

REMINDER TO DISTRICTS THAT PLEDGED THEIR AUGUST PAYMENT

Approximately 92 school districts participated in the Michigan Finance Authority's (MFA) State Aid Note (SAN) Program 2018 A-2 (no set-aside pool), and pledged 100% of their August 2019 school aid payment for the repayment of this obligation. If your district participated in this program, please be reminded that all or part of your August payment will not be deposited in your bank account. Rather, the note set-aside portion will be deposited with the Michigan Finance Authority. If you have questions please contact Melissa Lovegrove, Michigan Finance Authority 517-241-4207 or lovegrovem@michigan.gov.

AUGUST PAYMENT INFORMATION

The August state school aid payment is the 11th and final payment of the year and reflects a cumulative 100% of the year's allocations for Sections 22a, 51c, and 22b as well as for the categorical funding.

Updated Categoricals - The following categorical were updated in the August 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:

- Adult Education – Section 107 (Sandy Thelen, Workforce Development Agency, Adult Education, 517-373-3395, ThelenS@Michigan.gov)
- Renaissance Zones – Section 26a (Howard Heideman, Treasury, Revenue and Tax Analysis, 517-373-9002, HeidemanH@Michigan.gov)

SECTION 147e REMINDER

Included with your August State School Aid payment is the final reimbursement for the 2018-19 school fiscal year increased retirement costs due to the passage of Public Act 92 of 2017. The state's reimbursement consists of the 4-percent employer contribution for participants in the Defined Contribution (DC) plan, and the difference between Pension Plus and Pension Plus 2 employer normal cost contributions (3.13 percent). As a reminder, Section 147e revenue should be accounted for similarly to Section 147a. This is additional revenue for your district to offset its own costs related to employees enrolled in certain MPERS plans. Therefore, no repayment to ORS is involved, and similar to other Section 147 subsections, the grant code is optional when recording expenditures related to these funds.

Questions related to Section 147e and calculated payment amounts may be directed to ORS' Employer Reporting Unit at ORS_Web_Reporting@michigan.gov. Questions related to the accounting of these funds may be directed to Christopher May at MayC@michigan.gov or 517-335-1263.

FINANCIAL INFORMATION DATABASE (FID) REMINDER

All districts are required to electronically submit financial data to the Financial Information Database (FID) by November 1, 2019. Failure to submit FID data consistent with audited financial statements by November 1st will result in the withholding of the November and subsequent state school aid payments (MCL 388.1618(10)). **The FID application will open for district submissions on September 3, 2019.** Questions related to financial accounting and reporting may be directed to Christopher May at 517-335-1263 or MayC@Michigan.gov. Questions related to accessing the system or submission of data to the FID may be directed to the CEPI Customer support at CEPI@michigan.gov or 517-335-0505.

FY 2019 STATE SCHOOL AID REVENUE RECOGNITION

State school aid revenue reported in the 2018-2019 Financial Information Database (FID) should be consistent with amounts shown on districts' August 2019 State Aid Financial Status Reports. Minor differences may occur as the result of accounts payable and receivable. Care should be taken to record the revenues in the appropriate fund, major class codes, and suffix codes as indicated in the [Accounting for State School Aid Revenues](#) document. Unearned Revenue such as any restricted state grant funds (i.e., At-Risk, Adult Education, Math/Science) received and remaining unspent at year end should be recorded in the financial statements as unearned revenue (balance sheet major class code 471) rather than as a reserve of fund balance. This does not apply to funds that are awarded without restriction as to use. Questions related to revenue recognition and financial accounting may be directed to Christopher May at 517-335-1263 or MayC@Michigan.gov.

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

As communicated in the July 2019 State School Aid Update, sample school-level per-pupil expenditure data was emailed to school district superintendents and business managers on June 13th. As districts complete 2018-19 Financial Information Database (FID) reporting, we also encourage a thorough review of the new "ESSA Bldg Level Expenditure Report" within FID. This report will provide districts a preview of the school-level expenditure data that will be published by MDE in Spring 2020 and an opportunity to correct any issues during the FID reporting timeframe. Please see the [ESSA School-Level Financial Reporting webpage](#) for past 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.

