factors:** Section 31a – At Risk funding per pupil proration is 87.98158255%.
- Section 22d(4) Isolated District funds are being paid at a rate of \$45.841659557 per pupil.
- Section 152a Headlee Obligation for Data Collection funds are being paid at a rate of \$25.383475476 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, MDE, phone: 517-335-4059, fax: 517-241-0196, e-mail: BooneP2@Michigan.gov.
