

STATE SCHOOL AID DATA UPDATED FOR JULY

The July state school aid payment is the 10th regular payment of the year and reflects 90.9% of the year's allocation for Sections 22a, 51c, and 22b as well as for most categoricals. Prior year adjustments are made at 100% in a single payment. The payment will post at the districts' banks on Wednesday, July 20, 2022.

Taxable value figures used to calculate the July payment represent the tax year 2021 values provided by county treasurers via the web-based taxable valuation collection process. Revisions to taxable values received prior to June 24, 2022 were incorporated into the payment calculation.

The **membership blend** used to calculate the July payment incorporated all Michigan Student Data System (MSDS) pupil (FTE) counts released to the Department as of June 24, 2022.

2022-23 SCHOOL AID BUDGET

Senate Bill 845 of 2022 has been signed by the governor and is enacted as Public Act (PA) 144 of 2022. PA 144 appropriates \$19.6 billion for K-12 supports in the 2022-23 school year. This budget increases the target foundation amount to \$9,150 per pupil. Full text of the legislation, along with detailed analysis can be found at [Michigan Legislature - Senate Bill 0845 \(2022\)](#).

STATE AID WAIVER REQUESTS

The Department has transitioned to accepting applications for waivers through online forms only. These online forms must be used to ensure that the request is received and can be considered for approval. Paper and email requests are no longer accepted. Please share this information with appropriate staff in your district:

[Common Calendar Waiver](#) – Used to deviate from the spring/winter break provided in the ISD's common calendar.

[Alternative Count Day Waiver](#) – Allows a district to have an alternate count date.

[Schools of Choice Waiver](#) – Allows a district to extend the application/enrollment windows for schools of choice.

Questions related to the above waivers should be directed to Brian Ciloski, State Aid and School Finance, 517-241-2209, or CiloskiB@Michigan.gov.

[Additional Forgiven Days Waiver](#) – Allows a district to request up to three additional days of forgiven time.

[Travel Time Waiver](#) – Allows a district to count additional travel time for certain programs.

Questions related to the above waivers should be directed to Jessica Beagle, State Aid and School Finance, 517-241-6435, or BeagleJ1@Michigan.gov.

[Labor Day Waiver](#) – Allows a district to provide instruction prior to Labor Day.

Questions related to the above waiver should be directed to Chad Urchike, State Aid and School Finance, 517-335-1261, or UrchikeC1@Michigan.gov.

UPDATED FINANCIAL ACCOUNTING GUIDANCE DURING THE COVID-19 PANDEMIC

[Financial Accounting Guidance During the COVID-19 Pandemic](#) has recently been updated to include information on new funding sources including Section 11t, benchmark assessment grants, and ARP IDEA funding. Additional updates to existing sections on child care relief funding, PPE, and food service-related items were also made. This publication will continue to be updated frequently as MDE receives additional questions from districts and information regarding state and federal financial reporting requirements. Questions regarding this item may be directed to Christopher May at 517-335-1263 or MayC@michigan.gov.

UPDATE EEM WITH BUSINESS MANAGER CONTACT

Districts are strongly encouraged to update the [Educational Entity Master](#) (EEM) with a Business Manager contact. This will ensure timely notification for important issues like the indirect cost rate. Take action now! As districts transition to a new year, now is a good time to ensure all contacts are up-to-date. Consider implementing a best practice to review all contacts in the EEM on a quarterly basis.

REMINDER TO DISTRICTS THAT PLEDGED THEIR AUGUST PAYMENT

Approximately **66** school districts participated in the Michigan Finance Authority's (MFA) State Aid Note (SAN) Program **2021 A-2** (no set-aside pool) and pledged 100% of their August **2022** 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 **Melissa Lovegrove**, Michigan Finance Authority **517-241-4207** or lovegrovem@michigan.gov.

SHARED TIME MEMBERSHIP GROWTH CAP

Section 6(4)(ii) limits the amount of part-time membership that may be claimed for a pupil enrolled under Section 166b to not more than 0.75 of a full-time equated membership. Section 6(4)(II) limits the growth in Section 166b membership from one year to the next.

For districts that had 5% or more of membership coming from pupils under Section 166b in the prior year:

- Membership growth for pupils counted under Section 166b shall not exceed 10% from the prior year.

For districts that had less than 5% of membership coming from pupils under Section 166b in the prior year:

- Membership for pupils counted under Section 166b shall not exceed the greater of 5% of non-Section 166b membership or 10% of Section 166b membership in the prior year.

Questions should be directed to Brian Ciloski, State Aid and School Finance, 517-241-2209, or CiloskiB@Michigan.gov.

2020-21 DAYS AND CLOCK HOURS REPORTING DEADLINE IS AUGUST 2, 2022

To satisfy the legislative requirement found in Section 101(3) of the State School Aid Act ([MCL 388.1701](#)), intermediate districts must certify and submit to the Department a days and clock hours report, formerly known as the Days and Clock Hours of Instruction Report (DS-4168), for the intermediate and local districts by the first business day in August (August 2, 2022). The requirement applies to all local school districts and public school academies. It also applies to intermediate school districts that operated an alternative education program or claimed FTE for a Special Education Early Childhood program during the 2021-22 school year.

