

**STATE SCHOOL AID DATA UPDATED FOR JUNE**

The following **categoricals** were updated in the June 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:

- First Robotics – Section 99h (Amanda Stoel - Education Improvement and Innovation –517-241-3629, [StoelA@michigan.gov](mailto:StoelA@michigan.gov))

**FY 2018 SCHOOL AID**

The School Aid budget for FY 2018 has made it through the Conference Committee. It will presumably see approval in both the House and Senate in these last few days before the legislature breaks for summer recess. Once approved in both chambers it will be presented to the Governor for signature. There is always the possibility of vetoes. Following are some highlights of the bill:

- The per pupil **Foundation Grants for FY 2018** will increase by a range of \$60 to \$120 using the “2X formula.” The increase will be added to the FY 2017 foundation grant resulting in the lowest foundation for FY 2018 being \$7,631 and the maximum state guaranteed foundation being \$8,289.
- The **Pupil Membership Blend** will remain at 90% of the current school year October count and 10% of the prior school year February count.
- The Section 31a **At-Risk** funding is increased by \$120,011,800 to \$499,000,000. Eligibility is expanded from free lunch eligible pupils to include pupils eligible for reduced price lunch, TANF, SNAP, or migrant, homeless, or pupils in foster care. Hold Harmless and Out of Formula districts are now eligible, but will be capped at 30% of the per pupil allowance. Districts that are currently eligible would receive approximately \$777 per pupil and newly eligible districts would receive approximately \$233 per pupil.
- The per pupil funding under **Sections 20f(2) and 20f(4)** will be equal to the per pupil funding under those Sections in 2016-17.
- **Section 147c** is reduced by \$22.0 million to reflect higher rates of return on investments.
- **ISD General Operation** funding under **Section 81** will remain at \$67.1 million.
- **Shared Time Instruction for Nonpublic and Homeschool Pupils Section 23f** caps the maximum FTE for which a nonpublic school pupil may be counted in a shared-time program at 0.75 FTE per pupil.

**New Programs include:**

- Section 21j - \$500,000 for Competency Based Competitive Grants
- Section 21h - \$100 placeholder for Partnership Model Districts
- Section 22m - \$1,200,000 for Regional Data Hubs
- Section 95b - \$2.5 million for a Value-added Growth Model
- Section 64d - \$1 million for Information Technology Certificates

**Boilerplate Changes include:**

**A New Section 160** has been added which requires districts seeking a waiver to begin the school year before Labor Day to hold a public hearing with the MDE in the district before the waiver can be granted.

**A New Section 164g** has been added which imposes a penalty on any district using State Aid funds to pay expenses related to legal action against the state.

**A New Section 164h** has been added to state that there will be a 5% state school aid penalty for a district or ISD that enters into a collective bargaining agreement that fails to comply with requirements including prohibitions on the automatic deduction of union dues from payroll and racial or religious preferences in hiring.

The summary provided above should not be considered a complete description of the content of House Bill 4235. Additional information and details on this bill can be found [here](#).

**INDIRECT COST RATES**

Adjustments to local and intermediate school district Indirect Cost Rates were due to the Department by June 1, 2017. The process of recalculating rates is nearly complete and final rates will soon be available on the Department’s website [here](#). We expect to post final rates on or before Friday, June 23<sup>rd</sup>. Questions related to the

indirect cost rate calculations should be directed to Jessica Beagle, Office of State Aid and School Finance, at 517-241-6435 or e-mail at [BeagleJ1@Michigan.gov](mailto:BeagleJ1@Michigan.gov).

### **DAYS AND CLOCK HOURS REPORTING**

Deadlines: The district deadline for submitting the Days and Clock Hours of Instruction Report for the 2016-17 school year is July 14, 2017. Intermediate districts will have until August 1, 2017 to certify the district data for submission to the Department as required under Section 101(3) of the State School Aid Act. Districts are encouraged to submit their days and clock hours report to the ISD early where possible to allow for adequate time to review and correct issues with the submission.

Reporting: The days and hours reporting has been integrated into the Educational Entity Master (EEM) system, and is accessible through the "Days and Clock Hours" application link in the left navigation. After clicking on the link, users will select "Data Submission" to start their report for the year.

Note: The "Days and Clock Hours" application requires specialized credentials to access the system. If the "Days and Clock Hours" application link does not appear in the left navigation after logging into the EEM, please contact CEPI for assistance in gaining access to the application. Questions regarding the Days/Clock Hours application should be directed to CEPI Support at [CEPI@Michigan.gov](mailto:CEPI@Michigan.gov).

### **INTERMEDIATE SCHOOL DISTRICT FINANCIAL REPORTING**

Intermediate School Districts (ISDs) are required to post certain information on their website to comply with Budget Transparency legislation in Section 18 of the State School Aid Act (MCL 388.1618). Specifically, they are required to post information found in Subsections 2a, 2bi, and 2c. As a reminder, there were three new data elements added to Subsection 2c in 2015-16. Information on all of the required data elements may be found on our website by clicking [here](#).

In addition to the above, ISDs must also post an Annual Website Report on their website (MCL 380.620). This report must be posted by December 31 of each year and include data from the most recently completed fiscal year. For state wide consistency, the Department recommends providing a link to the Annual Website Report at the bottom of your Budget Transparency web page. Additional information about the Annual Website Report may be found on our website by clicking [here](#).

