

STATE SCHOOL AID DATA UPDATED FOR JULY

The July state school aid payment is the 10th regular payment of the year and reflects 90.9% of the year's allocation for Sections 22a, 51c, and 22b as well as for most categoricals. Prior year adjustments are made at 100% in a single payment. The payment will post at the districts' banks on Monday, July 20, 2015.

Taxable value figures used to calculate the July payment represent the tax year 2014 values provided by county treasurers via the web-based taxable valuation collection process. Any revisions to taxable values received prior to July 1, 2015 were incorporated into the payment calculation.

The **membership blend** used to calculate the July payment incorporated all Michigan Student Data System (MSDS) pupil (FTE) counts released to the Department as of July 1, 2015. Audited values from the February 2015 count were used for those districts whose audited counts were reported by that date.

EARLY WARNING LEGISLATION

The April State School Aid UPDATE included an item on Early Warning legislation. That package of House Bills (4325 through 4332) has now been signed into law by Governor Snyder. These bills are intended to give both the Treasury Department and Michigan Department of Education the authority to work with and require information from districts that meet certain Early Warning signs of financial stress. There are some notable amendments since April.

- Language in HB 4325 gives a district, that the Treasury Department determines has the potential for financial stress, the first option to contract with an ISD to perform an administrative review of the district's financial status.
- HB 4325 requires a district with a fund balance of less than 5% of revenue in one or both of the past two fiscal years to submit their budgetary assumptions used when adopting the district's current year budget to the Center for Educational Performance and Information.
- Language in HB 4326 requires the Treasury Department to conduct a Preliminary Review under PA 436 for districts submitting Deficit Elimination Plans exceeding five years.
- Language in HB 4327 states that the Treasury Department shall require districts that have not eliminated their deficit in five years to submit an Enhanced Deficit Elimination Plan.

These bills can be viewed in their entirety at www.michiganlegislature.org.

2014-15 DAYS AND CLOCK HOURS REPORTING DEADLINE IS AUGUST 1, 2015

In order to satisfy the legislative requirement found in Section 101(3) of the State School Aid Act (MCL 388.1701), intermediate districts must certify and submit to the Department a days and clock hours report, formerly known as the Days and Clock Hours of Instruction Report (DS-4168), for the intermediate and local districts by **August 1, 2015**. The requirement applies to all local school districts and public school academies. It also applies to intermediate school districts that operated an alternative education program or claimed FTE for a Special Education Early Childhood program during the 2014-15 school year.

The user guide to assist districts in using the application can be viewed by clicking [here](#). Further questions regarding the application can be addressed by contacting CEPI Customer Support at CEPI@Michigan.gov. Districts may also contact Brian Ciloski at CiloskiB@Michigan.gov for assistance with reporting standards, conventions, and legislative requirement questions regarding this report.

REVISED BUDGET TRANSPARENCY GUIDANCE

The Michigan Department of Education has revised the Budget Transparency guidance for 2015-16 to include changes made to the statute. Three new data elements have been added to Subsection 2c; therefore, they apply to all schools including Intermediate School Districts. Language has also been added which imposes a penalty on those schools that do not comply with Budget Transparency. For a complete explanation of the changes, please view the revised guidance found on the Department's website by clicking [here](#).

BEST PRACTICE RESIDUAL TO BE INCLUDED IN AUGUST PAYMENT

Language in the Best Practice Section (22f) of the State School Aid Act states that if the Department determines that funds remain after allocating \$50 per pupil, the remaining unexpended amount is to be allocated on an equal per pupil basis to districts that meet the Best Practice requirements and that have a FY 2015 foundation less than \$8,099. The remaining Section 22f funds will be allocated in the August payment at an ESTIMATED rate of \$1.51 per pupil. This amount is provided now in July for budgeting purposes and may deviate slightly when it is paid out in August due to fluctuations in pupil counts. For questions related to these funds please contact John A. Hayner, Office of State Aid and School Finance, at (517) 241-0495 or by e-mail at HaynerJ1@Michigan.gov.

SID AND REP REPORTING

Section 19(5) of the State School Aid Act requires local districts, intermediate districts, and public school academies to submit their Registry of Educational Personnel (REP) data to the Center for Educational Performance and Information (CEPI) by June 30 each year. Section 19(6) of the State School Aid Act requires local districts, intermediate districts, and public school academies to submit their School Infrastructure Database (SID) information to CEPI by June 30. Section 19(7) of the State School Aid Act requires the Department to withhold 5% of the total funds for which the local district, intermediate district, or public school academy qualifies under the act for non-compliance with either of these reporting requirements. State aid funds are being withheld from several entities that did not comply with the SID and/or the REP reporting requirement. The withheld amount will appear on the State Aid Financial Status Report as a negative under the section labeled "Current Year Allowances" on a line labeled "SID Deduct" or "REP Deduct." CEPI will reopen the two databases on July 16, 2015, to allow inputting of the data through July 20, 2015. The withheld funds will be released in the next school aid payment following compliance. Questions regarding the submission of SID/REP data should be directed to CEPI customer support via e-mail at CEPI@Michigan.gov or phone at (517) 335-0505, option 3.

SECTION 31A AT-RISK PROGRAM REPORTS DUE JULY 15, 2015

Local districts and public school academies receiving FY 2015 funds under Section 31a At-Risk are required to submit the FY 2015 Section 31a Program Report to the Department by **July 15, 2015**. The report form is available in the Michigan Electronic Grants System *Plus* (MEGS+) at <https://mdoe.state.mi.us/MEGSPLUS/>. If the report is not submitted by July 15, an amount equal to the district's Section 31a August installment will be withheld from the August 2015 state aid payment as required by language in Section 31a of the State School Aid Act. These funds will be forfeited if the report is not received by September 30, 2015. If you have questions regarding the Section 31a program and reporting requirements, please contact Lee Craft, Section 31a Consultant, Office of Field Services at (517) 373-6066 or CraftL1@Michigan.gov. If you have MEGS+ related questions, please contact Judy Thelen, Analyst, Office of Field Services, at (517) 335-1266 or ThelenJ8@Michigan.gov.

TAXABLE VALUE SYSTEM UPDATES

The online taxable valuation collection system has been made available for county treasurers to input tax year 2015 values to be used when calculating FY 2016 State School Aid. These values are due by September 1, 2015. Please encourage your treasurer to report these values if they have not already done so. Taxable Value data can be viewed by clicking [here](#). To view your data, click on "Public Access" and then choose your district code and the applicable tax year from the drop down menu. Questions should be directed to Phil Boone, Office of State Aid and School Finance, at (517) 335-4059 or e-mail at BooneP2@Michigan.gov.

GENERAL INFORMATION

- The proration factor for the Section 31a – At Risk funding is \$317.6811988798 per pupil.
- The proration factor for the Section 22j Performance Based funding is .9976637039.
- Section 152a Headlee Obligation for Data Collection funds are being paid at \$24.9813383640 per pupil.
- The Supplemental count (February 2015) ISD audited FTE values are due to CEPI by July 30, 2015.
- July 8, 2015 was the first Adult Education participant count date for the school year 2015-2016. These counts should be reported to CEPI with the October 2015 FTE data.
- October 7, 2015, the first Wednesday in October, is the **Pupil Membership Count Date** for FY 2015-2016.

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