

## **NOVEMBER PAYMENT INFORMATION**

The November state school aid payment is the second fiscal year 2019 payment. The payment will be electronically transferred to districts' accounts on Tuesday, November 20, 2018.

**Taxable Value** – The November payment continues to use the *beginning* 2018 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 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, click on "Public Access," 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 2018 unaudited pupil count data received prior to October 26, 2018 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 90% - 10% 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 2017, fiscal year 2018, and fiscal year 2019 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 2017 special education and special education transportation cost figures continue to be used in the November payment. The fiscal year 2018 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 Office of State Aid and School Finance. (Scott Kemmer-Slater, Special Education Office, 517-335-1662, [KemmerSlaterS@Michigan.gov](mailto:KemmerSlaterS@Michigan.gov))

**Updated Categoricals** – The following categorical updates were updated in the November 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.

- CTE Per Pupil Incentive – Section 61d (Joan Church, Career and Technical Education Office, 517-335-0360, [ChurchJ@Michigan.gov](mailto:ChurchJ@Michigan.gov))
- Early Literacy Targeted Instruction – Section 35a(5) (Linda Forward, Educator, Student, and School Supports, 517-241-3232, [FowardL@Michigan.gov](mailto:FowardL@Michigan.gov))
- Early Literacy Teacher Coaches – Section 35a(4) (Linda Forward, Educator, Student, and School Supports, 517-241-3232, [FowardL@Michigan.gov](mailto:FowardL@Michigan.gov))
- Bilingual Education – Section 41 (Paula Daniels, Office of Educational Supports, 517-241-6979, [DanielsP1@Michigan.gov](mailto:DanielsP1@Michigan.gov))

## **FISCAL YEAR 2018 FID DATA**

The Department would like to thank school district administrators for submitting the fiscal year 2018 FID data. Department staff are currently reviewing the data for quality and consistency with audited financial statements. E-mails will be sent to specific FID users if corrections are needed by the end of November. The FID will remain open until November 20, 2018 for districts to make any necessary corrections. Once the final FID data have been processed, preliminary 2020 Indirect Cost Rates and 2018 Maintenance of Effort will be calculated. Questions related to this item may be directed to Christopher May at 517-335-1263 or [MayC@Michigan.gov](mailto:MayC@Michigan.gov).

## **DEFICIT ELIMINATION PLANS**

Schools that incurred a negative fund balance as of June 30, 2018 must submit to the Department a board adopted Deficit Elimination Plan (DEP) with a matching fiscal year 2019 budget. The DEP form may be found on our [website](#). Questions may be directed to Chad Urchike at 517-335-1261 or [UrchikeC1@Michigan.gov](mailto:UrchikeC1@Michigan.gov).

## **BUDGET TRANSPARENCY REMINDER**

Section 18 of the State School Aid Act (MCL 388.1618) includes language which imposes a penalty on schools not in compliance with Budget Transparency. To avoid a state aid penalty, please have your transparency page updated by December 1, 2018. Updated transparency guidance which includes information on all of the required

data elements may be found on our [website](#). School websites will be reviewed for compliance beginning December 1, 2018, with correspondence being sent to LEAs/ISDs and PSAs/Authorizers.

You do not have to wait for our review. When your transparency page is ready for review, please let Chad Urchike know and your page will be given priority. For your reference, we can also recommend compliant school websites to view. Questions related to Budget Transparency should be directed to Chad Urchike at 517-335-1261 or [UrchikeC1@Michigan.gov](mailto:UrchikeC1@Michigan.gov).

### **SECTION 23A MEMBERSHIP AND SECTION 25G CATEGORICAL ADJUSTMENTS**

Pursuant to language in Section 6(4)(dd) of the State School Aid Act, pupils in Section 23a Dropout Recovery programs can generate more than a 1.0 FTE in certain instances (reference [Section 23a Memo](#)). That portion of the FTE above 1.0 (not to exceed 1.25 FTE) is paid out of categorical funding in Section 25g. The October status report reflected the Section 25g funding for the 2017-18 school year on a line labeled "25g Pupil Exceeding 1.0 FTE" in the Prior Year Adjustments section. The November payment reflects a slight adjustment to what was paid in October. The amount allocated for 2017-18 was inadequate to fully fund the amount of qualifying membership. A proration factor of 0.6999221525 has been applied. Questions related to this adjustment should be directed to Jessica Beagle at 517-241-6435 or [BeagleJ1@michigan.gov](mailto:BeagleJ1@michigan.gov).

### **MPSERS RETIREMENT FUNDS**

The November 2018 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.
- Section 147a(2) appropriates \$88.091 million for offsetting a portion of the normal cost contribution rate.
- Section 147c(1) appropriates \$1.032 billion for the UAAL rate stabilization.

Section 147e will continue being paid out on a quarterly basis using actual amounts reported to us by the Office of Retirement Services (ORS).

These funds are to be used solely for the purpose described in the 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, 2018. 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 the related invoices and payments due to ORS, contact ORS at 517-636-0166 or [ORS\\_WEB\\_Reporting@michigan.gov](mailto:ORS_WEB_Reporting@michigan.gov). Questions related to accounting for the payments may be directed to Christopher May, Office of State Aid and School Finance, at 517-335-1263 or [MayC@Michigan.gov](mailto:MayC@Michigan.gov).

### **IMPORTANT DATES TO REMEMBER**

- The **fiscal year 2019 MSDS Records (including State Aid FTE Counts)** for the October 3, 2018 count date were due to the Center for Educational Performance and Information (CEPI) by **November 7, 2018 and were to be certified by November 14.**
- **November 1** was the deadline for local districts (including PSAs) to file their **fiscal year 2018 financial audit reports** with the ISD and the Department. It was also the date for the ISD to file its own **financial report** and the **pupil membership audit reports** for its constituent districts with the Department. Naomi Casher, 517-335-6858, [CasherN@Michigan.gov](mailto:CasherN@Michigan.gov)
- **November 1** was the deadline for local and intermediate districts (including PSAs) to submit the **fiscal year 2018 Annual Comprehensive Financial Report - FID**. Chris May, 517-335-1263, [MayC@Michigan.gov](mailto:MayC@Michigan.gov)
- **Proration factors** for November: Section 31a At Risk is 78.09877470%.
- The **Headlee Obligation for Data Collection** funds are being paid at \$25.4230194277 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, Director, State Aid & School Finance, MDE**, at 517-335-4059, or via fax at 517-241-0196, or via e-mail at [BooneP2@Michigan.gov](mailto:BooneP2@Michigan.gov).