

STATE SCHOOL AID UPDATE

Michigan Department of Education



JANUARY 2016

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JANUARY 14, 2016 REVENUE ESTIMATING CONFERENCE

A revenue estimating conference was held on January 14, 2016 to update revenue projections for fiscal year (FY) 2016, FY 2017, and to make initial projections for FY 2018. The results of that conference will not be known in time for this UPDATE, but will have an effect on school aid for those years. For detailed information on the January revenue estimating conference, go to the House and/or Senate Fiscal Agency website at www.house.michigan.gov/hfa and www.senate.michigan.gov/sfa following the conference.

GOVERNOR'S FY2017 STATE BUDGET

While no one can say for certain at this time what the revenue consensus from the above referenced conference may mean for future state school aid budgets, one indication will come when the Governor unveils his proposed budget for FY 2017 in February. Of course, the budget cycle will then run its full course through the legislative process before enactment in appropriation bills. Also, the Governor's State of the State address is scheduled for January 19, 2016 which can always include education news.

JANUARY PAYMENT INFORMATION

The January state school aid payment is the fourth regular payment of the 2016 fiscal year. The payment will be electronically transferred to the districts' accounts on Wednesday, January 20, 2016.

Taxable value - The January payment continues to use the beginning 2014 tax roll non-homestead taxable value data, as provided by the county treasurers via the web based taxable valuation collection process. These data can be viewed by school district personnel on the Department's website. The URL is:

<https://mdoe.state.mi.us/TaxableValue/login.aspx?mode=access&ReturnUrl=%2fTaxableValue%2f>

To view your data, click on "Public Access," and then choose your district code and the appropriate tax year from the drop-down menus.

Updated categoricals - The following categoricals were updated in the January 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 Program - Section 32d, (Pat Sargent, Office of Great Start, 517-241-4741, SargentP@Michigan.gov)
- Court Placed Children - Section 24, (Dianne Easterling – Special Education, 517-335-0459, EasterlingD@Michigan.gov)
- First Robotics – Section 99h, (Amanda Stoel – Education Improvement and Innovation, 517-241-3629, StoelA@Michigan.gov)

SECTION 102D SCHOOL DATA ANALYTICAL TOOL FUNDING IN JANUARY PAYMENT

Section 102d of the State School Aid Act provides \$1.5 million in FY 2016 to be paid on an equal per pupil basis for reimbursements to school districts for costs related to the purchase of school data analytical tool licenses. In addition to the categorical grants mentioned above, these funds have been included in the January payment. 393 districts representing over 1 million students qualified for the reimbursement. The per-pupil amount, based on the December 2015 membership blend, is \$1.45. The total population of students to be used in the per-pupil calculation will be reset once the fall 2015 count is audited for all districts. **This will change the per-pupil amount and, therefore, the reimbursement amount at that time for all of the districts that qualify for reimbursement.** Districts that qualified will see reimbursement in the January 20, 2016 payment, in the "Current Year Allowance" section of the State School Aid Financial Status Report

on a line labeled "102d Financial Analytic Tools." Districts are reimbursed the lesser of the per-pupil calculation times their membership or the contract cost up to the full cost of the district's annual contract or the cost of one year of a multi-year contract. The contract must cover the fiscal year of the appropriation (October 1, 2015 through September 30, 2016) or the reimbursement will be prorated. However, contracts entered after October 1, 2015 and before December 1, 2015 have not been prorated if they run for a full year. Questions related to this item may be directed to Jeff Kolb, Office of State Aid and School Finance, 517-373-1908 or KolbJ2@Michigan.gov.

15-16 CONSOLIDATION OF OPERATIONS GRANT ANNOUNCEMENT

Section 22g of the State School Aid Act amendments for FY 2016, PA 85 of 2015 allocates \$5 million for competitive grants to districts and intermediate districts for the reimbursement of transition costs associated with the complete consolidation or annexation of districts or intermediate districts. The grant award notification, application documents, supplemental materials, and other information were made available on October 22, 2015. Applications were accepted through December 22, 2015. Three applications were received. The grant application reading and scoring, award determinations and announcement are expected to be complete by the end of January. Questions regarding this grant program may be directed to Jessica Beagle at BeagleJ1@Michigan.gov or 517-241-6435.

MICHIGAN PUBLIC SCHOOL ACCOUNTING CHANGE NOTICE #24

An update to the *Michigan Public School Accounting Manual* was distributed on January 7, 2016. The changes listed in the notice are to be implemented for the 2016-17 fiscal year. These changes have been incorporated into the manual available on the Department's website at http://www.michigan.gov/mde/0,1607,7-140-6530_6605-21321--,00.html. Questions related to the change notice should be directed to Christopher May, Office of State Aid and School Finance, at 517-335-1263 or by e-mail at MayC@Michigan.gov.

SECTION 101 – SCHOOL DAY CANCELATIONS AND FORGIVEN TIME

Section 101 of the State School Aid Act (MCL 388.1701) has been amended for FY 2016. The language continues to grant districts six (6) days and/or the equivalent number of hours to use toward cancelations that occur due to conditions beyond the control of school authorities, commonly referred to as "forgiven time" or "snow days." In prior years, if the district had exhausted their initial 6 days of forgiven time, and if additional cancelations occurred after April 1, the district could then apply to the State Superintendent for up to six (6) additional days and/or the equivalent number of hours of forgiven time. The new language limits the additional time that the State Superintendent can grant to three (3) additional days or equivalent hours, but removes the restriction that the cancelation must have occurred after April 1. Questions regarding this item should be directed to Brian Ciloski at CiloskiB@Michigan.gov or 517-373-3352.

IMPORTANT DATES TO REMEMBER

- **February 1** is the due date for districts and ISDs to report to the local health department the **immunization status** of each new pupil in grades K-12 who enrolled in the district or ISD for the first time during the immediately preceding calendar year and all 6th graders, pursuant to State School Aid Act Section 167. (Patty Lawless, 517-373-1122, LawlessP@Michigan.gov)
- **February 10** is the **supplemental count day** for all districts, ISDs, and PSAs and the 3rd quarterly count date for adult education participants.
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GENERAL INFORMATION

- The proration factor for the Section 31a - At Risk funds is \$184.3807767115 per pupil.
- The Section 22d(4) funds are being paid at \$44.1478226399 per pupil.
- The Headlee Obligation for Data Collection funds are being paid at \$25.1787727319 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