The user guide to assist districts in using the application can be viewed [here](#). Further questions regarding the application can be addressed by contacting CEPI Customer Support at CEPI@Michigan.gov.

UPDATE TO MPSERS RETIREMENT COST FUNDING

A miscalculation was found with the Section 147e and 147a(2) retirement cost reimbursements for school fiscal years 2021 and 2022. The August 2022 state school aid payment will include actual amounts reported to the Office of Retirement Services (ORS) through June 30, 2022. In addition, the payment will reflect the corrected reimbursement rates for 147e and 147a(2) and

the reconciliation for the prior three quarters. This is the last quarterly payment of fiscal year 2022. The November 2022 state school aid payment will reflect the reconciliation of the November, February, May and August 2021 miscalculation. If you have any questions, please contact ORS_Web_Reporting@michigan.gov.

31D STATE SUPPLEMENTAL LUNCH PAYMENTS

School districts will be receiving the FY 2021 Prior-year Adjustment and FY 2022 Allowance for 31d State Supplemental Lunch in the July payment. The Section 31d lunch payment is disbursed each month with the State Aid payment. The amounts are estimated when paid during the current year and are reconciled to actual amounts the following spring. It is originally paid as an allowance, then corrected as an adjustment to prior year.

INDIRECT COST RATES

Adjustments to local and intermediate school district Indirect Cost Rates were due to the Department by June 1, 2022. Final rates are posted on the department's [indirect cost rates webpage](#).

We appreciate your patience with the additional processing time this year. As a reminder, we were directed by USED to include an extra step in our process. Districts receiving emergency funding from various coronavirus relief packages likely had a significant decrease in their rates, and the department has been instructed to "smooth" this cycle's rates.

To achieve this, we will be spreading over-recovery over the next two odd year cycles for districts that would otherwise experience drastic decreases in their indirect cost rates and who, also, reported use of indirect cost rates in their FY21 FID. The goal of this change to our methodology is to allow for slight decreases to FY23, FY25, and FY27 rates as opposed to a drastic decrease in FY23.

A list of districts whose rates have been affected by the smoothing process is available here: <https://tinyurl.com/22-23-Indirect-Smoothing>. Questions related to the indirect cost rate calculations should be directed to Jessica Beagle, State Aid and School Finance, at BeagleJ1@michigan.gov or 616-389-0369, or Phil Boone at BooneP2@michigan.gov or 517-899-0796.

SECTION 31A ANNUAL PROGRAM AND FISCAL REPORT DUE IN NEXSYS

Local Educational Agencies (LEAs) receiving Section 31a At-risk funds were required to submit the Fiscal Year (FY) 2022 Section 31a Annual Program and Fiscal Report (APFR) by July 15, 2022. LEAs with extenuating circumstances should have requested additional support from one of the individuals listed below prior to July 15, 2022. Please note, failure to submit the Section 31a APFR or request additional support may result in the withholding of Section 31a funds in the August 2022 state aid payment. The FY 2022 Section 31a APFR is available in NexSys.

Program and reporting requirements questions may be directed to the Office of Educational Supports (OES) Special Populations Unit at 517-241-6974:

- Michelle Williams, Manager, williamsm48@michigan.gov
- Dawn Carmody, Consultant, carmodyd1@michigan.gov
- Suzanne Grambush, Consultant, grambushs1@michigan.gov
- Stephanie Holmes-Webster, Consultant, holmeswebsters@michigan.gov
- Send email to the [Section 31a General Mailbox](#)

NexSys Section 31a APFR questions may be directed to the OES Financial Unit at 517-241-5388.

TAXABLE VALUE SYSTEM UPDATES

The online taxable valuation collection system is available for county treasurers to input tax year 2022 values for calculating FY 2023 State School Aid. These values are due by September 1,

2022. 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 Phil Boone at 517-899-0796 or BooneP2@Michigan.gov, or Jeff Kolb at 517-241-2207 or KolbJ2@michigan.gov.

GENERAL INFORMATION

- The proration factor for the Section 31a – At Risk funding is 76.76582471%.
- The Section 22d(4) Isolated District funds are paid at \$51.9156008078 per pupil.
- The Headlee Obligation for Data Collection funds are paid at \$26.8308438521 per pupil.
- The Supplemental count (February 2022) ISD audited FTE values are due to CEPI by July 25, 2022.
- October 5, 2022, the first Wednesday in October, is the **Pupil Membership Count Date** for FY 2022-2023.
- February 8, 2023, the second Wednesday in February, is the **Supplemental Count Date** for FY 2022-2023.

*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, State Aid and School Finance, MDE, phone 517-899-0796, fax: 517-241-0196, email: BooneP2@Michigan.gov.