

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, 2020.

Taxable value figures used to calculate the July payment represent the tax year 2019 values provided by county treasurers via the web-based taxable valuation collection process. Revisions to taxable values received prior to June 29, 2020 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 June 23, 2020.

STATE AID WAIVER REQUESTS

The Department has transitioned to accepting applications for waivers through online forms only. These online forms must be used to ensure that the request is received and can be considered for approval. Paper and email requests are no longer accepted. Please share this information with appropriate staff in your district:

[Common Calendar Waiver](#) – Used to deviate from the spring/winter break provided in the ISD's common calendar.

[Alternative Count Day Waiver](#) – Allows a district to have an alternate count date.

[Schools of Choice Waiver](#) – Allows a district to extend the application/enrollment windows for schools of choice.

Questions related to the above waivers should be directed to Brian Ciloski, State Aid and School Finance, 517-241-2209, or CiloskiB@Michigan.gov.

[Additional Forgiven Days Waiver](#) – Allows a district to request up to three additional days of forgiven time.

[Travel Time Waiver](#) – Allows a district to count additional travel time for certain programs.

Questions related to the above waivers should be directed to Jessica Beagle, State Aid and School Finance, 517-241-6435, or BeagleJ1@Michigan.gov.

[Labor Day Waiver](#) – Allows a district to provide instruction prior to Labor Day.

Questions related to the above waiver should be directed to Chad Urchike, State Aid and School Finance, 517-335-1261, or UrchikeC1@Michigan.gov.

SENATE BILL 690 FUNDS INCLUDED IN JULY PAYMENT

Senate Bill 690 was enrolled on June 17, 2020 and signed by Governor Whitmer on July 1, 2020 with immediate effect. This legislation allocates \$18,000,000 to districts and public school academies to "support instructional recovery programming, benchmark assessments, or health and safety expenditures necessary to provide instruction safely due to COVID-19." These funds will be included in the July 20, 2020 State Aid payment at a rate of \$12.32 per pupil. As membership will shift slightly from July to August, minor adjustments will take place in the August payment.

Questions concerning this payment can be sent to Phil Boone at boonep2@michigan.gov for more information.

ACCOUNTING FOR NEW "DISTRICT COVID COSTS" FUNDS

Beginning with July 2020 State School Aid payments, districts will receive a new allowance line item called "DISTRICT COVID COSTS". Although these funds are being paid through State Aid,

they are restricted federal funds (making up a portion of Federal Coronavirus Relief Fund (CFDA 21.019) usage authorized by SB 690 signed into law on July 1, 2020). These revenues should be coded under Major Class Code 414, Suffix Code 0250, and expenditures (of these funds only, not all COVID-related expenditures) should be recorded with Grant Code 798. Questions related to this item may be directed to Christopher May at 517-335-1263 or MayC@michigan.gov.

UPDATED FINANCIAL ACCOUNTING GUIDANCE DURING THE COVID-19 PANDEMIC

[Financial Accounting Guidance During the COVID-19 Pandemic](#) has recently been updated to include information on accounting for new "District COVID Costs" and Child Care Relief funds, as well as guidance on accounting for personal protective equipment (PPE) expenditures. This publication will continue to be updated frequently as MDE receives additional questions from districts and information regarding state and federal financial reporting requirements. Questions regarding this item may be directed to Christopher May at 517-335-1263 or MayC@michigan.gov.

UPDATE EEM WITH BUSINESS MANAGER CONTACT

Districts are strongly encouraged to update the [Educational Entity Master](#) (EEM) with a Business Manager contact. This will ensure timely notification for important issues like the indirect cost rate. Take action now! As districts transition to a new year, now is a good time to ensure all contacts are up-to-date. Consider implementing a best practice to review all contacts in the EEM on a quarterly basis.

