

**STATE SCHOOL AID DATA UPDATED FOR JUNE**

The June state school aid payment is the 9<sup>th</sup> regular payment of the year and reflects 81.81% 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 Tuesday, June 21, 2022.

**TAXABLE VALUE** figures used to calculate the June payment represent the tax year 2021 values provided by county treasurers via the web-based taxable valuation collection process. Any revisions to taxable values received prior to May 25, 2022, were incorporated into the payment calculation.

The **MEMBERSHIP BLEND** used to calculate the June payment incorporated all Michigan Student Data System (MSDS) pupil (FTE) counts released to the Department as of May 23, 2022, the date the Department downloaded the pupil counts from the Center for Educational Performance and Information.

**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 projected to be available on the Department's [indirect cost rates webpage](#) on June 24, 2022. We apologize for the extra time the indirect process is taking this year but have been directed by USED to include an extra step in our process this year. To account for decreased rates due to the influx of federal funds related to coronavirus relief, we have been instructed to "smooth" this cycle's rates. To achieve this, we will be spreading overrecovery over the next two odd year cycles for districts that would otherwise experience drastic decreases in their indirect cost rates and who report use of indirect cost rates in their FY21 FID. The goal of this new change to our methodology is to allow for slight decreases to FY23, FY25, and FY27 rates as opposed to allowing a drastic decrease in FY23. Questions related to the indirect cost rate calculations should be directed to Jessica Beagle, State Aid and School Finance, at [BeagleJ1@michigan.gov](mailto:BeagleJ1@michigan.gov) or 616-389-0369, or Phil Boone at [BooneP2@michigan.gov](mailto:BooneP2@michigan.gov) or 517-899-0796.

**DAYS AND CLOCK HOURS REPORTING**

**Deadlines:** The district deadline for submitting the Days and Clock Hours of Instruction Report for the 2021-22 school year is July 15, 2022. Intermediate districts will have until August 1, 2022 to certify the district data for submission to the Department as required under Section 101(3) of the State School Aid Act. Districts are encouraged to submit their days and clock hours report to the ISD early where possible to allow for adequate time to review and correct issues with the submission.

**Reporting:** The days and hours reporting has been integrated into the Educational Entity Master (EEM) and is accessible through the "Days and Clock Hours" application link in the left navigation. After clicking on the link, users will select "Data Submission" to start their report for the year.

**Note:** The "Days and Clock Hours" application requires specialized credentials to access the system. If the "Days and Clock Hours" application link does not appear in the left navigation after logging into the EEM, please contact CEPI for assistance in gaining access to the application. Questions regarding the Days/Clock Hours application should be directed to CEPI Support at [CEPI@Michigan.gov](mailto:CEPI@Michigan.gov).

**BUILDINGS USED IN VIRTUAL LEARNING**

The Michigan Department of Education (MDE) and Center for Educational Performance and Information (CEPI) are collecting information on districts' virtual learning centers, including locations that served as a business or commercial operation prior to functioning as a virtual learning center. This [memorandum](#) provides information for districts to ensure that appropriate information is captured in

the educational entity master (EEM) related to buildings used in virtual learning. Questions related to this memo may be directed to Caitlin Hengesbach at [HengesbachC2@michigan.gov](mailto:HengesbachC2@michigan.gov).

### **SECTION 31A ANNUAL PROGRAM AND FISCAL REPORT DUE JULY 15, 2022**

Local educational agencies (LEAs) receiving Section 31a At Risk funds are required to submit the Fiscal Year (FY) 2022 Section 31a Annual Program and Fiscal Report (APFR) in NexSys by **July 15, 2022**.

The APFR will be completed in NexSys. Technical assistance videos and documents including overviews of the report in NexSys are available on the website.

