

**STATE SCHOOL AID DATA UPDATED FOR MAY**

The May state school aid payment is the 8<sup>th</sup> 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 Wednesday, May 20, 2020.

**TAXABLE VALUE** figures used to calculate the May payment represent the tax year 2019 values provided by county treasurers via the web-based taxable valuation collection process. Any revisions to taxable values received prior to May 4, 2020 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 2019. 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 23, 2020, the date the Department downloaded the pupil counts from the Center for Educational Performance and Information.

**ACCOUNTING FOR ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF (ESSER) FUNDS OF THE EDUCATION STABILIZATION FUND PROGRAM**

Applications for federal Elementary and Secondary School Emergency Relief (ESSER) funds are now available to districts in MEGS+. As stated in application materials and upcoming Grant Award Notifications, districts must account for these funds as follows:

Revenue: Major Class 414, Suffix 0250 (new)

Expenditures: Grant Code 796 (new)

Questions regarding this item may be directed to Christopher May at 517-335-1263 or [MayC@michigan.gov](mailto:MayC@michigan.gov).

**DISTRICT GUIDE TO SCHOOL-LEVEL EXPENDITURE REPORTING UNDER THE EVERY STUDENT SUCCEEDS ACT (ESSA)**

The federal Every Student Succeeds Act (ESSA) contains a new requirement that all local public school districts (local education agencies and public school academies) publish actual per-pupil expenditures by individual school building. MDE has recently published a [District Guide to School-Level Expenditure Reporting Under the Every Student Succeeds Act](#) to assist districts in communication planning around these data that will be posted on the [MI School Data](#) website no later than June 30, 2020. This guide is intended to support district-level personnel communicating with principals, educators, community members, and media on the reporting requirement and school-level spending information.

Districts are encouraged to review prior communications and other resources on this topic, which can be accessed on [MDE's ESSA School-Level Financial Reporting webpage](#). Questions regarding this item may be directed to Christopher May at 517-335-1263 or [MayC@michigan.gov](mailto:MayC@michigan.gov).

**BUDGETARY 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 2017-2018 or 2018-2019 school fiscal years is required to submit budgetary 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 budgetary assumptions. The budgetary assumption data collection period begins June 1, 2020 and is open through July 7, 2020. The Department of Treasury will not declare potential fiscal stress based solely on a school district's or

public school academy's budgetary assumption data. If you would like more information regarding budgetary assumptions and early warning, please visit [www.Michigan.gov/OSRFA](http://www.Michigan.gov/OSRFA). If you have any questions, please contact the School Review and Fiscal Accountability Division at [OSRFA@Michigan.gov](mailto:OSRFA@Michigan.gov)

### **POSTPONEMENT OF CERTAIN GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS**

Earlier this month, GASB issued [Statement #95: Postponement of the Effective Dates of Certain Authoritative Guidance](#). This statement was issued to provide temporary relief to governments and other stakeholders by postponing the effective dates of certain provisions in recent Statements and Implementation Guides. This includes a one-year implementation postponement of GASB Statement #84: Fiduciary Activities. Since new account codes have already been established by MDE and many districts have already reclassified funds to comply with this Statement, districts are encouraged to work closely with their auditors to determine whether or not these postponements will result in any changes to planned 2019-20 financial reporting. Questions regarding this item may be directed to Christopher May at 517-335-1263 or [MayC@michigan.gov](mailto:MayC@michigan.gov).

### **INDIRECT COSTS**

The [indirect cost rate information](#) is available. The new rate information includes Special Education rates for 2019-2020 and preliminary rate information for 2020-2021. Form R0418A, *Costs for the Development of 2020-2021 Federal Indirect Cost Rates*, details the cost data used to calculate preliminary indirect cost rates. Form R0418, *Carryforward Calculation for 2020-2021 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, 2020.

Districts with [membership greater than 2,999](#) have been identified and will be required to complete the Head of Component tab (Part IV-HOC) of form DS-4513. Districts required to complete this worksheet will submit an organizational chart along with form DS-4513. Districts are also encouraged to enter a Business Manager contact in the Educational Entity Master (EEM) to receive Head of Component communications.

Two video tutorials have been added to the [indirect webpage](#) to assist districts with the indirect process and completing the DS-4513. Each tutorial addresses different sections of form DS-4513. You may review a particular section of interest or watch the videos in their entirety. The videos may be particularly helpful if you are new to the indirect process, have questions about completing the sub-contracts section, or are new to Head of Component.

Indirect forms will continue to be submitted through the [online portal](#). If you have any questions or comments, please contact Jessica Beagle at [BeagleJ1@Michigan.gov](mailto:BeagleJ1@Michigan.gov).

### **DEFICIT DISTRICT INFORMATION**

Districts incurring a negative general fund balance as of June 30, 2020 or adopting a 2020-2021 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, 2020 or adopting a 2020-2021 deficit budget 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](mailto:UrchikeC1@Michigan.gov).

### **MAY REVENUE ESTIMATING CONFERENCE**

Leaders from the House and Senate Fiscal Agencies and the State Treasurer will meet for the May Revenue Estimating Conference on May 15, 2020. The purpose of the conference is to reach a consensus on the current fiscal year (2019-2020) revenues and the projected revenues for fiscal year 2020-2021. 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 78.69094743%.
- The Section 22d(4) Isolated District funds are paid at \$51.6645267286 per pupil.
- The Headlee Obligation for Data Collection funds are paid at \$25.7899839834 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](mailto:BooneP2@Michigan.gov)