REMINDER TO DISTRICTS THAT PLEDGED THEIR AUGUST PAYMENT

Approximately **102** school districts participated in the Michigan Finance Authority's (MFA) State Aid Note (SAN) Program **2019 A-2** (no set-aside pool) and pledged 100% of their August **2020** 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 **Melissa Lovegrove**, Michigan Finance Authority **517-241-4207** or lovegrovem@michigan.gov.

SHARED TIME MEMBERSHIP GROWTH CAP

Section 6(4)(ii) limits the amount of part-time membership that may be claimed for a pupil enrolled under Section 166b to not more than 0.75 of a full-time equated membership. Section 6(4)(II) limits the growth in Section 166b membership from one year to the next.

For districts that had 5% or more of membership coming from pupils under Section 166b in the prior year:

- Membership growth for pupils counted under Section 166b shall not exceed 10% from the prior year.

For districts that had less than 5% of membership coming from pupils under Section 166b in the prior year:

- Membership for pupils counted under Section 166b shall not exceed the greater of 5% of non-Section 166b membership or 10% of Section 166b membership in the prior year.

Questions should be directed to Brian Ciloski, State Aid and School Finance, 517-241-2209, or CiloskiB@Michigan.gov.

2019-20 DAYS AND CLOCK HOURS REPORTING DEADLINE IS AUGUST 1, 2020

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, 2020](#). 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 2019-20 school year.

The user guide to assist districts in using the application can be viewed [here](#). Further questions regarding the application can be addressed by contacting CEPI Customer Support at CEPI@Michigan.gov.

SECTION 31A ANNUAL PROGRAM AND FISCAL REPORT DUE IN MEGS+

Local Educational Agencies (LEAs) receiving Section 31a At-risk funds were required to submit the Fiscal Year (FY) 2020 Section 31a Annual Program and Fiscal Report (APFR) by July 15, 2020. LEAs with extenuating circumstances should have requested additional support from one of the individuals listed below prior to July 15, 2020. Please note, failure to submit the Section 31a APFR or request additional support may result in the withholding of Section 31a funds in the August 2020 state aid payment. The FY 2020 Section 31a APFR is available in [MEGS+](#).

Questions regarding the MEGS+ Section 31a APFR may be directed to:

Office of Educational Supports

- Special Populations Unit 517-241-6977
 - Michelle Williams, Unit Manager, williamsm48@michigan.gov
 - Dawn Carmody, Consultant, carmodyd1@michigan.gov
 - Stephanie Holmes-Webster, Consultant, holmeswebsters@michigan.gov
 - Joan Jackson, Consultant, jacksonJ33@michigan.gov
 - Suzanne Grambush, Consultant, grambushS1@michigan.gov
- Financial Unit 517-241-5388
 - Judy Thelen, Analyst, thelenj8@michigan.gov

TAXABLE VALUE SYSTEM UPDATES

The online taxable valuation collection system is available for county treasurers to input tax year 2020 values for calculating FY 2021 State School Aid. These values are due by September 1, 2020. Please encourage your treasurer to report these values if they have not already done so. Taxable Value data can be viewed [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 at 517-335-4059 or BooneP2@Michigan.gov, or Jeff Kolb at 517-241-2207 or KolbJ2@michigan.gov.

GENERAL INFORMATION

- The proration factor for the Section 31a – At Risk funding is 78.69094743%.
- The Section 22d(4) Isolated District funds are paid at \$51.6561559634 per pupil.
- The Headlee Obligation for Data Collection funds are paid at \$25.7843714635 per pupil.
- The Supplemental count (February 2020) ISD audited FTE values are due to CEPI by July 31, 2020.
- October 7, 2020, the first Wednesday in October, is the **Pupil Membership Count Date** for FY 2020-2021.
- February 10, 2021, the second Wednesday in February, is the **Supplemental Count Date** for FY 2020-2021.

*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, State Aid and School Finance, MDE, phone 517-335-4059, fax: 517-241-0196, email: BooneP2@Michigan.gov.