

# STATE SCHOOL AID UPDATE

Michigan Department of Education



November 2015

Vol. 24 No.2

## **NOVEMBER PAYMENT INFORMATION**

The November state school aid payment is the second fiscal year 2016 payment. The payment will be electronically transferred to the districts' accounts on Friday, November 20, 2015.

**Taxable Value** - The November payment continues to use the *beginning* 2015 tax roll non-PRE (non-Primary Residence Exempt property), and Commercial Personal property taxable value data for the Section 20 foundation calculations, as provided by the county treasurers via the web based taxable valuation collection process. These data can be viewed by school district personnel on the Department's website. The URL is:

<https://mdoe.state.mi.us/TaxableValue/login.aspx?mode=access&ReturnUrl=%2fTaxableValue%2f>. To view your data, click on "Public Access," and then choose your district code and the appropriate tax year from the drop-down menus. Questions concerning taxable value should **first be directed to the appropriate county treasurer.**

**Pupil Membership** - October 2015 unaudited pupil count data received prior to November 6, 2015 were used in the calculation of the blended membership count for the November payment. Otherwise, the estimates that were used in the October payment continue to be used. Please note that the **three-year average membership blend** was calculated for the November payment using either the estimates or the unaudited data, whichever was available. The three-year average blend is used for districts with a current year 90% - 10% blend of less than 1,550 **and** 4.5 or fewer pupils per square mile for whom the average of the membership blends for fiscal year 2014, fiscal year 2015 and fiscal year 2016 exceeds the current year blend. Districts receiving the three-year blend can see the details of the calculation on the State Aid Financial Status Report.

**Special Education Cost Figures** - The fiscal year 2014 special education and special education transportation cost figures continue to be used in the November payment. The fiscal year 2015 cost reports, which were due this fall, are being audited by the Office of Special Education and will be used to estimate current year costs when the data are released to the Office of State Aid and School Finance. (Dianne Easterling, Special Education Office, (517) 241-4517, [EasterlingD@Michigan.gov](mailto:EasterlingD@Michigan.gov))

**Updated Categoricals** - The following categorical were updated in the November 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:

- Great Start Readiness - Section 32d (Pat Sargent, Early Childhood Education, (517) 241-4741, [SargentP@Michigan.gov](mailto:SargentP@Michigan.gov))
- Special Education - Section 51a School for Deaf Tuition Deducts (Dianne Easterling, Special Education Office, (517) 241-4517, [EasterlingD@Michigan.gov](mailto:EasterlingD@Michigan.gov))
- Special Education - (Dianne Easterling, Special Education Office, (517) 241-4517, [EasterlingD@Michigan.gov](mailto:EasterlingD@Michigan.gov))
- Renaissance Zone Reimbursement - Section 26a (Howard Heideman, Treasury, Revenue and Tax Analysis, (517) 373-9002, [HeidemanH@Michigan.gov](mailto:HeidemanH@Michigan.gov))

## **NEW FISCAL YEAR 2016 SECTION 102D FUNDING**

Section 102d of the State School Aid Act provides \$1.5 million in FY 2016 to be paid on an equal per pupil basis for reimbursements to school districts for costs related to the purchase of school data analytical tool licenses. Below are some points to help clarify the reimbursement:

- The vendors will provide the Department with the applicable information needed to process the reimbursement. Districts will not be required to provide any information to the Department.
- To qualify for reimbursement, contracts with approved vendors must be in place by December 1, 2015.
- Districts will be reimbursed the lesser of the per-pupil calculation or the contract cost up to the full cost of the district's annual contract or the cost of one year of a multi-year contract. The contract must cover the fiscal year of the appropriation (October 1, 2015 through September 30, 2016) or the reimbursement will be prorated. However, contracts entered after October 1 and before December 1 will not be prorated if they run for a full year.
- Reimbursements will fluctuate as pupil counts are adjusted by audits and State School Aid Act Section 25e changes.
- The total population of students to be used in the per-pupil calculation will be reset once the fall 2015 count is audited for all districts. This will change the per-pupil amount for all of the districts that qualify for reimbursement.
- Funds will be distributed in a state school aid payment subsequent to the December payment. The target date is the January 20, 2016 payment.

Questions related to this item may be directed to Jeff Kolb, Office of State Aid and School Finance, (517) 373-1908 or [KolbJ2@Michigan.gov](mailto:KolbJ2@Michigan.gov).

## **SECTION 22D(4) SPARSELY POPULATED DISTRICT FUNDS UPDATED**

The criteria for Section 22d(4) funding were amended by 2015 P.A. 85. Previously, a district was required to have 5.0 pupils or less per square mile and more than 200 square miles. The revision requires 7.3 or fewer pupils per square mile

with no limit on the number of square miles in the district. The appropriation was increased from \$1.6 million to \$4 million. The Section 22d allowances in the November payment have been updated accordingly. The funds are to be paid out on an equal per pupil basis. That amount is \$44.99 for November. That amount will change slightly as actual pupil counts are received for the October 2015 count and incorporated into the calculation.

