

JANUARY 11, 2019 REVENUE ESTIMATING CONFERENCE

A revenue estimating conference was held on January 11, 2019 to update revenue projections for fiscal year (FY) 2019, FY 2020, and to make initial projections for FY 2021. FY 2019 revenue projections for both the general fund and the state school aid fund were revised at the conference. The general fund projection was revised downward by \$245.2 million and the school aid fund projection was revised upward by \$210.6 million. For detailed information on the January revenue estimating conference, go to the [House of Representative Fiscal Agency website](#) or [Senate Fiscal Agency website](#) following the conference.

GOVERNOR'S FY 2020 STATE BUDGET

While no one can say for certain at this time what the revenue consensus from the above referenced conference may mean for future state school aid budgets, one indication will come when the Governor unveils her proposed budget for FY 2020 in February. Of course, the budget cycle will then run its full course through the legislative process before enactment in appropriation bills. Also, the Governor's State of the State address is scheduled for February 5, 2019 which can always include education news.

JANUARY PAYMENT INFORMATION

The January state school aid payment is the fourth regular payment of the 2019 fiscal year. The payment will be electronically transferred to the districts' accounts on Tuesday, January 22, 2019.

Taxable value - The January payment continues to use the beginning 2018 tax roll non-homestead taxable value data, as provided by the county treasurers via the web based taxable valuation collection process. These data can be viewed by school district personnel on the [Department's Taxable Value Management System](#) website.

To view your data, click on "Public Access," and then choose your district code and the appropriate tax year from the drop-down menus.

Updated categoricals - The following categoricals were updated in the January 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:

- High School Pupil Supports – Section 22n, (Brian Ciloski - State Aid and School Finance, 517-241-2209, CiloskiB@Michigan.gov)
- Financial Analytical Tools – Section 102d, (Jeff Kolb - State Aid and School Finance 517-335-1908, KolbJ2@Michigan.gov)

SECTION 102D SCHOOL DATA ANALYTICAL TOOL FUNDING IN JANUARY PAYMENT

Section 102d of the State School Aid Act provides \$1.5 million in FY 2019 to reimburse school districts for the licensing of school data analytical tools. These funds have been included in the January payment. Districts that qualified will see reimbursement in the "Current Year Allowance" section of the State School Aid Financial Status Report on a line labeled "102d Financial Analytical Tools." Language in Section 102d for FY 2019 limits the reimbursement to one-half of the costs of the contracts. Any funds remaining after the calculation and payment will be distributed on an equal per-pupil basis, with an intermediate district's pupils considered to be the sum of the pupil memberships of the constituent districts for which the intermediate district is purchasing the financial data analytical tool. The contract must cover the fiscal year of the appropriation (October 1, 2018 through September 30, 2019) or the reimbursement will be prorated. However, contracts entered after October 1, 2018 and before December 1, 2018 have not been prorated if they run for a full year. Questions related to this item may be directed to Jeff Kolb, State Aid and School Finance, 517-373-1908 or KolbJ2@Michigan.gov.

MICHIGAN PUBLIC SCHOOL ACCOUNTING CHANGE NOTICE #28

An update to the *Michigan Public School Accounting Manual* was distributed on January 10, 2019. The changes listed in the notice are to be implemented for the 2019-20 fiscal year. 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.

SUPPLEMENTAL COUNT DAY

The second count date of the school year, February 13, 2019, is quickly approaching. As a courtesy to the field, the Department would like to remind all districts that schools must be open and scheduled for regular instruction on each count day prescribed in legislation. Only a district that is not in session on that day due to conditions not within the control of school authorities will be allowed to use the immediately following day on which the district is in session for count purposes, and only if the district requested and received written approval from the Department for the alternate count date. If your district was closed on count day due to unforeseen conditions, please use the following form to request an alternate count date: <https://fs10.formsite.com/SASF/form8/index.html>.

SECTION 101 – SCHOOL DAY CANCELLATIONS AND FORGIVEN TIME

Section 101 of the State School Aid Act (MCL 388.1701) remains the same as FY 2018 with regard to the cancellation of instructional time. The language continues to grant districts six (6) days and/or the equivalent number of hours to use toward cancellations that occur due to conditions beyond the control of school authorities, commonly referred to as “forgiven time” or “snow days.” Language remains that grants the State Superintendent the authority to grant up to three (3) additional days or equivalent hours cancelled as instruction, provided the cancellation is due to unusual and extenuating circumstances resulting from conditions not within the control of school authorities. Districts must provide strong rationale supporting why these days cannot be rescheduled before the end of the school year. Applications for additional forgiven time will only be accepted through the [online form](#). Questions regarding this item should be directed to Jessica Beagle at BeagleJ1@Michigan.gov or 517-241-6435.

IMPORTANT DATES TO REMEMBER

- **February 1** is the due date for districts and ISDs to report to the local health department the **immunization status** of each new pupil in grades K-12 who enrolled in the district or ISD for the first time during the immediately preceding calendar year and all 6th graders, pursuant to State School Aid Act Section 167. (Helpdesk – 888-243-6652)
- **February 13** is the **supplemental count day** for all districts, ISDs, and PSAs and the 3rd quarterly count date for adult education participants.

GENERAL INFORMATION

- The proration factor for the Section 31a - At Risk funds is 78.35058177%.
- The Section 22d(4) funds are being paid at \$49.7354484830 per pupil.
- The Headlee Obligation for Data Collection funds are being paid at \$25.6343754935 per pupil.

*Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or **Phil Boone, State Aid and School Finance, MDE**, phone: **517-335-4059**, fax: **517-241-0196**, email: BooneP2@Michigan.gov