

Office of State Aid and School Finance



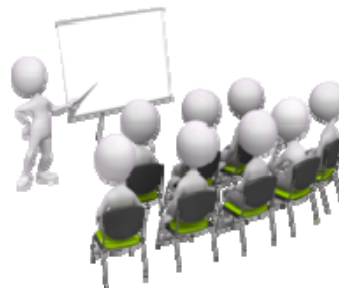
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September 16, 2016



Agenda

- FID/Accounting Update
- Dual Enrollment
- Section 20m
- Posting Evaluation Tools
- Budget Transparency
- Question and Answer





FID Submission

- Submit FID and Audit by November 1, 2016
 - November state aid payment will be withheld if not received
- Michigan Education Information System (MEIS)
 - Authorized users up to date?
 - Email addresses and phone numbers up to date?
 - Important for FID clarifications and corrections
 - Security Form:
http://www.michigan.gov/documents/cepi/FID_security_agreement_407883_7.doc
- Educational Entity Master (EEM)
 - Updated with current business office contact?

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FID Submission

- Section 18(10) – State Aid Withholding
 - Failure to comply **OR**
 - Department determines that FID data not consistent with audited financial statements
- Importance of data quality
- Compressed timeline for analysis and corrections (SBO, Legislature, ESSA)

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FID Checks

- State School Aid Revenue
 - Should be reported consistent with the Accounting for State School Aid Revenues document found at http://www.michigan.gov/documents/saacct03_45776_7.pdf.
 - FID amounts will be checked with August State Aid Status Report.
 - Suffix Codes most common issue last year
- CEPI Pre-Check (new)
 - Will be pre-checking submitted data week of October 17th and notifying districts with potential discrepancies of state aid revenue on October 24th
 - Should be automated within system next year (warnings/errors)

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FID Checks

- Audit checks
 - General Fund balances
 - Federal revenues and expenditures
 - USDA Entitlement and Bonus Commodities
 - Must use appropriate grant codes
- Most affected by Section 18(10)
 - Discrepancies must be resolved timely to avoid State Aid withholding

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FID Checks

- Fund Modifications
 - Both revenue and expenditure side of transfer should use Major Class Code/Function Code 6xx, xx = fund transferring to or from
 - Built-in edit check in FID to ensure fund modifications in equal fund modifications out
- General Fund transfers to Capital Projects and Debt Service
 - Not more than 20% of total state aid
 - If 20% is exceeded due to local revenue, notify SASF/district will receive notice from MDE
- Utilities and Energy Supplies (Object 55xx)
 - Should be >\$0

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FID Checks

- Confirm calculated average teacher salary is reasonable
 - District File Status page
 - Highly sought after by a variety of stakeholders
 - Verify accuracy of REP data (collection closes prior to FID submission) and proper coding of FID data
 - Checked for both reasonability and % change from PY
- Significant % changes in PY to CY data also reviewed when preparing federal reports
 - Districts may be contacted as late as March for coding clarification or corrections

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FID Checks

- Adult Education
 - If reporting Adult Education expenditures (Functions 13x), must also report Adult Education participants in MSDS
 - Exception: Consortiums/Multi-district programs – may receive notice from MDE
 - Alternative High School expenditures should be included in the High School Function 113
 - If charging tuition or providing instruction free of charge to community members, use a Community Services function (3xx)

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How is FID Data Used?

- Bulletin 1011
 - Financial information grouped by district size (pupils)
 - Sorted by fund, also shows assets and liabilities
- Bulletin 1014
 - Financial information sorted by district and ranked per-pupil
 - Revenues by source, expenditures by function
 - Also includes taxable value and pupil count information
- MI School Data / Transparency
- Maintenance of Effort
- Indirect Cost Rate Calculations
- Federal Reporting / Allocations
- Specific Program Reporting (School Meals, Special Ed, etc.)

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Bulletin 1022 – Change Notice #24

- New Balance Sheet Major Class Code for recording GASB 68 Net Pension Liability:
 - **594** – Pension Liability – Long Term Portion
 - FID validation check for LEAs and ISDs (amount >0 reported in either Fund 92 of Balance Sheet file OR District Data Entry screen)
- Revised definition of Balance Sheet Major Class Code **195** – Deferred Inflows and Outflows
 - Now refers to GASB 68 and directs net pension liability amounts to 594
 - FID will accept both debit and credit amounts for this Major Class Code
- See full Change Notice for other minor changes and clarifications

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Section 64b Dual Enrollment Incentives

- Supplemental payments to school districts for supporting dual and concurrent enrollment options
 - \$10 per credit, up to three credits per course
 - Additional \$30 per course if successfully completed
 - Incentive payment is limited to one course per student per year
- For concurrent enrollment programs:
 - District may not charge student for any costs of program
 - Student must be awarded high school and college credit
- Both concurrent and dual enrollment programs must meet all requirements of the Postsecondary Enrollment Options Act
- Previously required submission of Excel claim form, now automated, TSDL-based process
 - More details to be made available by CEPI

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New Section 20m

- 20j ensured Hold Harmless districts get Basic Foundation increase
- 20m has similar language, beginning 2016-17
 - For 2016-17, rate of inflation is 0.1%
- Hold Harmless districts will get \$60 increase
 - It will be made in two pieces
- Formula will be published in a future State Aid Update

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New Posting Requirement

- PA 173 of 2015 (SB 103)
 - Evaluation tools for teachers and administrators
- Posted on budget transparency page
 - At the bottom
- Not part of budget transparency reviews
- Shepherd Public Schools example

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New Posting Requirement

District Name	District Number	Phone	City	County	Website
Shepherd Public Schools	37060	989-828-5520	Shepherd	Isabella County	http://www.shepherdschools.net/



