

**AUGUST PAYMENT INFORMATION**

The August state school aid payment is the 11<sup>th</sup> and final payment of the year and reflects a cumulative 100% of the year's allocations for Sections 22a, 51c, and 22b, as well as for the categorical funding.

**Taxable value** figures used to calculate the August payment represent the tax year 2024 values provided by county treasurers via the web-based taxable valuation collection process. Revisions to taxable values received prior to July 27, 2025 were incorporated into the payment calculation.

The **membership blend** used to calculate the August payment incorporated all Michigan Student Data System (MSDS) pupil (FTE) counts released to the Department as of July 27, 2025.

**REMINDER TO DISTRICTS THAT PLEDGED THEIR AUGUST PAYMENT**

Approximately 49 school districts participated in the Michigan Finance Authority's (MFA) State Aid Note (SAN) Program 2024 A-2 (no set-aside pool) and pledged 100% of their August 2025 school aid payment for the repayment of this obligation. If your district participated in this program, please be reminded that all or part of your August payment will not be deposited in your bank account. Rather, the note set-aside portion will be deposited with the Michigan Finance Authority. If you have questions, please contact Mariana Youssef, Michigan Finance Authority, 517-335-7296 or [youssefm1@michigan.gov](mailto:youssefm1@michigan.gov).

**FINANCIAL INFORMATION DATABASE (FID) REMINDER**

All districts are required to electronically submit FY25 financial data to the Financial Information Database (FID) by November 1, 2025. Failure to submit FID data consistent with audited financial statements by November 1 will result in the withholding of the November and subsequent state school aid payments (MCL 388.1618(10)). **The FID application will open for district submissions on September 2, 2025.** Questions related to financial accounting and reporting may be directed to [MDE-SASF@Michigan.gov](mailto:MDE-SASF@Michigan.gov). Questions related to accessing the system or submission of data to the FID may be directed to CEPI customer support at [CEPI@michigan.gov](mailto:CEPI@michigan.gov) or 517-335-0505.

**STATE SCHOOL AID REVENUE RECOGNITION**

[Accounting for State School Aid Revenues](#) should be referenced to accurately account for revenues and expenditures of State Aid revenues. State school aid revenue reported in the Financial Information Database (FID) each year should be consistent with amounts shown on districts' August State Aid Status Reports for the preceding fiscal year. Care should be taken to record the revenues in the appropriate fund, major class codes, and suffix codes as indicated in this document. Minor differences may occur as the result of accounts payable and receivable. Unearned Revenue such as any restricted state grant funds (i.e., At-Risk, Adult Education, Math/Science) received and remaining unspent at year end should be recorded in the financial statements as unearned revenue (balance sheet major class code 471) rather than as a reserve of fund balance. This does not apply to funds that are awarded without restriction to use. Questions related to revenue recognition and financial accounting may be directed to [MDE-SASF@Michigan.gov](mailto:MDE-SASF@Michigan.gov).

**BUDGET TRANSPARENCY REMINDER**

Budgets and subsequent amendments for 2025-26 must be posted to your Budget Transparency page within 15 days of board approval. All districts should have their initial 2025-26 budget posted. Budgets and amendments must be detailed at the function level and include beginning and ending fund balances. Questions related to Budget Transparency may be directed to [MDE-SASF@Michigan.gov](mailto:MDE-SASF@Michigan.gov).

## **DEFICIT DISTRICT INFORMATION**

Districts projecting a negative general fund balance as of June 30, 2025 or districts adopting a deficit budget for 2025-26 are required to submit a Deficit Elimination Plan (DEP) to the Department. The DEP template is available on our [website](#). Questions may be directed to [MDE-SASF@Michigan.gov](mailto:MDE-SASF@Michigan.gov).

## **SECTION 147g MPSERS 3% HEALTH CARE PREMIUM SUBSIDY UPDATE**

As communicated in previous State School Aid Updates, a technical fix to the Section 147g MPSERS 3% Health Care Premium Subsidy statute for payments to districts was expected earlier in the State's 2025 fiscal year, in time to adjust districts' payment amounts to reflect current year contributions of eligible employees. While the technical fix could still occur, it will not be in time for the August 2025 State School Aid payment, the last one of FY 2025. As a result, existing statutory language which uses prior year 3% member healthcare contribution data to calculate this categorical will remain being used for payment calculation purposes. This language results in districts receiving 147g amounts that vary from actual reimbursements due to current year employees. If a future technical change to the language regarding FY 2025 147g were to occur which impacts FY 2025 payment amounts, the Office of Retirement Services (ORS) and the Department of Education (MDE) will communicate an update on any potential retroactive FY 2025 Sec. 147g payment adjustments at that time.

