Department of Education
POLICY FOR MAKING STATE AID ADJUSTMENTS

Final Reporting of Student Data (MARSS) and Finance Data (UFARS)
Effective Beginning for Fiscal Year 1994
Updated November 29, 1999 for statute and name changes

A. BACKGROUND - There are two statutes that govern state aid adjustments for school districts. A specific 1977 law (M.S. 127A.49, Subdivision 1) sets a time limit and criteria for aid adjustments, and a more general 1979 law (M.S. 127A.41, Subdivision 2) authorizes the Commissioner of Education to make adjustments and sets the manner in which adjustments are to be implemented. An attorney general review and opinion was requested on two occasions in FY 1981 to assist the Department of Education (MDE) in the interpretation and administration of the aid adjustment statutes.

B. MDE - Based on the relevant state laws and subsequent interpretations, the MDE policy for making aid adjustments, whether positive or negative, is summarized below (also see the following table):

1. Adjustments are approved for all affected districts in all cases, regardless of the source or origin of the incorrect district data, when the incorrect data are corrected by the statutory deadline of December 30 in the following fiscal year.

   Note: In cases when MDE provides data confirmation reports or processes find aid payments and provides aid entitlement reports for district review <u>after</u> December 30, the timeline for correcting district data is extended a reasonable time. In these cases, MDE will notify districts of the due date.

2. In cases where timelines for correcting district data has expired, aid adjustments are:

   a. Approved for all affected districts when the incorrect district data or aid entitlement is due to incorrect reporting of another district(s) or to MDE processing or computation errors.

   b. Denied for all affected districts when the district has failed to correct its data after reviewing data confirmation or aid entitlement reports provided by MDE. In denying an aid adjustment, MDE is to provide the district with the rationale for the denial. The rationale may be that MDE has provided adequate reporting instructions and procedures for verifying and correcting the reported data.

   Note: In cases where the source or origin of a district's incorrect data is unknown or is in dispute, an aid adjustment is approved when the facts indicate that another district(s) or MDE most likely contributed to the problem (for example, a confirmation report was not sent to the affected district), and is denied when the facts indicate that the district most likely contributed to the problem (for example, the affected districts failed to correct the data when a confirmation report was provided by MDE).

3. School districts may make corrections to the MARSS and UFARS data submissions within the regular reporting timelines and due dates specified for each data report or submission. If the need for correcting district data occurs after all reporting timelines have expired, including the December 30 statutory date, the procedure is to submit a written request stating the specific facts and other circumstances relating to the data reporting problems to Tom Melcher, Manager, Division of Program Finance. A project team of relevant MDE staff will review the information provided and approve or deny the request based on this aid adjustment policy. The district will be notified in writing of the final decision.

4. When changes in student data are approved, the programs for which aid entitlements are to be recomputed include general education, capital facilities, and capital equipment. The state aid for these programs is directly related to student counts and the formula allowances are significant. Other categorical aid programs with smaller formula allowances are also considered for adjustment when the district's total program revenue amount (aid and levy) is affected and the adjustment amount is material in terms of generally accepted accounting principles. Approved changes in finance data will result in adjustments to state aid for the affected programs.

MDE POLICY FOR MAKING STATE AID ADJUSTMENTS

Related to Changes to Student Data (MARSS) and Finance Data (UFARS)
Effective Beginning for FY 1994

	Original Error Made by Affected District	Original Error Made by Another District	Original Error Made by MDE	Original Error Made By Unknown or In Dispute
Affected District Corrects Data Via Confirmation Report or Other Means by December 30	Approve for all affected districts	Approve for all affected districts	Approve for all affected districts	Approved for all affected districts
Affected District Fails to Correct Data Via Confirmation Report or Other Means by December 30	Deny for all affected districts	Approve for all affected districts	Approve for all affected districts	Approve or deny based on facts in each case