



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

MICHAEL P. FLANAGAN
STATE SUPERINTENDENT

August 1, 2013

MEMORANDUM

TO: Intermediate School District Superintendents, Local School District Superintendents and Public School Academy Administrators

FROM: Eleanor E. White, Ph.D., Director
Office of Special Education

SUBJECT: Special Education Actual Cost Report Form SE-4096 for the 2012-13 School Year

The *Special Education Actual Cost Report* which is to be completed and returned to your Intermediate School District (ISD) by September 16, 2013, has been posted to the Michigan Department of Education, Office of Special Education website. ISDs will return their own and all constituent local forms to the Michigan Department of Education (MDE) by September 30, 2013. Districts who wish to use an electronic version of the SE-4096 may download an excel version on the form from the Department of Education web site at:
http://www.michigan.gov/mde/0,1607,7-140-6530_6598_8391---,00.html

In order for school districts to qualify for state aid under Sections 51a, 51c and 53a of the State School Aid Act, their programs must have been authorized in the ISD special education plan. We are asking the ISD staff to review all local district and public school academy final cost reports when they are returned to the ISD as follows:

1. Ensure that all the special education programs and services reported by local districts were operated by the reporting district consistent with the ISD plan.
2. If costs are listed on line 33 or line 34 for Special Education Administrators, ensure staff claimed were qualified Special Education Administrators and work at least half-time in special education consistent with the special education rules.
3. Identify and report to the MDE any district that operated non-approved programs or charged unauthorized administrative costs.
4. **Return all SE-4096 forms to the MDE no later than September 30, 2013. Failure to do so will result in withholding all of a district's state aid.**

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Section 18 of the State School Aid Act requires the form to be submitted by September 30, 2013.

One of the items that is needed to complete the form is your local district's special education indirect rate for the 2012-13 school year. These rates were sent to all school districts earlier in the year by the Office of State Aid and School Finance. If you are not sure what the special education indirect rate is, contact your ISD Director of Special Education or you may locate your indirect rate at http://www.michigan.gov/mde/0,4615,7-140-6530_6605-118785--,00.html.

As a part of the MDE's overall review of its data collection process and the accuracy of the data collected, preliminary comparisons between data reported on the SE-4096 Special Education Actual Cost Report and the Form B Financial Report have begun. In many cases, it was discovered that special education instructional costs on the Special Education Actual Cost Report (SE-4096, lines 1-15) exceeded costs reported as General Fund Expenditures for Special Education–District Level on the Form B Report (Added Needs–Special Education–122).

MDE staff from the Office of Special Education (OSE) and from the Office of State Aid and School Finance will be working with districts during the filing of the 2012-13 data to reconcile these inconsistencies. Districts are reminded that the costs charged to the SE-4096 Special Education Actual Cost Report must be reported by the appropriate fund, function and object code as specified in the Bulletin 1022, School District Accounting Manual. Please note the appropriate function and object codes on the attached Allowable Cost Guide for State Aid and IDEA Part B, Section 611.

Also, beginning with the 2012-13 year preliminary comparisons between data reported on the SE-4096 and data reported on the October FTE General Collection will begin. It is anticipated in most cases if program costs are reported on the SE-4096 that FTE will be reported in the corresponding programs in the Fall General Collection.

If you have any questions regarding the form, please contact Dianne Easterling or Rene Richardson by email at (EasterlingD@Michigan.gov) or (RichardsonR2@Michigan.gov), or by calling the OSE Program Finance at (517) 241-1235.

cc: Michigan Education Alliance