In accounting for Section 147g, MDE's guidance remains the same as previously communicated. In summary, 147g accounting should mirror that of existing Section 147c revenues and expenditures. Understanding this is not a "district expense", similar to Section 147c, it is imperative that an equal amount of revenues and expenditures is recorded. This is restricted State revenue, so Major Class 312, Suffix 0000. Regarding expenditure Function and Object, districts should account for the expense (reimbursement to employees) using their various Functions along with Object Code 2820 – Retirement Benefits. That said, Section 147g is unique in that it is paid to employees and proper tax treatment must be applied, so districts should ensure proper tracking and recording of these reimbursements is possible in their accounting and payroll systems. If necessary, some flexibility exists in alternative Object Codes that may be used, including 1790 – Other Special Salary Payments and 2990 – Other Employee Benefits across appropriate Functions. A single Function cannot be used to record this expense as these reimbursements are being paid to employees across several Functions. Finally, similar to other Section 147s, no Grant Code will be required on the revenue or expenditure side, though you're welcome to separately track this internally using the fourth digit of the Object Code, the "Other" coding dimension, etc.

If you have questions regarding Section 147g, please contact ORS at 1-800-381-5111 or [ORS\\_WEB\\_Reporting@michigan.gov](mailto:ORS_WEB_Reporting@michigan.gov), or [MDE-SASF@Michigan.gov](mailto:MDE-SASF@Michigan.gov). Please note that the above guidance and [ORS' Frequently Asked Questions webpage](#) contains the most up to date information available on this topic.

## **GRANT APPLICATIONS**

The Section 12c - Consolidation Incentive Payments Grant application will remain open throughout the end of the current fiscal year. Grant funds can be used to support the initial costs related to consolidation of services identified in the feasibility study or analysis conducted under Section 11x (MCL 388.1611x). Please find the link to the application below.

[GEMS : SSO Landing Page \(state.mi.us\)](https://state.mi.us)

Section 35n of the FY 2025 State School Aid Act applications will remain open throughout the end of the current fiscal year. Section 35n provides \$10,000,000 to MDE to administer the competitive READ Innovation grant. MDE will work with the literacy commission to establish the structure of the competition, select finalists, and select \$500K winners. Please find the link to the application below.

[The Reading Excellence and Advancing District \(READ\) Innovation Grant](#)

## **PRELIMINARY HEADCOUNT REPORT**

Districts in their first or second year of operation, or districts that have added a grade for the first time, are required to report their headcounts for a day during the week of September 15-29, for use during the October state aid payment. Please use this [form](#) to submit head counts. Headcount data must be submitted by Friday, September 26, 2025.

## **TAXABLE VALUE SYSTEM UPDATES**

The online taxable valuation collection system is available for county treasurers to input tax year 2025 values for calculating FY 2026 State School Aid. These values are due by September 1, 2025. Please encourage your treasurer to report these values if they have not already done so. Taxable Value data can be viewed [here](#). To view your data, click on "Public Access" and then choose your district code and the applicable tax year from the drop-down menu. Questions should be directed to [MDE-SASF@Michigan.gov](mailto:MDE-SASF@Michigan.gov).

## **GENERAL INFORMATION/IMPORTANT DATES TO REMEMBER**

- **September 11th** is the date of the annual **MDE/MSBO Fall Workshop**. This year's conference will be held virtually. Visit [MSBO.org](http://MSBO.org) for more details.
- **Wednesday, October 1, 2025** is the **pupil membership count day** for 2025-2026.
- The SE-4096 Special Education Cost Report for FY 2025 is due by Tuesday, **September 30, 2025**. (Nichole Northern, 517-855-1121, [NorthernN2@michigan.gov](mailto:NorthernN2@michigan.gov))
- The SE-4094 Special Education Transportation Expenditure Report for FY 2024 is due by Tuesday, **October 7, 2025**. (Nichole Northern, 517-855-1121, [NorthernN2@michigan.gov](mailto:NorthernN2@michigan.gov)) (General Education: Troy Hansbarger, 517-241-5383, [HansbargerT@michigan.gov](mailto:HansbargerT@michigan.gov))
- The October 20, 2025 state school aid payment is the first payment of FY 2026. There is no September school aid payment.
- **November 1** is the deadline for local districts (including PSAs) to file their **2024-2025 financial audit report** with their ISD. Both the **financial and pupil accounting audit reports** are due electronically to the Department on **November 1**. Financial audit reports shall be submitted via the email address [MDE-FinAudit@michigan.gov](mailto:MDE-FinAudit@michigan.gov). Failure to file these reports will result in the withholding of state aid. If you are looking for school district financial statement audits, visit the district website or contact the district for the requested information.
- The **FY 2024 FID – Annual Comprehensive Financial Report** is due from local and intermediate districts to CEPI by **November 1** (see related item above). Failure to file this report will result in the withholding of state aid. Contact [MDE-SASF@Michigan.gov](mailto:MDE-SASF@Michigan.gov) with any questions.
- August Section 23a claims may be submitted in the 2024-25 SRM (through **September 10, 2025 at 11:59 p.m. EDT**) or the 2025-26 SRM Collection (opening September 22, 2025). NOTE: Students who are age 20 as of September 1, 2025 must be submitted in the 2024-25 SRM.
- The Section 22d(4) Isolated District funds are paid at \$61.8293006391 per pupil.
- The Headlee Obligation for Data Collection funds are paid at \$29.3596196840 per pupil.
- The proration factor for Section 31a – At Risk funding is 35.14408251%.
- The proration factor for Section 29(7) – Enrollment Stabilization is 80.57448392%.

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\*Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or [MDE-SASF@Michigan.gov](mailto:MDE-SASF@Michigan.gov).