### **2015-16 DISTRICT/ISD CONSOLIDATION GRANT ANNOUNCEMENT**

The Michigan Department of Education is pleased to announce the fiscal year 2016 District/ISD Consolidation Grant program authorized under Section 22g of the State School Aid Act, PA 85 of 2015. An allocation of \$5 million has been made available to this program that will award competitive grants to districts and intermediate districts for the reimbursement of transition costs associated with the complete consolidation or annexation of districts or intermediate districts. The October 22, 2015 grant award notification, application documents, supplemental materials, and other information are available on the [State Aid & School Finance website](#). Applications will be accepted through December 22, 2015 and award determinations and announcements are expected to be made in February 2016. Questions regarding this grant program may be directed to Jessica Beagle at [BeagleJ1@michigan.gov](mailto:BeagleJ1@michigan.gov) or 517-241-6435.

### **FISCAL YEAR 2015 FID DATA**

The Department would like to thank school district administrators for submitting the fiscal year 2015 FID data. Department staff is currently reviewing the data for quality. E-mails will be sent to specific FID users if corrections are needed by the end of November. The FID remains open at this time for districts to submit updated files. Once the final FID data have been processed, preliminary 2017 Indirect Cost Rates and 2015 Maintenance of Effort will be calculated. Questions related to this item may be directed to Chris May at (517) 335-1263 or e-mail: [MayC@Michigan.gov](mailto:MayC@Michigan.gov).

### **DEFICIT ELIMINATION PLANS**

Any district or public school academy that incurred a negative fund balance as of June 30, 2015 must submit to the Department a board adopted Deficit Elimination Plan with a matching fiscal year 2016 budget. Districts with completed FID submissions that indicate deficit status are notified of this requirement. Failure to submit a complete Deficit Elimination Plan by the due dates in that correspondence will result in the withholding of state school aid payments. Questions may be directed to Jeff Kolb, Office of State Aid and School Finance, (517) 373-1908 or [KolbJ2@Michigan.gov](mailto:KolbJ2@Michigan.gov).

### **BUDGET TRANSPARENCY REMINDER**

Penalty language has been added to Section 18 of the State School Aid Act (MCL 388.1618), which imposes a penalty on those schools not in compliance with Budget Transparency. To avoid a state aid penalty, please have your transparency page updated by December 1, 2015. Updated transparency guidance which includes information on all of the required data elements may be found on our [website](#).

Websites will be reviewed for compliance beginning December 1, 2015, with correspondence going to LEAs/ISDs and PSAs/Authorizers. If your transparency page is ready for review, please let Chad Urchike know and your page will be given priority. For your reference, we can also recommend compliant school websites to view. Questions related to Budget Transparency should be directed to Chad Urchike, Office of State Aid and School Finance, at (517) 335-1261 or by e-mail at [UrchikeC1@Michigan.gov](mailto:UrchikeC1@Michigan.gov).

### **SECTION 147A AND 147C MPSERS FUNDS**

The November 2015 payment includes funds from Section 147a of the State School Aid Act that appropriates \$100 million for offsetting Michigan Public School Employee Retirement Service (MPSERS) costs and from Section 147c that appropriates \$892.9 million for the UAAL rate stabilization. These funds are to be used solely for the purpose described in the respective State School Aid Act sections. The amount allocated to each entity is based on each participating entity's percentage of the total statewide payroll for all participating entities for the state fiscal year ending September 30, 2015.

If you are no longer a participating entity as defined in the act then you are not entitled to the funds and they will need to be returned to the Department. Please notify the Department of that change at your earliest convenience. Guidance on this topic from the Department can be found at [http://www.michigan.gov/mde/0,4615,7-140-6530\\_6605---,00.html](http://www.michigan.gov/mde/0,4615,7-140-6530_6605---,00.html). Questions related to the MPSERS funds should be directed to Phil Boone, at (517) 335-4059 or by e-mail at [BooneP2@Michigan.gov](mailto:BooneP2@Michigan.gov).

### **IMPORTANT DATES TO REMEMBER**

- The **fiscal year 2015 MSDS Records (including State Aid FTE Counts)** for the October 7, 2015 count date were due to the Center for Educational Performance and Information (CEPI) by **November 11, 2015 and are to be certified by November 18.**
- **November 1** was the deadline for local districts (including PSAs) to file their **fiscal year 2015 financial audit reports** with the ISD and the Department. It was also the date for the ISD to file its own **financial report** and the **pupil membership audit reports** for its constituent districts with the Department. (Naomi Krefman, (517) 335-6858, [KrefmanN@Michigan.gov](mailto:KrefmanN@Michigan.gov)).
- **November 1** was the deadline for local and intermediate districts (including PSAs) to submit the **fiscal year 2015 Annual Comprehensive Financial Report - FID**. (Chris May, (517) 335-1263, [MayC@Michigan.gov](mailto:MayC@Michigan.gov)).
- **Proration factors** for November: Section 31a At Risk \$184.3807767115 per pupil.
- The **Headlee Obligation for Data Collection** funds are being paid at \$24.9664174895 per pupil.

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\*Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or **Dan Hanrahan, Director, State Aid & School Finance, MDE**, phone: **(517) 335-0521**, fax: **(517) 241-0196**, e-mail: [HanrahanD@Michigan.gov](mailto:HanrahanD@Michigan.gov)