

**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 Tuesday, May 20, 2025.

**TAXABLE VALUE** figures used to calculate the May payment represent the tax year 2022 values provided by county treasurers via the web-based taxable valuation collection process. Any revisions to taxable values received prior to May 8, 2025 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 2024. 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 5, 2025, the date the Department downloaded the pupil counts from the Center for Educational Performance and Information.

**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 general revenue for either of the 2022-23 or 2023-24 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 June 3, 2025 and is open through July 7, 2025. 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 [Budgetary Assumptions User Guide \(michigan.gov\)](https://www.michigan.gov/budgetary-assumptions-user-guide). If you would like more information regarding budgetary assumptions and early warning, please visit [www.Michigan.gov/OSRFA](https://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 – New Resources, Updates, and Preliminary Rates**

Preliminary indirect cost rate information has been posted to the [MDE indirect website](https://www.michigan.gov/mde-indirect). This update includes:

- **Special Education rates for 2024-2025**, and
- **Preliminary rate information for 2025-2026**.

Form R0418A, *Costs for the Development of 2025-2026 Federal Indirect Cost Rates*, outlines the cost data used to calculate preliminary indirect cost rates. Form R0418, *Carry Forward Calculation for 2025-2026 Federal Indirect Cost Rates*, shows the results of that calculation. Districts may use **Form DS-4513** to edit preliminary cost information to reflect more accurate indirect cost rates. The latest version of **Form DS-4513** will be available on the Indirect Cost Rates webpage, featuring several enhancements to streamline processing and workflow. A key addition is the new **Subcontracts tab**, designed for entering exclusion amounts for any contracted services over \$25,000. This tab automatically deducts the initial \$25,000 from each contract and proportionately calculates the exclusion, aligning with the function code groupings used in Form R0418A. Video tutorials are available on the indirect webpage to support districts in completing Form DS-4513. Each video focuses on a specific section of the form, allowing you to review only the parts that apply to your situation or watch them in full. These resources may be especially helpful if you are:

- New to the indirect cost process,
- Completing the subcontracts section for the first time, or
- Newly assigned as Head of Component.

Districts with **membership greater than 2,999** are required to complete **Part IV-HOC (Head of Component)** and submit an **organizational chart** along with their DS-4513 submission. A list of applicable districts will also be available on the indirect website. We strongly encourage districts to designate a **Business Manager contact in the Educational Entity Master (EEM)** to ensure they receive all Head of Component communications.

Form DS-4513 is due **June 1** and must be submitted through the online portal:  
<https://fs10.formsite.com/SASF/form14/index.html>

### **NEW GUIDES ON INDIRECT COST RECOVERY**

In response to common questions from the field, we have developed two new guidance documents to support districts in navigating indirect cost recovery, particularly related to **state-funded grants** and **multi-year federal grants**.

These resources are now available on the [Indirect Cost Rates webpage](#):

1. **Guidance on Indirect Cost Rates – Can I Use My Indirect Rate on State-Funded Grants?**  
 Clarifies allowability and use of indirect cost rates for various state-funded grants.
2. **Multi-Year Grants & Indirect Cost Rates – Applying Indirect Cost Rates for the Appropriate Year**  
 Offers direction on applying indirect cost rates accurately across multi-year grants.

We believe these guides will be helpful to many districts.

If you have any questions about indirect costs or need assistance with any part of this process, please contact: **Jessica Beagle**, [BeagleJ1@michigan.gov](mailto:BeagleJ1@michigan.gov)

### **DEFICIT DISTRICT INFORMATION**

Districts incurring a negative general fund balance as of June 30, 2025 or adopting a 2025-2026 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, 2025 or adopting a 2025-2026 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 met for the May Revenue Estimating Conference on May 16, 2025. The purpose of the conference was to reach a consensus on the current fiscal year (2024-2025) revenues and the projected revenues for fiscal year 2025-2026. 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 Section 22d(4) funds are being paid at \$61.8576836757 per pupil.
- The Headlee Obligation for Data Collections funds are being paid out at \$29.3745279938 per pupil.
- The proration factor for Section 31a – At Risk funding is 35.14516039%.
- The proration factor for Section 29(7) – Enrollment Stabilization is 79.17202427%.

\*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)