

**FEBRUARY PAYMENT INFORMATION**

The February state school aid payment is the fifth regular payment of FY 2016. The payment will be electronically transferred to the districts' accounts on Monday, February 22, 2016.

**Updated categoricals** - The following categoricals are among those updated in the February 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:

- Great Start Readiness - Section 32d (Jan Fowler, Early Childhood Education and Family Services, 517-241-4741, [FowlerJ2@Michigan.gov](mailto:FowlerJ2@Michigan.gov))
- Court Placed Pupils - Section 53a, (Dianne Easterling, Special Education, 517-335-0459, [EasterlingD@Michigan.gov](mailto:EasterlingD@Michigan.gov))
- Vocational Education Admin - Section 61a(2) (Joanne Mahony, Career and Technical Education, 517-335-0405, [MahonyJ@Michigan.gov](mailto:MahonyJ@Michigan.gov))
- Early Literacy - Section 35a(6), (Brandy Archer, Education Improvement and Innovation, 517-241-4466, [ArcherB2@Michigan.gov](mailto:ArcherB2@Michigan.gov))
- Early Literacy - Section 35a(5), (Karen Ruple, Education Improvement and Innovation, 517-241-9386, [RupleK@Michigan.gov](mailto:RupleK@Michigan.gov))
- Early Literacy - Section 35a(3), (Bill Witt, Education Improvement and Innovation, 517-241-9869, [WittBI@Michigan.gov](mailto:WittBI@Michigan.gov))
- Early Literacy - Section 35a(4), (Andy Middlestead, Standards and Assessments, 517-241-2694, [MiddlesteadA@Michigan.gov](mailto:MiddlesteadA@Michigan.gov))

**EXECUTIVE BUDGET RECOMMENDATION FOR 2016-2017 SCHOOL AID**

On February 10, 2016, Governor Snyder's Executive Budget Recommendation for FY 2017 was presented to the legislature. The following are some highlights of the provisions of the K-12 budget portion of the Governor's proposal.

- The per pupil **Foundation Grants for FY 2017** would increase based on the 2X formula with the range of the increase from \$60 to \$120. Under this plan, the minimum foundation for FY 2017 will be \$7,511 and the basic (maximum state guaranteed) foundation will be \$8,229 per pupil.
- Districts that are receiving funding in FY 2016 under the **Section 20f Hold Harmless** provision would receive the same amount per pupil in FY 2017.
- **Section 20j** is reinstated and will guarantee that "hold harmless" districts will receive a per pupil revenue increase of \$60. These districts would otherwise be limited to a smaller increase due to the very low rate of inflation.
- The Executive Recommendation would maintain the **Section 31a At Risk** appropriation of \$389.7 million.
- A **new Section 21** would allocate \$5 million for supplemental payments to districts that are identified as being in the **lowest achieving 5%** of all public schools in the state and the State School Reform/Redesign Office has appointed a Chief Executive Officer for the district.
- A **new Section 78** would appropriate \$9 million for **voluntary water testing** for lead in schools. The 2016-17 funds would cover the second year of a three year statewide strategic plan.

- The Executive Recommendation for FY 2017 would increase the **Section 81 Intermediate School District (ISD) General Operations** by 1.6% to \$68.2 million to match the percent increase in the minimum foundation
- Total state payments related to **MPSERS Rate Cap Stabilization** would increase to \$982.2 million.

Boilerplate language change highlights include the following:

- The **pupil count blend** for FY 2016-17 would be 50% of the current school year October count and 50% of the prior February count.
- The Executive Recommendation eliminates language in Section 6(4) and Section 25e of the State School Aid Act that authorizes the proration of the FTE when a pupil who was counted in one district/PSA in the October count transfers to another district/PSA prior to the February count.
- Language is added to Section 18 of the State School Aid Act requiring that the annual comprehensive financial report (FID) be consistent with the annual audit report. If the two reports are not consistent the Department will be required to withhold state school aid.

The summary provided above should not be considered a complete description of the content of the executive proposal. Also, please be advised that changes are likely as the budget makes its way through the legislative process. Additional information and details on the executive budget proposal can be found at [www.Michigan.gov/budget](http://www.Michigan.gov/budget). Click on "Executive Budget Bill-State Education Funding Act."

### **BULLETINS 1011 AND 1014**

The Office of State Aid and School Finance has completed a review of the 2014-15 Financial Information Database (FID) data submitted by each Michigan public school district in accordance with MCL 388.1618(5). These data have been compiled and published in the 2014-15 Bulletin 1011- Analysis of Michigan Public School Districts Revenue and Expenditures and the 2014-15 Bulletin 1014- Michigan Public School Districts Ranked by Selected Financial Data. The Bulletin 1014 contains various pieces of financial information about Michigan public schools including revenue and expenditure per pupil. It also includes the fall pupil count, average teacher salary, and taxable value information. The Bulletin 1011 is a financial report that groups districts by size of pupil membership. It contains various pieces of financial information about groups of Michigan Public Schools including balance sheet, revenue and expenditure data. It also includes the fall pupil count and average teacher salary for those groups. Questions related to the Bulletins may be directed to Christopher May at 517-335-1263 or [MayC@michigan.gov](mailto:MayC@michigan.gov).

### **GENERAL INFORMATION**

- March 23 is the deadline for ISDs to submit to the Center for Educational Performance and Information (CEPI) the Audited FTE Counts for the October 7, 2015 Pupil Membership Count Day.
- February 10 was the FY 2016 Supplemental count date. The Michigan Student Data System (MSDS) records for the Supplemental count date are due to the CEPI by March 16, 2016 and are to be certified by March 23, 2016.
- Proration for Section 31a – At Risk funding is \$184.3807767115 per pupil.
- The Section 22d(4) funds are being paid at \$44.1606939347 per pupil.
- The Headlee Obligation for Data Collection funds are being paid at a rate of \$25.1801942222 per pupil.

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\*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](mailto:HanrahanD@Michigan.gov)