

## **NOVEMBER PAYMENT INFORMATION**

The November state school aid payment is the second fiscal year 2021 payment. The payment will be electronically transferred to districts' accounts on Friday, November 20, 2020.

## **TAXABLE VALUE**

The November payment continues to use the *beginning* 2020 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, 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 2020 unaudited pupil count data received prior to October 27, 2020 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 75% - 25% super 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 2019, fiscal year 2020, and fiscal year 2021 super blend exceed the current year super 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 2019 special education and special education transportation cost figures continue to be used in the November payment. The fiscal year 2020 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 State Aid and School Finance unit. (Scott Kemmer-Slater, Special Education Office, 517-335-1662, [KemmerSlaterS@Michigan.gov](mailto:KemmerSlaterS@Michigan.gov))

## **FINANCIAL INFORMATION DATABASE/ACCOUNTING REMINDERS**

All local and intermediate school districts as well as public school academies that received state school aid during FY 2020 are required to electronically submit their financial data to the Financial Information Database (FID) by **December 1, 2020**. This deadline (regularly November 1 each year) was extended for FY 2020 only and applies to both FID submissions and submissions of audited financial statements to MDE. Questions related to the financial data required in this submission may be directed to Christopher May at 517-335-1263 or [MayC@michigan.gov](mailto:MayC@michigan.gov). Questions related to the submission of audited financial statements may be directed to Gloria Suggitt at 517-241-2225 or [SuggittG@michigan.gov](mailto:SuggittG@michigan.gov).

## **GASB STATEMENT #84 IMPLEMENTATION & REQUIRED FID ENTRY**

As districts implement GASB #84 (in either FY20 or FY21 as a result of the optional implementation extension provided by GASB Statement #95), an additional, manual entry may be required in FID revenue files in order to restate the fund balance of Fund 29, the new Student/School Activities Fund. In FID, Fund 29 will show a beginning balance of zero. Although the restatement of fund balances during implementation of Statement #84 may only affect districts' balance sheets, a Revenue Prior Period Adjustment (Major Class Code 551) will be required in FID to "catch up" calculated balances within the system and allow calculated balances to match uploaded balances. This one-time entry will not impact beginning balances in the system, but instead (intentionally) overstate total revenues for the fund in the year of implementation only. We acknowledge this will result in a discrepancy between FID and audit revenue totals, and will expect this during data quality checks and analyses. Questions regarding this item may be directed to Christopher May at 517-335-1263 or [MayC@michigan.gov](mailto:MayC@michigan.gov).

## **DEFICIT ELIMINATION PLAN**

Schools incurring a negative fund balance at June 30, 2020 or projecting a negative fund balance at June 30, 2021 must submit a Deficit Elimination Plan (DEP) with a matching fiscal year 2021 budget. The DEP form is found on our [website](#). Questions may be directed to Chad Urchike at 517-335-1261 or [UrchikeC1@Michigan.gov](mailto:UrchikeC1@Michigan.gov).

## **BUDGET TRANSPARENCY REMINDER**

Back by popular demand, early reviews of transparency pages are available. When your page is updated, please send an email to Chad Urchike at [UrchikeC1@Michigan.gov](mailto:UrchikeC1@Michigan.gov), and it will be given priority. Because the 2019-20 FID submission deadline has been changed to December 1, budget transparency pages need to be updated by January 1.

The audited financial statements database found on MDE's website is no longer available, which means districts linking to the database should delete the link and post a copy of their 2019-20 audit on the transparency page. This only affects districts that linked to the database. Please post a copy of your 2019-20 audit on your transparency page and remove the database link.

The budget transparency reporting requirements for 2020-21 are the same as in 2019-20. Questions may be directed to Chad Urchike at 517-335-1261 or [UrchikeC1@Michigan.gov](mailto:UrchikeC1@Michigan.gov).

## **SECTION 99z TEACHER RETENTION STIPEND**

The FY21 State School Aid budget includes a new categorical payment under Section 99z. This is to provide a stipend to new teachers completing the school year. Teachers will be eligible for either \$500 or \$1000 payments based upon the percentage of pupils determined to be economically disadvantaged in the previous fiscal year. District eligibility for this funding is dependent on the district agreeing to a matching \$500 payment to eligible teachers. An application that requires the district to agree to a list of eligible teachers and to agree to provide matching funds, will be available subsequent to the June 30, 2021 Registry of Educational Personnel data collection.

## **MPSERS RETIREMENT FUNDS**

The November 2019 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 \$155,136,000 for offsetting a portion of the normal cost contribution rate. Beginning in FY21, this will be paid out on a quarterly basis using actual amounts reported to us by the Office of Retirement Systems (ORS).
- Section 147c(1) appropriates \$1.2 billion for the UAAL rate stabilization.
- Section 147e appropriates \$51.4 million, and will continue being paid out on a quarterly basis using actual amounts reported to us by the Office of Retirement Services (ORS).

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, 2020. 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](mailto:ORS_WEB_Reporting@michigan.gov). Questions related to accounting for the payments may be directed to Christopher May, State Aid and School Finance unit, at 517-335-1263 or [MayC@Michigan.gov](mailto:MayC@Michigan.gov).

## **IMPORTANT DATES TO REMEMBER**

- The **fiscal year 2021 MSDS Records (including State Aid FTE Counts)** for the October 7, 2020 count date were due to the Center for Educational Performance and Information (CEPI) by **November 11, 2020 and were to be certified by November 18.**
- **Proration factors** for November: Section 31a At Risk is 78.75633009%.
- The **Headlee Obligation for Data Collection** funds are being paid at \$25.7886053447 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, Assistant Director, Office of Financial Management, MDE**, at 517-899-0796 cell, or via fax at 517-241-0196, or via e-mail at [BooneP2@Michigan.gov](mailto:BooneP2@Michigan.gov).