



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING



JENNIFER M. GRANHOLM  
GOVERNOR

MICHAEL P. FLANAGAN  
SUPERINTENDENT OF  
PUBLIC INSTRUCTION

May 2, 2007

**MEMORANDUM**

**TO:** School District Superintendents  
Public School Academy Administrators

**FROM:** Elaine M. Madigan, Executive Director  
Bureau of School Finance and School Law

**SUBJECT: State School Aid Payment Date Change**

The state aid payment schedule described in Section 17b of the State School Aid Act identifies the state aid payment dates as the 20th of the month from October through August. However, if the 20th of the month falls on a nonbusiness day, then the payment will be made on the immediately preceding business day. Public Act 6 of 2007 changed the payment schedule such that if the 20th of the month falls on a nonbusiness day, the payment will be made on the next subsequent business day. This changes the May 2007 state aid payment date from Friday, May 18, to Monday, May 21.

Some school districts may have a payroll scheduled for Friday, May 18, but may not have enough cash on hand to cover the expenses, and may face difficulties borrowing additional funds for the three days. Because of the short notice of the date change, we are alerting districts to language in Section 17b(4) that allows districts to request an advance release of funds if there is an **emergency** need of a temporary and nonrecurring nature.

A local school district that has a payroll scheduled for May 18, 2007, and a severe cash flow shortage may request an advance release of funds. The inability to meet payroll will be the only reason an advance will be considered. Please note that early release of the funds is not guaranteed. A very limited number of dollars will be available in the state school aid fund on May 18; therefore, not all requests may be approved. Districts will be notified by May 14 as to the status of their request.

Districts that have a line-of-credit or other options to secure funds must use that route rather than requesting an advance of state aid. Districts requesting an advance payment must make the request in writing no later than May 9 and must include a cash flow analysis demonstrating insufficient funds to meet payroll. The amount of the advance will be limited to the payroll cash shortage demonstrated. In order to advance the funds on May 18, the request must be approved by the state superintendent, the state treasurer, and the state budget director. For more information, contact Glenda Rader at [raderg@michigan.gov](mailto:raderg@michigan.gov), or fax to (517) 241-0196 by May 9, 2007.

**cc:** Intermediate School District Superintendents  
Robert Emerson, Budget Director  
Mike Flanagan, Superintendent  
Robert Kleine, State Treasurer

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