Please direct questions regarding the Section 31a APFR as follows:

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

- Michelle Williams, Manager, [williamsm48@michigan.gov](mailto:williamsm48@michigan.gov)
- Dawn Carmody, Consultant, [carmodyd1@michigan.gov](mailto:carmodyd1@michigan.gov)
- Suzanne Grambush, Consultant, [grambushs1@michigan.gov](mailto:grambushs1@michigan.gov)
- Stephanie Holmes-Webster, Consultant, [holmeswebsters@michigan.gov](mailto:holmeswebsters@michigan.gov)

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

### **SECTION 310 NURSES, PSYCHOLOGISTS, SOCIAL WORKERS, AND COUNSELORS**

The FY22 State School Aid budget included a new grant opportunity under Section 310. This is to provide reimbursement for hiring nurses, psychologists, social workers, and counselors to provide mental health services to students. Funding was limited to 100% of the benefits and salaries at or below the Median Wage information provided by the Bureau of Labor Statistics for year 1. Qualifying providers were required to be hired between July 1, 2021 and March 1, 2022.

### **CARRYOVER OF EARLY LITERACY GRANT FUNDS**

Districts or Intermediate School Districts that have received Section 35a Early Literacy Grant Funds for Additional Instructional Time or ISD Early Literacy Coaches, and are unable to expend the funds by September 30, 2022, are eligible to carryover those funds until September 30, 2023. Grant awardees must provide notification to [MDE-EarlyLiteracy@michigan.gov](mailto:MDE-EarlyLiteracy@michigan.gov) no later than **October 31, 2022**, if they intend to carryover unexpended funds. For more information regarding carryover of Section 35a early literacy funds, please refer to the [memo](#) that was sent out on March 28, 2019.

### **MICHIGAN PUBLIC SCHOOL ACCOUNTING CHANGE NOTICE #32**

Change Notice #32 updating the *Michigan Public School Accounting Manual* was distributed on June 9, 2022. Unless otherwise required, the changes listed in the notice are to be implemented for the 2022-23 fiscal year. Note that this Change Notice includes numerous changes, additions, and guidance related to GASB Statement #87 – Leases. GASB #87 must be implemented by school districts this fiscal year (2021-22). These changes have been incorporated into the manual, which is available on the [Department's website](#). Questions related to the change notice or public school accounting should be directed to Christopher May at 517-335-1263 or by e-mail at [MayC@Michigan.gov](mailto:MayC@Michigan.gov).

### **REIMBURSEMENT FOR SCHOOL BOARD MEMBER TRAINING**

Public Act 87 of 2021 ([PA 87](#)) authorizes the Michigan Department of Education (MDE) to approve training programs for local school board members intended to develop and enhance their knowledge in the areas of education law, labor relations, conflicts of interest, school finance, and board governance. School districts in turn are reimbursed by the MDE up to \$100 per course completed by individual school board members. Payments under this program begin in June 2022 State School Aid payments for districts that have submitted reimbursement requests in the GEMS/MARS system. Revenues should be recorded under Major Class 312, Suffix 0000, and the Grant Code for expenditures is 393. Questions regarding school district reimbursement or the training provider application process should be directed to Bill Witt at [wittb1@michigan.gov](mailto:wittb1@michigan.gov).

## **INTERMEDIATE SCHOOL DISTRICT FINANCIAL REPORTING REMINDERS**

Intermediate School Districts (ISDs) are required to post certain information on their website to comply with Budget Transparency legislation in Section 18 of the State School Aid Act (MCL 388.1618). Specifically, ISDs are required to post information found in Subsections 2a, 2bi, and 2c.

In addition to the above, ISDs must also post an Annual Website Report on their website (MCL 380.620). This report must be posted by December 31 of each year and include data from the most recently completed fiscal year. For statewide consistency, the Department recommends providing a link to the Annual Website Report at the bottom of your Budget Transparency web page.

Questions related to Budget Transparency and the Annual Website Report may be directed to Chad Urchike at [UrchikeC1@Michigan.gov](mailto:UrchikeC1@Michigan.gov).

## **GENERAL INFORMATION**

- **Proration factors:** Section 31a – At-Risk funding per pupil proration is 76.76582471%.
- The Section 22d(4) Isolated District funds are being paid at \$52.2361439359 per pupil.
- The Headlee Obligation for Data Collection funds are being paid at \$26.8358970682 per pupil.

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\*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, MDE**, cell phone: **517-899-0796**, fax: **517-241-0196**, e-mail: [BooneP2@Michigan.gov](mailto:BooneP2@Michigan.gov)