

NOVEMBER PAYMENT INFORMATION

The November state school aid payment is the second fiscal year 2018 payment. The payment will be electronically transferred to districts' accounts on Monday, November 20, 2017.

Taxable Value – The November payment continues to use the *beginning* 2017 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](#). To view your data, click on "Public Access," enter your district code, and choose the appropriate tax year from the drop-down menu. Questions concerning taxable value should **first be directed to the appropriate county treasurer**.

Pupil Membership – October 2017 unaudited pupil count data received prior to October 31, 2017 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 pupils **and** 4.5 or fewer pupils per square mile for whom the average of the membership blends for fiscal year 2016, fiscal year 2017, and fiscal year 2018 exceed 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 2016 special education and special education transportation cost figures continue to be used in the November payment. The fiscal year 2017 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)

Updated Categoricals – The following categorical updates 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, Great Start Office, 517-241-4741, SargentP@Michigan.gov)
- Early Literacy Additional Instructional Time – Section 35a(5) (Linda Forward, Education Improvement and Innovation Office, 517-373-8480, FowardL@Michigan.gov)
- Vocational Education – Section 61a(1) (Joan Church, Career and Technical Education Office, 517-335-0360, ChurchJ@Michigan.gov)
- Pre-College Engineering – Section 65 (Patty Cantu, Career and Technical Education Office, 517-335-5224, CantuP@Michigan.gov)

FISCAL YEAR 2017 FID DATA

The Department would like to thank school district administrators for submitting the fiscal year 2017 FID data. Department staff are 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 will remain open until November 22, 2017 for districts to make any necessary corrections. Once the final FID data have been processed, preliminary 2019 Indirect Cost Rates and 2017 Maintenance of Effort will be calculated. Questions related to this item may be directed to Christopher May at 517-335-1263 or MayC@Michigan.gov.

DEFICIT ELIMINATION PLANS

Schools that incurred a negative fund balance as of June 30, 2017 must submit to the Department a board adopted Deficit Elimination Plan (DEP) with a matching fiscal year 2018 budget. The DEP form may be found on our [website](#). Questions may be directed to Chad Urchike at 517-335-1261 or UrchikeC1@Michigan.gov.

BUDGET TRANSPARENCY REMINDER

Section 18 of the State School Aid Act (MCL 388.1618) includes penalty language which imposes a penalty on schools not in compliance with Budget Transparency. To avoid a state aid penalty, please have your transparency page updated by December 1, 2017. Updated transparency guidance which includes information on all of the required data elements may be found on our [website](#). School websites will be reviewed for compliance beginning December 1, 2017, with correspondence being sent to LEAs/ISDs and PSAs/Authorizers. You do not

have to wait for our review. When 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 at 517-335-1261 or UrchikeC1@Michigan.gov.

NOTE: The Budget Transparency Icon has been updated for this year, to help schools with meeting accessibility standards. The new logo is available in multiple versions to better fit a website's design requirements. When using the version without text, the text "Budget & Salary/Compensation Transparency Reporting" must accompany the icon using means suitable for the website platform and current technical standards. The new icon may be found on our [website](#).

Please replace the icon on your Home Page with the new icon. The new icon should still be placed so it is immediately viewable once your Home Page has loaded and should measure at least 150 x 150 pixels.

FISCAL YEAR 2018 SECTION 31A AT-RISK FUNDING

Pupil eligibility for this section has been expanded and will be determined using the economically disadvantaged pupils reported to CEPI in the immediately preceding fiscal year. "Economically disadvantaged" means a pupil who has been determined eligible for free or reduced-price meals; who is in a household receiving supplemental nutrition assistance program or temporary assistance for needy families assistance; or who is homeless, a migrant, or in foster care, as reported to CEPI.

Each membership pupil determined to be economically disadvantaged will receive an amount equal to 11.5% of the statewide weighted average foundation allowance (instead of the district's foundation allowance). The statewide weighted average foundation allowance is currently calculated at \$7,784 per pupil.

Districts with a combined state and local revenue per membership pupil under Sections 20 and 20m that is greater than the basic foundation allowance under Section 20 will also be eligible, however, the allocation shall be an amount equal to 30% of the allocation for which it would otherwise be eligible, before any proration.

Proration (if necessary) will be calculated using an equal percentage per district instead of reducing by a per pupil amount.

NOTE: Allocations published on the October 20, 2017 status reports are incorrect. Staff discovered an issue with the proration. Allocations have been revised with the November 2017 payment. The allocation displayed on the status report is already prorated, with districts receiving 88.21981892% of the gross allocation after proration.

SENATE BILL 133 PASSED

On November 7, 2017, Senate Bill 133 was signed into law becoming [Public Act 143 of 2017](#). The legislation had an effective date of November 2, 2017, and will impact the pupil membership requirements for shared time programs under Section 166b, pupil membership transfers under Section 25e, and virtual programs operating under Section 21f, during the February 2018 Supplemental Count. The Pupil Accounting Manual will be updated for December to reflect these changes in legislation. Please be sure to review all of the amended language to ensure that changes to the membership requirements are observed, as well as to become familiar with the other sections of state aid that have been amended through this bill.

MPSERS RETIREMENT FUNDS

The November 2017 payment includes 18.18% of the annual amount for the following state aid Sections, with districts receiving an additional 9.09% each month through August.

- Section 147a(1) appropriates \$100 million for offsetting a share of Michigan Public School Employees Retirement System (MPSERS) costs.
- Section 147a(2) appropriates \$48.94 million for offsetting a portion of the normal cost contribution rate.
- Section 147c(1) appropriates \$960.13 million for the UAAL rate stabilization.

Section 147c(2) MPSERS One-Time Deposit was paid in full as part of the October payment.

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, 2017. 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. If you have questions regarding the related invoices and payments due to ORS, contact ORS at 517-636-0166 or

ORS_WEB_Reporting@michigan.gov. Questions related to accounting for the payments may be directed to Christopher May, Office of State Aid and School Finance, at 517-335-1263 or MayC@Michigan.gov.

IMPORTANT DATES TO REMEMBER

- The **fiscal year 2018 MSDS Records (including State Aid FTE Counts)** for the October 4, 2017 count date were due to the Center for Educational Performance and Information (CEPI) by **November 8, 2017 and are to be certified by November 15.**
- **November 1** was the deadline for local districts (including PSAs) to file their **fiscal year 2017 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 Casher, 517-335-6858, CasherN@Michigan.gov
- **November 1** was the deadline for local and intermediate districts (including PSAs) to submit the **fiscal year 2017 Annual Comprehensive Financial Report - FID**. Chris May, 517-335-1263, MayC@Michigan.gov
- **Proration factors** for November: Section 31a At Risk is \$0.8821981892 per pupil.
- The **Headlee Obligation for Data Collection** funds are being paid at \$25.3020721379 per pupil.

Do you have questions about the information appearing in this Update? Call the consultants identified above or **Phil Boone, Director, State Aid & School Finance, MDE**, at 517-335-0521, or via fax at 517-241-0196, or via e-mail at BooneP2@Michigan.gov.