

JANUARY 12, 2017 REVENUE ESTIMATING CONFERENCE

A revenue estimating conference was held on January 12, 2017 to update revenue projections for fiscal year (FY) 2017, FY 2018, and to make initial projections for FY 2019. FY 2017 revenue projections for both the general fund and the state school aid fund were revised at the conference. The general fund projection was revised upward by \$151.6 million and the school aid fund projection was revised upward by \$54.6 million. For detailed information on the January revenue estimating conference, go to the [House of Representative Fiscal Agency website](#) or [Senate Fiscal Agency website](#) following the conference by visiting the following links: <http://www.house.michigan.gov/hfa> or <http://www.senate.michigan.gov/sfa>.

GOVERNOR'S FY2018 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 2018 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 18, 2017 which can always include education news.

JANUARY PAYMENT INFORMATION

The January state school aid payment is the fourth regular payment of the 2017 fiscal year. The payment will be electronically transferred to the districts' accounts on Friday, January 20, 2017.

Taxable value - The January payment continues to use the beginning 2016 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 Taxable Value Management System](#) website (<https://mdoe.state.mi.us/TaxableValue/login.aspx>)

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)
- Early Literacy Targeted Assistance – Section 99h, (Brandy Archer – Education Improvement and Innovation, 517-241-4466, Archerb2@Michigan.gov)
- Vocational Education Admin. – Section 61a(2), (Joanne Mahony – Career and Technical Education, 517-335-0405, MahonyJ@Michigan.gov)
- Financial Analytical Tools – Section 102d, (Jeff Kolb - State Aid and School Finance (517-335-1908, KolbJ2@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 2017 to reimburse school districts for the licensing of school data analytical tools. These funds have been included in the January payment. 318 districts representing over 1.4 million students qualified for the reimbursement. Districts that qualified will see reimbursement in the "Current Year Allowance" section of the State School Aid Financial Status Report on a line labeled "102d Financial Analytic Tools." New language in Section 102d for FY 2017 limits the reimbursement to one-

half of the costs of the contracts. Any funds remaining after the calculation and payment will be distributed on an equal per-pupil basis, with an intermediate district's pupils considered to be the sum of the pupil memberships of the constituent districts for which the intermediate district is purchasing the financial data analytical tool. The contract must cover the fiscal year of the appropriation (October 1, 2016 through September 30, 2017) or the reimbursement will be prorated. However, contracts entered after October 1, 2016 and before December 1, 2016 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.

FY 2017 CONSOLIDATION OF OPERATIONS GRANT ANNOUNCEMENT

Section 22g of the State School Aid Act amendments for FY 2017, PA 249 of 2016 allocates \$500,000 for competitive grants to districts and intermediate districts for the reimbursement of transition costs associated with the dissolution, consolidation or annexation of districts or intermediate districts. The grant award notification, application documents, supplemental materials, and other information were made available on November 14, 2016. Applications were accepted through December 19, 2016. 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.

FY 2017 DAYS AND CLOCK HOUR REPORTING

As a result of an initiative to reduce the reporting requirements of districts, the Days and Clock Hours application is currently being updated for the 2016-17 school year. The reporting requirement will be simplified for districts that did not experience a days, hours, or attendance requirement shortfall during the school year. The updated application will be available later this year. Districts should be prepared to provide their pupil membership auditor with documentation verifying the number of instructional days and hours offered during the 2016-17 school year, as well as the percentage of students in attendance on each scheduled day. Questions regarding this item should be directed to Brian Ciloski at CiloskiB@Michigan.gov or 517-373-3352.

SECTION 101 – SCHOOL DAY CANCELLATIONS AND FORGIVEN TIME

With regard to the cancellation of instructional time, Section 101 of the State School Aid Act (MCL 388.1701) remains the same as FY 2016. The language continues to grant districts six (6) days and/or the equivalent number of hours to use toward cancellations that occur due to conditions beyond the control of school authorities, commonly referred to as "forgiven time" or "snow days." Language continues that grants the State Superintendent the authority to grant up to three (3) additional days or equivalent hours cancelled as instruction, provided the cancellation is due to unusual and extenuating circumstances resulting from conditions not within the control of school authorities. 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 8** is the **supplemental count day** for all districts, ISDs, and PSAs and the 3rd quarterly count date for adult education participants.

GENERAL INFORMATION

- The proration factor for the Section 31a - At Risk funds is \$182.5748010225 per pupil.
- The Section 22d(4) funds are being paid at \$44.9770642227 per pupil.
- The Headlee Obligation for Data Collection funds are being paid at \$25.2696603018 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