

STATE SCHOOL AID DATA UPDATED FOR MAY

The May state school aid payment is the 8th regular payment of the year and reflects 72.72% 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, May 20, 2019.

TAXABLE VALUE figures used to calculate the May payment represent the tax year 2018 values provided by county treasurers via the web-based taxable valuation collection process. Any revisions to taxable values received prior to May 7, 2019 were incorporated into the payment calculation. County treasurers should have reported by that date the taxable valuations as of the date that they settled with the local unit treasurers. The settlement numbers will have value changes from the July and December Boards of Review as well as any other changes since the fourth Monday in May 2018. Districts may want to contact their county treasurers to encourage them to report the revised values if it is apparent that they have not yet done so.

The **MEMBERSHIP BLEND** used to calculate the May payment incorporated all Michigan Student Data System (MSDS) pupil (FTE) counts released to the Department as of April 29, 2019, the date the Department downloaded the pupil counts from the Center for Educational Performance and Information.

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

- Partnership Model Districts – Section 21h (Daniel LaDue, School Reform Office, (517) 284-6971, LaDueD@michigan.gov)
- Great Start Readiness Program – Section 32d (Becky Pennington, Office of Great Start, 517-241-7005, PenningtonB@michigan.gov)

BUDGET ASSUMPTION REPORTING – EARLY WARNING

Pursuant to Public Act 109 of 2015, each school district and public school academy that has a general fund balance less than 5% of total unrestricted general revenue for either of the 2016-2017 or 2017-2018 school fiscal years is required to submit budget assumptions to the Center for Educational Performance and Information (CEPI). The Department of Treasury will contact school districts and public school academies that are required to submit budget assumptions. The budget assumption data collection period begins June 3, 2019 and is open through July 7, 2019. The Department of Treasury will not declare potential fiscal stress based solely on a school district's or public school academy's budget assumption data. If you would like more information regarding budget assumptions and early warning, please visit www.Michigan.gov/OSRFA. If you have any questions, please contact Sam Irrer at IrrerS4@michigan.gov or (517) 290-1457.

INDIRECT COSTS

The [indirect cost rate](#) information is available. The new rate information includes Special Education rates for 2018-2019 and preliminary rate information for 2019-2020. Form R0418a, *Costs for the Development of 2019-2020 Federal Indirect Cost Rates*, details the cost data used to calculate preliminary indirect cost rates. Form R0418, *Carryforward Calculation for 2019-2020 Federal Indirect Cost Rates*, shows the results of the preliminary calculation. Form DS-4513 allows a district to edit preliminary cost information to reflect more accurate indirect cost rates. Form DS-4513 is due by June 1, 2019.

Districts with [membership greater than 2,999](#) have been identified and will be required to complete the Head of Component tab (Part IV-HOC). This worksheet has been updated to improve the data

collection process. Districts required to complete this worksheet will submit an organizational chart along with form DS-4513. We also encourage districts to enter a Business Manager contact in the [Educational Entity Master \(EEM\)](#) to receive Head of Component communications.

Indirect forms will continue to be submitted through the online portal:

<https://fs10.formsite.com/SASF/form14/index.html>. If you have any questions or comments, please contact Jessica Beagle at 517-241-6435 or BeagleJ1@Michigan.gov.

FORGIVEN TIME / SNOW DAY INFORMATION (2018-19)

To help districts understand how the forgiven time for state of emergency days may apply to their district, several live Q&A webinars are available for districts to attend and have their questions answered. Topics may include applying all forms of available forgiven time, applying forgiven time to hours, days where attendance falls below 75%, days and clock hours reporting, and working with your ISD auditor. We strongly urge you to join one of the Q&A webinars to have your questions answered. Additional information including dates and times of the webinars can be found at <https://www.michigan.gov/mde/0,4615,7-140--497439--,00.html>.

DEFICIT DISTRICT INFORMATION

Districts incurring a negative general fund balance as of June 30, 2019 or adopting a 2019-2020 deficit budget are required to submit a Deficit Elimination Plan (DEP) to the Department 30 days after the local school board adopts the budget or 30 days after the state school aid budget is enacted, whichever is later.

Districts incurring a negative general fund balance as of June 30, 2019 should contact the State Aid and School Finance Unit. The DEP template is available on our website. Questions should be directed to Chad Urchike at 517-335-1261 or UrchikeC1@Michigan.gov.

MAY REVENUE ESTIMATING CONFERENCE

Leaders from the House and Senate Fiscal Agencies and the State Treasurer met for the May Revenue Estimating Conference on May 17, 2019. The purpose of the conference is to reach a consensus on the current fiscal year (2018-2019) revenues and the projected revenues for fiscal year 2019-2020. The results have not been published in time for inclusion in this Update. It remains to be seen how this will impact the FY 2020 school aid budget. For more information regarding the revenue estimating conference, please visit the [House Fiscal Agency website](#) and/or the [Senate Fiscal Agency website](#).

GENERAL INFORMATION

- The proration factor for Section 31a At-Risk funding is 78.34069104%.
- The Section 22d(4) Isolated District funds are paid at \$49.7741178733 per pupil.
- The Headlee Obligation for Data Collection funds are paid at \$25.6250477176 per pupil.

*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, phone: 517-335-4059, fax: 517-241-0196, e-mail: BooneP2@Michigan.gov