Questions related to Budget Transparency and the Annual Website Report may be directed to Chad Urchike at [UrchikeC1@Michigan.gov](mailto:UrchikeC1@Michigan.gov) or 517-335-1261.

### **Sigma Vendor Self-Service**

The State of Michigan is upgrading its financial and business systems to a new system, SIGMA. What does this mean for you at the school district level? It means that you will have a new link to bookmark for Contract & Payment Express (C&PE) which will now be SIGMA Vendor Self Service (VSS) to update your vendor information: [www.michigan.gov/SIGMAVSS](http://www.michigan.gov/SIGMAVSS) (and click the "VENDORS" tab at the bottom).

Vendors currently registered and active in Contract & Payment Express (C&PE) on June 30, 2017, will be converted to SIGMA VSS. All of your active address, banking, and information will be securely transferred to SIGMA VSS. Vendor information from Buy4Michigan will not be loaded into SIGMA VSS. To check your current status in C&PE, log in at [Michigan.gov/CPEExpress](http://Michigan.gov/CPEExpress).

Things you need to know:

- No action necessary until after July 31, 2017
- For active vendors/grantees that have been doing business with the state, all information will be converted to the new SIGMA VSS system
- After July 31, 2017, you will need to claim your account and set up user roles in SIGMA VSS. During this time, you have the option to setup notification preferences for grant and procurement commodities
- The State will use SIGMA VSS to post business opportunities beginning July 31, 2017
- For more information, check back after July 31, 2017 to visit the SIGMA VSS website
- Contact: [SIGMA-Vendor@Michigan.gov](mailto:SIGMA-Vendor@Michigan.gov)

### **SECTION 64b DUAL ENROLLMENT INCENTIVE FUNDS**

Incentive payments for supporting postsecondary opportunities for students remain available in 2016-17. A maximum of \$60 per course can be claimed by coding eligible courses as "10" in the TSDL collection upon completion of a course (a separate submission of an Excel form is no longer required to claim these incentives). Incentive payments will be included in districts' state school aid payments following claim processing and course verification. Questions related to the processing of Section 64b Dual Enrollment Incentives may be directed to the Center for Education Performance and Information at 517-335-0505 or [cepi@michigan.gov](mailto:cepi@michigan.gov). Questions related to

dual enrollment and eligibility for these incentives may be directed to Christopher May at 517-335-1263 or [MayC@michigan.gov](mailto:MayC@michigan.gov).

### **FINANCIAL INFORMATION DATABASE (FID) BUILDING LEVEL REPORTING**

In an effort to collect more complete and accurate building-level data that will allow the State to prepare district- and school-level report cards as required by the Every Student Succeeds Act (ESSA), a small change is being phased into the FID collection over the next two years. While MDE and CEPI guidance has historically directed districts to report 100% of Instruction (Function Codes 1xx) and School Administration (Function Codes 24x) expenditures with a valid school/building code, the FID application has previously allowed certain expenditures within these categories to be reported at the district level.

For the upcoming fall 2017 FID collection of fiscal year 2016-17 financial data, a warning will be generated if any Instruction or School Administration expenditures are reported without a school/building code. Beginning with the fall 2018 FID collection of 2017-18 financial data, an error will be generated instead, preventing the submission of any FID without school/building codes assigned to all Instruction and School Administration expenditures.

Questions related to school accounting and financial reporting may be directed to Christopher May at 517-335-1263 or [MayC@michigan.gov](mailto:MayC@michigan.gov). Questions related to the FID application may be directed to the Center for Educational Performance and Information (CEPI) at 517-335-0505 extension 3 or [cepi@michigan.gov](mailto:cepi@michigan.gov).

### **SECTION 31A AT-RISK PROGRAM REPORTS DUE JULY 17, 2017**

Local districts and public school academies receiving fiscal year 2017 funds under Section 31a At-Risk are required to submit the fiscal year 2017 Section 31a Program Report to the Department by July 17, 2017. The Section 31a Program Report is available in the Michigan Electronic Grants System Plus (MEGS+). If the report is not submitted by July 17, 2017, an amount equal to the district's Section 31a August installment will be withheld from the August 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, 2017. If you have questions regarding the Section 31a program and reporting requirements, please contact Shereen Tabrizi, Manager, Special Populations Unit, at [TabriziS@michigan.gov](mailto:TabriziS@michigan.gov) or 517-373-6066. If you have MEGS+ related questions, please contact Judy Thelen, Analyst, Office of Field Services, at 517-335-1266 or [ThelenJ8@Michigan.gov](mailto:ThelenJ8@Michigan.gov).

### **GENERAL INFORMATION**

- **Proration factors:** Section 31a – At-Risk funding per pupil proration is \$184.183268282.
- The Section 22d(4) Isolated District funds are being paid at \$44.7870358553 per pupil.
- The Headlee Obligation for Data Collection funds are being paid at \$25.2655628367 per pupil.

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\*Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or **Phil Boone**, Director, State Aid and School Finance, MDE, phone: 517-335-4059, fax: 517-241-0196, e-mail: [BooneP2@Michigan.gov](mailto:BooneP2@Michigan.gov)