

JANUARY 10, 2025 REVENUE ESTIMATING CONFERENCE

A revenue estimating conference was held on January 10, 2025 to update revenue projections for fiscal year (FY) 2025, FY 2026, and to make initial projections for FY 2027. FY 2025 revenue projections for both the general fund and the state school aid fund were revised at the conference. The general fund projection was revised upward by \$214.5 million and the school aid fund projection was revised upward by \$374.2 million for a net increase of \$588.7 million relative to FY24. For detailed information on the January revenue estimating conference, go to the [House of Representative Fiscal Agency website](#) or [Senate Fiscal Agency website](#).

GOVERNOR'S FY 2026 STATE BUDGET

While no one can say for certain at this time what the revenue consensus from the above referenced conference may mean for future state school aid budgets, one indication will come when the Governor unveils her proposed budget for FY 2026. Of course, the budget cycle will then run its full course through the legislative process before enactment in appropriation bills. Also, the Governor's State of the State address is scheduled for late February, which may include education news.

JANUARY PAYMENT INFORMATION

The January state school aid payment is the fourth regular payment of the 2025 fiscal year. The payment will be electronically transferred to the districts' accounts on Tuesday, January 21, 2025.

Taxable value - The January payment continues to use the beginning 2024 tax roll non-homestead taxable value data, as provided by the county treasurers via the web based taxable valuation collection process by December 27, 2024. These data can be viewed by school district personnel on the [Department's Taxable Value Management System](#) website.

Pupil membership - October 2024 unaudited pupil count data reported to the Center for Educational Performance and Information (CEPI) via the Michigan Student Data System (MSDS) by January 2, 2025 were used in the calculation of the blended membership count for the January payment.

SUPPLEMENTAL COUNT DAY

The second count date of the school year, February 12, 2025, is quickly approaching. As a courtesy to the field, the Department would like to remind all districts that schools must be open and scheduled for regular instruction on each count day prescribed in legislation. Only a district that is not in session on that day due to conditions not within the control of school authorities or one where count day intersects with a day of significant religious or cultural importance will be allowed to use the immediately following day on which the district is in session for count purposes, and only if the district requested and received written approval from the Department for the alternate count date. If your district was closed on count day due to unforeseen conditions, please use the following form to request an alternate count date: <https://fs10.formsite.com/SASF/form8/index.html>.

SECTION 101 – SCHOOL DAY CANCELLATIONS AND FORGIVEN TIME

Section 101 of the State School Aid Act ([MCL 388.1701](#)) remains the same as in past years with regard to the cancellation of instructional time. The language continues to grant districts six (6) days and/or the equivalent number of hours to use toward cancellations that occur due to conditions beyond the control of school authorities, commonly referred to as "forgiven time" or "snow days." Language remains that grants the State Superintendent the authority to grant up to three (3) additional days or equivalent hours cancelled as instruction, provided the cancellation is due to unusual and extenuating circumstances resulting from conditions not

within the control of school authorities. Districts must provide strong rationale supporting why these days cannot be rescheduled before the end of the school year.

In the [memo dated December 7, 2023](#), it was communicated that changes were made to section 101(4) ([MCL 388.1701](#)) of the state School Aid Act ([Public Act 103 of 2023](#)) supplemental. These amendments now permit districts to have canceled instructional time forgiven, provided that the cancellation meets the statutory requirements for eligibility, even if districts have included eligible professional development as part of their instructional time calendar. As best practice, MDE continues to encourage the provision and preservation of substantial instructional time *that includes students*.

Applications for additional forgiven time will be reviewed on a case-by-case basis.

Applications for additional forgiven time are only accepted through the [online form](#). Questions regarding this item should be directed to Jessica Beagle at BeagleJ1@Michigan.gov.

SECTION 147g MPSERS 3% HEALTH CARE PREMIUM SUBSIDY UPDATE

As communicated in the November 2024 State School Aid Update, Section 147g would not begin being included in districts' State School Aid payments until as late as February 2025 as we awaited a legislative technical fix to the statutory language. Current language uses prior year 3% member healthcare contribution data to calculate this, which will result in districts receiving inaccurate amounts to reimburse current year employees' contributions. The technical fix to use current year contribution data has not yet been made and is unlikely to happen in time for February payment processing.

Therefore, to prevent further delay to eligible employees' reimbursements, Section 147g allocations based on prior year data (current language) will begin being included in districts' February 2025 State School Aid payments. Districts should begin reimbursing eligible employees their actual 3% health care subsidy contributions, noting that Section 147g allocations may not yet match actual contributions. Districts' allocations may be more or less than actual amounts due to differences in number of employees and/or changes in payroll from prior to current years. In the meantime, MDE and ORS are continuing to pursue the legislative technical fix to Section 147g language to reflect current year contribution data in allocation calculations.

If you have questions regarding Section 147g, contact ORS at 1-800-381-5111 or ORS_WEB_Reporting@michigan.gov, or Christopher May, MDE State Aid and School Finance Unit, at 517-335-1263 or MayC@Michigan.gov.

IMPORTANT DATES TO REMEMBER

- **February 1** is the due date for districts and ISDs to report to the local health department the **immunization status** of each new pupil in grades K-12 who enrolled in the district or ISD for the first time during the immediately preceding calendar year and all 7th graders, pursuant to State School Aid Act Section 167. (Helpdesk – 888-243-6652)
- **February 12** is the **supplemental count day** for all districts, ISDs, and PSAs and the 3rd quarterly count date for adult education participants.

GENERAL INFORMATION

- The Headlee Obligation for Data Collection funds are paid at \$29.3783808193 per pupil.
- The Section 22d(4) Isolated District funds are paid at \$61.7996837906 per pupil for districts with less than 8 pupils per square mile.
- Proration factors for: Section 31a At Risk is 35.1455716%
Section 29(7) Enrollment Stabilization is 78.83733054%

*Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or **Phil Boone, State Aid and School Finance, MDE**, cell phone: **517-899-0796**, fax: **517-241-0196**, email: BooneP2@Michigan.gov