STATE SCHOOL AID UPDATE
Michigan Department of Education

August 2026
Vol. 34 No. 11

AUGUST PAYMENT INFORMATION

The August state school aid payment is the 11th 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 2025 values provided by county treasurers via the web-based taxable valuation collection process. Revisions to taxable values received prior to July 24, 2026 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 August 7, 2026.

REMINDER TO DISTRICTS THAT PLEDGED THEIR AUGUST PAYMENT

Approximately 43 school districts participated in the Michigan Finance Authority's (MFA) State Aid Note (SAN) Program 2025 A-2 (no set-aside pool) and pledged 100% of their August 2026 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.

FINANCIAL INFORMATION DATABASE (FID) REMINDER

All districts are required to electronically submit FY26 financial data to the Financial Information Database (FID) by November 1, 2026. 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 4, 2026.** Questions related to financial accounting and reporting may be directed to **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 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**.

BUDGET TRANSPARENCY REMINDER

Budgets and subsequent amendments for 2026-27 must be posted to your Budget Transparency page within 15 days of board approval. All districts should have their initial 2026-27 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**.

DEFICIT DISTRICT INFORMATION
Districts projecting a negative general fund balance as of June 30, 2026 or districts adopting a deficit budget for 2026-27 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**.

LATE COMPLIANCE SUPPLEMENT
The 2026 State School Aid Act under Sec. 18 (4)(i) included the language:

"*If the issuance of single audits is delayed for the 2024-25 school year due to a late issuance of a Compliance Supplement, the single audit portion of that audit must be filed within 30 days of the issuance of the Compliance Supplement by OMB*".

The FY27 Act does not carry this language. Without statutory language exempting the submission of the single audit until the Compliance Supplement issuance, state school aid payments will be withheld for school districts meeting the single audit threshold of $1,000,000 in total federal awards expended during the 2026 fiscal year.

MDE has no authority to bypass this requirement. School districts should reach out to the groups listed below for assistance.

- State Legislators
- Lobbyists
- Educational Organizations: Michigan Education Association (MEA), Michigan Association of School Boards (MASB), Michigan Association of Superintendents & Administrators (MASA), Michigan Association of Intermediate School Administrators (MAISA), Michigan School Business Officials (MSBO)

PRELIMINARY HEADCOUNT REPORT
Districts in their first or second year of operation, as well as districts that have added a grade for the first time, are required to report a preliminary student headcount for use in calculating the October state aid payment. The headcount must be taken on one school day selected by the district between September 14 and September 24, 2026. Please use this form to submit the district's preliminary headcount. Headcount data must be submitted no later than Friday, September 25, 2026.

SECTION 23a CLAIMS
Claims based on monthly enrollment and attendance:
- July: Must be submitted in the 2025-26 SRM Collection.
- August: May be submitted in the 2025-26 or 2026-27 SRM Collection, but no later than September 30, 2026.
- August age requirement: Students who no longer meet the membership age requirements under Section 6(4)(l) as of September 1, 2026 must be submitted in the 2025-26 SRM.

Claims based on successfully completed courses:
- July and August: Must be submitted in the 2026-27 SRM Collection, open September 21 through September 30, 2026.
- July claims: Contact CEPI@michigan.gov for assistance because system rules must be modified before these claims can be certified.

TAXABLE VALUE SYSTEM UPDATES
The online taxable valuation collection system is available for county treasurers to input tax year 2026 values for calculating FY 2027 State School Aid. These values are due by September 1, 2026. 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**.

GENERAL INFORMATION/IMPORTANT DATES TO REMEMBER

- **September 10th** is the date of the annual **MDE/MSBO Fall Workshop.** This year's conference will be held virtually. Visit MSBO.org for more details.
- **Wednesday, October 7, 2026** is the **pupil membership count day** for 2026-2027.
- The SE-4096 Special Education Cost Report for FY 2026 is due by Wednesday, **September 30, 2026**. (Nichole Northern, 517-855-1121, NorthernN2@michigan.gov)
- The SE-4094 Special Education Transportation Expenditure Report for FY 2026 is due by Wednesday, **October 7, 2026**. (Nichole Northern, 517-855-1121, NorthernN2@michigan.gov) (General Education: Troy Hansbarger, 517-241-5383, HanbargerT@michigan.gov)
- The October 20, 2026 state school aid payment is the first payment of FY 2027. There is no September school aid payment.
- **November 1** is the deadline for local districts (including PSAs) to file their **2025-2026 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. 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 2026 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** with any questions.
- The Section 22d(4) Isolated District funds are paid at $63.7902137963 per pupil.
- The Headlee Obligation for Data Collection funds are paid at $29.6287311340 per pupil.
- The proration factor for Section 31a – At Risk funding is 45.63455230%.
- The proration factor for Section 29(7) – Enrollment Stabilization is 64.30699660%.

---

*Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or **MDE-SASF@Michigan.gov**.