

### **STATE SCHOOL AID DATA UPDATED FOR APRIL**

The April state school aid payment is the 7<sup>th</sup> regular payment of the year and reflects 63.63% 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 Monday, April 22, 2019. The **Pupil membership blends** have been updated with the audited counts reported to CEPI as of April 4, 2019.

### **UPDATED CATEGORICALS**

The following categoricals were updated in the April payment although the updates may not have affected the allocation amounts for all districts. If the allocation amount for your district has changed and you have questions concerning that change, contact the consultants identified below:

- Section 31n6 Mental Health and Support Services (Michael Leathead – Office of Health and Nutrition Services, 517-335-1730, [LeatheadM@michigan.gov](mailto:LeatheadM@michigan.gov))
- Section 31n10 ISD Mental Health Administrative Funds (Michael Leathead – Office of Health and Nutrition Services, 517-335-1730, [LeatheadM@michigan.gov](mailto:LeatheadM@michigan.gov))
- Section 31n12 Behavioral Health Team Pilot (Michael Leathead – Office of Health and Nutrition Services, 517-335-1730, [LeatheadM@michigan.gov](mailto:LeatheadM@michigan.gov))

### **INDIRECT COSTS**

Current [indirect cost rate information](#) will be posted to the MDE website Monday, April 22. The new rate information includes Special Education rates for 2018-2019 and preliminary rate information for 2019-2020. Form R0418A, *Costs for the Development of 2019-2020 Federal Indirect Cost Rates*, details the cost data used to calculate preliminary indirect cost rates. Form R0418, *Carry Forward Calculation for 2019-2020 Federal Indirect Cost Rates*, shows the results of the preliminary calculation. Form DS-4513 allows the district to edit preliminary cost information to reflect more accurate indirect cost rates.

Form DS-4513 has been updated to improve processing and workflow. The most significant change to the form includes a tab specifically for sub-contract exclusions. Districts must request an exclusion for any contracted service in excess of \$25,000 that impacts the direct cost base. This tab is designed to allow the user to enter the total contract amount and the amounts charged to each function code or grouping, as it is organized on form R0418A. The subcontracts tab will proportionately subtract the first \$25,000 and calculate the exclusion.

Districts with membership greater than 2,999 will, once again, be required to complete the Head of Component tab (Part IV-HOC). This worksheet has been updated to improve the data collection process. Districts required to complete this worksheet will submit an organizational chart along with form DS-4513. A list of districts with membership greater than 2,999 will be provided on the MDE website. We also encourage districts to enter a Business Manager contact in the [Educational Entity Master \(EEM\)](#) to receive Head of Component communications.

Indirect forms will continue to be submitted through the online portal:

<https://fs10.formsite.com/SASF/form14/index.html>.

If you have any questions or comments, please contact Jessica Beagle at 517-241-6435 or [BeagleJ1@michigan.gov](mailto:BeagleJ1@michigan.gov).

### **SPRING 2019 MSBO CONFERENCE**

State Aid and School Finance staff will be attending and presenting at the annual MSBO conference in Grand Rapids at various times May 1st and 2nd, 2019. We will also have staff members available at a booth during the vendor show. We look forward to seeing you there. Feel free to catch up to us with any questions or concerns.

## **BUDGET TRANSPARENCY**

March 1 was the deadline for updating Employee Compensation Information. Please ensure this section on your Budget Transparency page has been updated with calendar year 2018 data. The superintendent's compensation information must be disclosed, regardless of salary amount. In addition to the superintendent, all district employees whose salary exceeds \$100,000 must also be disclosed. Questions related to Budget Transparency may be directed to Chad Urchike at [UrchikeC1@michigan.gov](mailto:UrchikeC1@michigan.gov) or 517-335-1261.

## **ASSESSMENT WINDOWS AND INSTRUCTIONAL TIME**

A number of districts have contacted the Department for advice on how to best meet the instructional day requirement while providing an environment conducive to testing. The following document explains the requirements in more detail, and provides a number of options for district consideration when planning their instructional calendar: [Instructional Time Requirements and the State Assessment Window](#).

## **SCHOOL - LEVEL EXPENDITURE REPORTING UNDER THE EVERY STUDENT SUCCEEDS ACT (ESSA)**

The Michigan Department of Education (MDE) recently sent out an update to district superintendents pertaining to the new requirement to report per-pupil expenditures at the school level on annual report cards. This communication also details upcoming opportunities to review school-level data and calculations prior to the submission of 2018-19 Financial Information Database (FID) data. Please see the [ESSA School-Level Financial Reporting webpage](#) for this and prior MDE communications, MDE's school-level per-pupil expenditure calculation methodology, and other upcoming resources. Questions regarding this item may be directed to Christopher May at 517-335-1263 or [MayC@michigan.gov](mailto:MayC@michigan.gov).

## **GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENT 384 – FIDUCIARY ACTIVITIES**

Supplemental guidance for the implementation of GASB Statement #84 – Fiduciary Activities was recently added to Section II E.18 of the [Michigan Public School Accounting Manual](#). The implementation year of this Statement for Michigan school districts is 2019-20. However, certain changes as a result including budgeting requirements for funds being restated as Student/School Activity Funds will require attention prior to July 1st. Districts are encouraged to review this guidance and discuss GASB #84 implementation with their auditors and legal counsel as needed. Questions regarding this item may be directed to Christopher May at 517-335-1263 or [MayC@michigan.gov](mailto:MayC@michigan.gov).

## **MICHIGAN PUBLIC SCHOOL ACCOUNTING CHANGE NOTICE #29**

An update to the *Michigan Public School Accounting Manual* was distributed on March 28, 2019. The changes listed in the notice are to be implemented for the 2019-20 fiscal year and include new codes and guidance related to Governmental Accounting Standards Board (GASB) Statement #84 – Fiduciary Activities. These changes have been incorporated into the manual, which is available on the [Department's website](#). Questions related to the change notice should be directed to Christopher May at 517-335-1263 or by e-mail at [MayC@Michigan.gov](mailto:MayC@Michigan.gov).

## **SECTION 64b DUAL ENROLLMENT INCENTIVE FUNDS**

Incentive payments for supporting postsecondary opportunities for students remain available in 2018-19. A maximum of \$60 per course can be claimed by entering "Yes" in the new "Eligible 64b Course" field within the Teacher Student Data Link (TSDL) collection upon completion of an eligible course. Previously, a different course type was used to differentiate between dual enrollment courses eligible and ineligible for these incentive payments. Course Type "07" should now be used for all dual enrollment courses. Incentive payments are limited to one course per student, per year, and will be included in districts' August state school aid payments following claim processing and course verification. Questions related to the processing of Section 64b Dual Enrollment Incentives and the TSDL collection may be directed to the Center for Educational Performance and Information (CEPI) at 517-335-0505 or [cepi@michigan.gov](mailto:cepi@michigan.gov). Questions related to dual enrollment and eligibility for these incentives may be directed to Eric Lipinski at 517-241-6895 or [LipinskiE@michigan.gov](mailto:LipinskiE@michigan.gov).

## **GENERAL INFORMATION**

- The proration factor for Section 31a-At Risk funding is 78.34069104%.

- The Headlee Obligation for Data Collection funds are paid at a rate of \$25.6275786021 per pupil.
- The Section 22d(4) Isolated District funds are paid at a rate of \$49.7729977416 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, State Aid and School Finance, MDE**, phone: **517-335-4059**, fax: **517-241-0196**, e-mail: [BooneP2@Michigan.gov](mailto:BooneP2@Michigan.gov).