



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING




JENNIFER M. GRANHOLM  
GOVERNOR

MICHAEL P. FLANAGAN  
SUPERINTENDENT OF  
PUBLIC INSTRUCTION

July 2, 2010

MEMORANDUM

TO: Intermediate School District Directors of Special Education  
Intermediate School District Business Managers

FROM: John A. Andrejack, Supervisor, Program Finance,  
Office of Special Education and Early Intervention Services 

SUBJECT: Additional Clarification on Documenting Full Time Equivalency on  
the 2010-2011 Special Education Flowthrough Application

On June 24, 2010, the Michigan Department of Education (MDE), Office of Special Education and Early Intervention Services (OSE-EIS), issued a memorandum indicating that beginning with the 2010-2011 Special Education Flowthrough application cycle, Intermediate School Districts (ISDs), Local Education Agencies (LEAs), and Public School Academies (PSAs), should begin to breakout purchased services in to two distinct areas, "Contracted Staffing" and "Other". Costs reported in the district's accounting system under object codes 31xx should be reported under "Contracted Staffing" and costs reported as purchased services under object codes 32xx and 4xxx should be reported as "Other". Furthermore, districts are required to calculate a Full Time Equivalency (FTE) for staff reported under object codes 31xx.

Since that time, the OSE-EIS has received requests to more clearly define what types of expenditures should be reported under "Contracted Staffing", and when districts need to report an FTE for staff associated with these expenditures. While the following should assist with the needed clarification, it is meant to be a guide and is not an all inclusive list of what should or should not be classified as "Contracted Staffing."

It is expected that ISDs will assist their LEAs and/or PSAs in making these distinctions and ensuring the proper reporting:

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608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909  
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Contracted Staffing Which Requires the Calculation of a Staff FTE:

- Any person or third party agency that is providing special education programs and services to an ISD, LEA or PSA on an on-going or regular basis. Examples: Physical Therapists, Occupational Therapists and School Social Workers. These types of personnel/services would normally be reported using object code 3130 and function codes 213-219.
- Contracted staffing for public school academies would also include instructional staff contracted from the public school academy's management company and reported under function code 122, object code 3130.

Contracted Staffing Which Does Not Require the Calculation of an FTE:

- Contracting substitute teachers from a third party vendor as reported under function code 122, object code 3110.
- Contracting third party services for the purposes of professional development as reported under function code 221, object code 3130, and function code 283, object code 3120.

The above referenced memo can be found on the MDE, OSE-EIS website at the following link: [http://www.michigan.gov/mde/0,1607,7-140-6530\\_6598\\_8391-165858--,00.html](http://www.michigan.gov/mde/0,1607,7-140-6530_6598_8391-165858--,00.html)

Or at:

- [www.Michigan.gov/ose-eis](http://www.Michigan.gov/ose-eis)
- Click: Finance Management (under Special Education and Early Intervention Services)
- Click: IDEA Special Education Part B Grant Information

If you have any questions or concerns with regard to this change in the coding of expenditures, please do not hesitate to contact me by phone at (517) 241-1235 or by email at [AndrejackJ@Michigan.gov](mailto:AndrejackJ@Michigan.gov).