Budget and Salary / Compensation Transparency Reporting

- Fiscal Year 2016-2017 Board Approved Budget
- Fiscal Year 2015-2016 Board Approved Budget
- Personnel Expenditures
- Current Operating Expenditures
- District Paid Association Dues
- Current Bargaining Agreements
- Employer Sponsored Health Plans
- Audited Financial Statements
- Medical Benefit Plan Bids
- Procurement Policy
- Expense Reimbursement Policy
- Accounts Payable Check Registers
- Employee Compensation Information
- District Paid Lobbying Costs
- Approved Deficit Elimination Plans
- District Credit Card Information
- District Paid Out-of-State Travel Information
- Debt Schedules
- Observation/Evaluation Tools
 - Assurances Document for Michigan Users
 - Teacher Evaluations: Postings & Assurances
- MI School Data



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Budget Transparency Reminders

- All data elements must be on your page
 - Provide a line stating you have no data
- Budget Transparency Icon
 - Standard icon developed by Department
 - Immediately viewable from Main Home Page
 - Must measure at least 150 x 150 pixels
- Current Year Budget/Amendments
 - Detailed at function level
 - Must include beginning and ending fund balances
 - Posted within 15 days of board adoption

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	2013-14 Audited Final	2014-15 Audited Final	2015-16 Initial June 15, 2015	2015-16 Amendment #1 Dec. 14, 2015
Revenue:				
Local Sources				
Local Revenue	\$ 3,252,909	\$ 3,029,530	\$ 2,986,100	\$ 3,055,600
Received from other Districts	1,868,929	2,019,160	1,953,000	1,733,000
State Sources	27,332,455	28,532,406	29,554,000	29,107,085
Federal Sources	2,133,930	2,342,633	2,361,866	2,422,490
Incoming Transfers & Other Sources	81,061	84,706	106,000	106,000
Total Revenues	\$ 34,669,284	\$ 36,008,435	\$ 36,960,966	\$ 36,424,175
Expenditures:				
Instruction				
Basic Instruction	\$ 17,250,630	\$ 17,670,888	\$ 18,218,518	\$ 18,405,386
Added Needs Instruction	4,853,886	4,752,779	5,050,316	5,058,099
Adult Education	316,947	324,177	322,000	-
Support Services				
Pupil Support	2,712,694	2,875,732	2,993,940	3,009,946
Instructional Staff Support	1,154,768	1,226,134	1,429,521	1,447,202
General Administration	425,923	688,873	720,752	714,346
School Administration	2,271,646	2,371,587	2,343,992	2,343,992
Business Services	476,034	495,099	524,677	530,277
Operations & Maintenance	2,617,284	2,626,944	2,555,823	2,555,823
Pupil Transportation	1,394,042	1,400,916	1,528,837	1,530,437
Central Support (Tech, HR)	662,963	535,799	557,959	568,262
Athletics	737,768	771,793	766,007	766,007
Community Services	34,757	35,963	32,533	36,403
Interfund & Other Financing Uses	73,186	104,891	98,186	98,186
Total Expenditures	\$ 34,982,528	\$ 35,881,575	\$ 37,143,061	\$ 37,064,366
Projected surplus (deficit)	\$ (313,244)	\$ 126,860	\$ (182,095)	\$ (640,191)
Fund Balance, July 1	\$ 3,086,874	\$ 2,773,630	\$ 2,493,378	\$ 2,900,490
Fund Balance, June 30	\$ 2,773,630	\$ 2,900,490	\$ 2,311,283	\$ 2,260,299
Percentage of Annual Expenditures	7.9%	8.1%	6.2%	6.1%



Budget Transparency Reminders

Employee Compensation Information

1. Information from the previous calendar year
2. Superintendent's information must be disclosed
3. All employees whose salary exceeds \$100,000
4. Must provide a description and cost of each fringe benefit

EMPLOYEE COMPENSATION INFORMATION DISTRICT STAFF WHOSE SALARY EXCEEDS \$100,000 FOR CALENDAR YEAR 2015		
Position	Superintendent	High School Principal
Base Salary	\$136,148	\$105,362
Flex Day Payout	\$2,581	\$2,020
Taxable Life Insurance	\$430	\$846
Longevity	\$4,794	\$1,063
Car Allowance	\$6,000	
Tax Sheltered Annuity Contribution	\$7,114	
Evaluation incentive	\$1,000	
Student performance incentive (grant funded)		\$1,500
Cost of insurance	(\$2,177)	(\$3,550)
Retirement Healthcare Deduction	(\$4,258)	(\$3,238)
Health Savings Account	(\$2,500)	
2015 Medicare earnings	\$149,132	\$104,003
Insurance (Portion paid by the District):		
Health Insurance	\$13,616	\$14,053
Dental Insurance	\$1,542	\$1,542
Vision Insurance	\$273	\$273
Long Term Disability	\$945	\$927
Short Term Disability	\$135	\$81
Life/ADD Insurance	\$418	\$257
Total Insurance Costs	\$16,928	\$17,132
Mandatory Benefits (Portion paid by the District)		
FICA	\$9,509	\$7,956
Retirement	\$36,592	\$27,823
Workers Compensation Coverage	\$106	\$73
Total Insurance Costs	\$46,207	\$35,852
TOTAL COMPENSATION	\$212,267	\$121,408



Budget Transparency Update

- What's new for 2016-17?
- Updated guidance
- State aid penalty
- Website reviews





Compliance Review Process

- Preliminary/Early Reviews
 - Let me know when your website is updated
- Initial Reviews Start December 1
- Correspondence Detailing Review
 - Business manager and ISD or Authorizer
 - 30 days to make updates
- Second Review
 - Updates made
 - Remaining issues
- State Aid Withholding

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Questions and Comments

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