

**STATE SCHOOL AID DATA UPDATED FOR MAY**

The May state school aid payment is the 8<sup>th</sup> regular payment of the year and reflects 72.72% 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 Friday, May 20, 2022.

**TAXABLE VALUE** figures used to calculate the May 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 2, 2022 were incorporated into the payment calculation. County treasurers should have reported by that date the taxable valuations as of the date that they settled with the local unit treasurers. The settlement numbers will have value changes from the July and December Boards of Review, as well as any other changes since the fourth Monday in May 2021. Districts may want to contact their county treasurers to encourage them to report the revised values if it is apparent that they have not yet done so.

The **MEMBERSHIP BLEND** used to calculate the May payment incorporated all Michigan Student Data System (MSDS) pupil (FTE) counts released to the Department as of May 2, 2022, the date the Department downloaded the pupil counts from the Center for Educational Performance and Information.

**GASB STATEMENT #87 IMPLEMENTATION & GUIDANCE**

Governmental Accounting Standards Board (GASB) Statement #87 – Leases is effective for Michigan school districts beginning this fiscal year (FY22). This Statement has accounting and reporting impacts for both lessees (entities paying another for the right to use an asset) and lessors (entities receiving payment from another in exchange for the paying entity to use an asset).

Earlier this month, several additions and changes to account codes that may apply to lessee and lessor arrangements under GASB #87 were made to the [Appendix](#) of the Michigan Public School Accounting Manual for both government-wide and fund-level entries. Additional guidance was also added to [Section II](#) of the Manual (E.19) to include a summary of the Statement, definitions and exclusions, journal entry examples, and other considerations.

Questions regarding GASB #87 implementation may be directed to Christopher May at [MayC@michigan.gov](mailto:MayC@michigan.gov) and/or your district auditor.

**MPSERS RETIREMENT FUNDS**

Section 147a(2) and 147e payments include actual amounts reported to the Office of Retirement Services (ORS) through March 31, 2022 and will continue to be paid on a quarterly basis in the November, February, May, and August payments.

**BUDGETARY ASSUMPTION REPORTING – EARLY WARNING**

Pursuant to Public Act 109 of 2015, each school district and public school academy that has a general fund balance less than 5% of total unrestricted general revenue for either of the 2019-2020 or 2020-2021 school fiscal years is required to submit budgetary assumptions to the Center for Educational Performance and Information (CEPI). The Department of Treasury will contact school districts and public school academies that are required to submit budgetary assumptions. The budgetary assumption data collection period begins May 31, 2022 and is open through July 7, 2022. The Department of Treasury will not declare potential fiscal stress based solely on a school district's or public school academy's budgetary assumption data. For additional guidance on submitting budgetary assumptions, please see the [CEPI Budgetary Assumptions User Guide](#). If you would like more information regarding budgetary assumptions and early warning, please visit

[www.Michigan.gov/OSRFA](http://www.Michigan.gov/OSRFA). If you have any questions, please contact the School Review and Fiscal Accountability Division at [OSRFA@Michigan.gov](mailto:OSRFA@Michigan.gov).

### **INDIRECT COSTS**

The [indirect cost rate](#) information is available. The new rate information includes Special Education rates for 2021-2022 and preliminary rate information for 2022-2023. Form R0418A, **Costs for the Development of 2022-2023 Federal Indirect Cost Rates**, details the cost data used to calculate preliminary indirect cost rates. Form R0418, **Carryforward Calculation for 2022-2023 Federal Indirect Cost Rates**, shows the results of the preliminary calculation. Form DS-4513 allows a district to edit preliminary cost information to reflect more accurate indirect cost rates. Form DS-4513 is due by June 1, 2021.

Districts with [membership greater than 2,999](#) have been identified and will be required to complete the Head of Component tab (Part IV-HOC) of form DS-4513. Districts required to complete this worksheet will submit an organizational chart along with form DS-4513. Districts are also encouraged to enter a Business Manager contact in the Educational Entity Master (EEM) to receive Head of Component communications.

Information on the rate calculation process how costs are classified is available in the [indirect cost rate plan](#). Additionally, two video tutorials are accessible from the [indirect webpage](#) to assist districts with the indirect process and completing the DS-4513. Each tutorial addresses different sections of form DS-4513. You may review a particular section of interest or watch the videos in their entirety. The videos may be particularly helpful if you are new to the indirect process, have questions about completing the subcontracts section, or are new to Head of Component.

Indirect forms will continue to be submitted through the [online portal](#).

If you have any questions or comments, please contact Jessica Beagle at [BeagleJ1@Michigan.gov](mailto:BeagleJ1@Michigan.gov).

### **DEFICIT DISTRICT INFORMATION**

Districts incurring a negative general fund balance as of June 30, 2022 or adopting a 2022-2023 deficit budget are required to submit a Deficit Elimination Plan (DEP) to the Department 30 days after the local school board adopts the budget or 30 days after the state school aid budget is enacted, whichever is later.

Districts incurring a negative general fund balance as of June 30, 2022 or adopting a 2022-2023 deficit budget should contact the State Aid and School Finance Unit. The DEP template is available on our [website](#). Questions should be directed to Chad Urchike at [UrchikeC1@Michigan.gov](mailto:UrchikeC1@Michigan.gov).

### **MAY REVENUE ESTIMATING CONFERENCE**

Leaders from the House and Senate Fiscal Agencies and the State Treasurer will meet for the May Revenue Estimating Conference on May 20, 2022. The purpose of the conference is to reach a consensus on the current fiscal year (2021-2022) revenues and the projected revenues for fiscal year 2022-2023. For more information regarding the revenue estimating conference, please visit the [House Fiscal Agency website](#) and/or the [Senate Fiscal Agency website](#).

### **GENERAL INFORMATION**

- The proration factor for Section 31a At-Risk funding is 76.76582471%.
- The Section 22d(4) Isolated District funds are paid at \$52.2358815704 per pupil.
- The Headlee Obligation for Data Collection funds are paid at \$26.8392111421 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**, cell phone: **517-899-0796**, fax: **517-241-0196**, e-mail: [BooneP2@Michigan.gov](mailto:BooneP2@Michigan.gov)