

NOVEMBER PAYMENT INFORMATION

The November state school aid payment is the second fiscal year 2025 payment. The payment will be electronically transferred to districts' accounts on Wednesday, November 20, 2024.

TAXABLE VALUE

The November payment continues to use the *beginning* 2024 tax roll non-PRE (non-Primary Residence Exempt property), and Commercial Personal property taxable value data for the Section 20 foundation calculations, as provided by the county treasurers prior to October 30, 2024 via the web-based taxable valuation collection process. These data can be viewed by school district personnel on the Department's [website](#). To view your data, enter your district code and choose the appropriate tax year from the drop-down menu. Questions concerning taxable value should **first be directed to the appropriate county treasurer**.

PUPIL MEMBERSHIP

October 2024 unaudited pupil count data received prior to October 28, 2024 were used in the calculation of the blended membership count for the November payment. Otherwise, the estimates that were used in the October payment continue to be used. Please note that the **three-year average membership blend** was calculated for the November payment using either the estimates or the unaudited data, whichever was available. The three-year average blend is used for districts with a current year blend of less than 1,550 pupils **and** 4.5 or fewer pupils per square mile for whom the average of the membership blends for fiscal year 2023, fiscal year 2024, and fiscal year 2025 exceed the current year blend. Districts receiving the three-year blend can see the details of the calculation on the State Aid Financial Status Report.

SPECIAL EDUCATION COST FIGURES

The fiscal year 2023 special education and special education transportation cost figures continue to be used in the November payment. The fiscal year 2024 cost reports, which were due this fall, are being audited by the Office of Special Education and will be used to estimate current year costs when the data are released to the State Aid and School Finance unit. (Nicole Licht, Special Education Office, 517-241-7140, LichtN@Michigan.gov)

DEFICIT ELIMINATION PLAN

Schools incurring a negative fund balance at June 30, 2024 or projecting a negative fund balance at June 30, 2025 must submit a Deficit Elimination Plan (DEP) with a matching fiscal year 2025 budget. The DEP form is found on our [website](#). Questions may be directed to Chad Urchike at UrchikeC1@Michigan.gov.

BUDGET TRANSPARENCY REMINDER

Back by popular demand, early reviews of transparency pages are available. When your page is updated, please send an email to Chad Urchike at UrchikeC1@Michigan.gov, and it will be given priority. Budget transparency pages must be updated by December 1.

The budget transparency reporting requirements for 2024-25 are the same as in 2023-24. Questions may be directed to Chad Urchike at UrchikeC1@Michigan.gov.

MPSERS RETIREMENT FUNDS

The November 2024 payment includes 18.18% of the annual amount for the following state aid sections, with districts receiving an additional 9.09% each month through August.

- Section 147a(1) appropriates \$100 million for offsetting a share of Michigan Public School Employees Retirement System (MPSERS) costs. **No change from FY24.**
- Section 147a(2) appropriates \$365,100,000 for offsetting a portion of the normal cost contribution rate and will continue being paid out on a quarterly basis using actual amounts reported to us by the Office of Retirement Services (ORS). **No change from FY24 except for total appropriation amount.**
- Section 147a(3) appropriates an additional \$11,939,000 for offsetting a portion of retirement contributions owed by participating intermediate districts and libraries. **No change from FY24.**
- **NEW** – Section 147a(4) appropriates an additional \$598,000,000 to effectively reduce each participating entity's UAAL from 20.96% to 15.21% of covered payroll. Note that Section 147a(4) includes the following "intent" language:

"It is the intent of the legislature that the allocation under this subsection be used to support student mental health, school safety, the educator workforce, and academic interventions."

For accounting purposes, use of the MPSERS Grant Code will not be required when recording expenditures of Section 147a(4) consistent with past guidance. However, given this intent language, it is advised that districts prepare and keep on file a summary of how this additional funding was used in one or more of the stated four areas.

- Section 147c(1) appropriates \$1,039,100,000 for the UAAL rate stabilization. **No change from FY24 except for total appropriation amount.**
- **NEW** – Section 147c(2) appropriates an additional \$250,000,000 for additional payments to be contributed toward the retirement system. This will function similar to Section 147c(1) – districts will be invoiced by ORS and remit their monthly payment amount to ORS. A similar one-time appropriation of \$1,000,000,000 existed in FY23 and required separate accounting treatment. For this FY25 appropriation, use of the MPSERS Grant Code will not be required when recording expenditures of Section 147c(2).
- Section 147e appropriates \$104,700,000 and will continue being paid out on a quarterly basis using actual, current year amounts reported to us by ORS. **No change from FY24 except for total appropriation amount.**
- **REMOVED** – Section 147f is **no longer funded for FY25.**
- **NEW** – Section 147g appropriates \$181,519,700 to reimburse employees for costs associated with the health care premium subsidy benefit (3%). Current language uses prior year payroll to calculate this which would result in districts receiving inaccurate amounts for current year employees. Section 147g payments are not beginning in November State Aid payments as initially planned as we await a potential technical fix to this language to use current year payroll amounts allowing us to calculate and pay this categorical more accurately. An update on the status of Section 147g and further guidance is expected in early 2025 and will be shared through a future State School Aid Update and ORS' regular [Employer Update newsletters](#).

The above categoricals are to be used solely for the purpose described in their respective State School Aid Act sections. The amount allocated to each entity is based on each participating entity's percentage of the total statewide payroll for all participating entities for the state fiscal year ending September 30, 2024. If you are no longer a participating entity as defined in the act, then you are not entitled to the funds and they will need to be returned to the department. Please notify the department of that change at your earliest convenience.

If you have questions regarding these allocations, calculations using reported payroll, or related invoices and payments due to ORS where applicable, contact ORS at 1-800-381-5111 or ORS_WEB_Reporting@michigan.gov. Questions related to accounting for the categoricals may be directed to Christopher May, State Aid and School Finance Unit, at 517-335-1263 or MayC@Michigan.gov.

GENERAL INFORMATION

- The Section 22d(4) Isolated District funds are paid at \$62.0442129420 per pupil.
- The Headlee Obligation for Data Collection funds are paid at \$29.3155081773 per pupil.
- The proration factor for Section 31a – At Risk funding is 35.14491402%.

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, at 517-899-0796 cell, or via fax at 517-241-0196, or via e-mail at BooneP2@Michigan.gov.**