BUDGET TRANSPARENCY REMINDER

Budgets and subsequent amendments for 2019-20 must be posted to your Budget Transparency page within **15 days** of board approval. All districts should have their initial 2019-20 budget posted. Budgets and amendments must be detailed at the function level. They must also include **beginning and ending fund balances**. Questions related to Budget Transparency may be directed to Chad Urchike at UrchikeC1@Michigan.gov or 517-335-1261.

PRELIMINARY HEADCOUNT REPORT

Districts in their first or second year of operation, or districts that have added a grade for the first time, are required to report their headcounts for a day during the week of September 9-13, for use during the October state aid payment. Please use this [form](#) to submit head counts. Headcount data must be submitted by Friday, September 20, 2019.

SECTION 64b DUAL ENROLLMENT INCENTIVE FUNDS

Section 64b dual enrollment incentive payments will be included in August state school aid payments for districts that supported postsecondary courses that met eligibility criteria and coded those courses as Course Type "07" along with the "Eligible 64b Course" field in the 2018-19 Teacher Student Data Link (TSDL) collection. 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. Questions related to dual enrollment and eligibility for these incentives may be directed to Eric Lipinski at 517-241-6895 or LipinskiE@michigan.gov.

DEFICIT DISTRICT INFORMATION

Districts projecting a negative general fund balance as of June 30, 2019 or districts adopting a deficit budget for 2019-20 are required to submit a Deficit Elimination Plan (DEP) to the Department. The DEP template is available on our [website](#). Questions may be directed to Chad Urchike at 517-335-1261 or UrchikeC1@Michigan.gov.

IMPORTANT DATES TO REMEMBER

- **October 22, 2019** is the date of the annual **MDE/MSBO Fall Workshop**. This year's conference will be at the Kellogg Center in East Lansing, Michigan.
- Pursuant to Section 380.1284b of the Revised School Code, **school is not to be in session prior to Labor Day** (September 2, 2019).
- **Wednesday, October 2, 2019** is the **pupil membership count day** for 2019-2020 and the second adult education participant count day of the year. (Brian Ciloski, 517-373-3352, CiloskiB@Michigan.gov)
- The **SE-4096 Special Education Cost Report** for FY 2019 is due on **September 30, 2019**. (Scott Kemmer-Slater, 517-335-1662, KemmerSlaterS@michigan.gov)
- The **SE-4094 Special Education Transportation Expenditure Report** for FY 2019 is due on **October 7, 2019**. (Scott Kemmer-Slater, 517-335-1662, KemmerSlaterS@michigan.gov)
- The October 21, 2019 state school aid payment is the first payment of FY 2020. There is no September school aid payment.
- **November 1** is the deadline for local districts (including PSAs) to file their **2018-2019 financial audit report** with their ISD. Both the **financial and pupil accounting audit reports** are due electronically to the Department on **November 1**. Failure to file these reports will result in the withholding of state aid. (Caitlin Hengesbach, 517-335-6858, HengesbachC2@michigan.gov)
- The **FY 2019 FID – Annual Comprehensive Financial Report** is due from local and intermediate districts to CEPI by **November 1** (see related item above). Failure to file this report will result in the withholding of state aid. (Christopher May, 517-335-1263, MayC@Michigan.gov)
- The **DS-4168, Days and Clock Hours Report** for 2018-19 was due **August 1, 2019**.
- August Section 23a claims may be submitted in the 2018-19 SRM. The 2018-2019 SRM Collection is open until **September 11, 2019 at 11:59 p.m. EDT**. This submission must include students that less than 20 years of age as of 9/1/2018. August Section 23a claims may also be submitted in the 2019-20 SRM opening 9/23/19.
- **Proration factors:** Section 31a – At Risk funding per pupil proration is 78.34069104%.
- Section 22d(4) Isolated District funds are being paid at a rate of \$49.7749530920 per pupil.
- Section 152a Headlee Obligation for Data Collection funds are being paid at a rate of \$25.6177490590 per pupil.

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, phone: 517-335-4059, fax: 517-241-0196, e-mail: BooneP2@Michigan.gov.
