



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

MICHAEL P. FLANAGAN
STATE SUPERINTENDENT

September 5, 2013

MEMORANDUM

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

FROM: Carol Wolenberg, Deputy Superintendent, Administrative & Support Services
Venessa Keesler, Deputy Superintendent, Education Services *Venessa* *Carol*

SUBJECT: Section 25d – Eligibility Clarification

Section 25d of the State School Aid Act allows eligible districts for the 2012-13 school year to claim a prorated share of the per pupil foundation funds paid under Section 20 of the Act for eligible pupils who enrolled after the pupil membership count day (October 3, 2012). The legislation describes eligible pupils as those enrolled in a strict discipline academy (SDA) or "in an alternative education program operated...for the purpose of educating pupils who have been expelled from school or referred from the court" after the membership count day, and had been reported in pupil membership by another district during the fall count.

The processes utilized for claiming full time equivalency (FTE) following a pupil transfer depends on the type of program that is making the claim. According to Subsection 3, SDAs are to report their claim for pupil membership transfers directly to the Michigan Department of Education. The Department then calculates and adjusts the FTE for each affected district according to a proration formula that is calculated from the pupil's length of enrollment.

The process prescribed for alternative education programs, as described in Subsection 2, requires that the district provide an invoice and supporting enrollment information to the district that counted the pupil on the pupil membership count day. The district that counted the pupil in membership shall pay the district operating the alternative education program an amount equal to the prorated share of the foundation allowance or per pupil payment received by the district, as calculated under Section 20. If the payment is not received by the district operating the alternative education program within 30 days, the district can then report the pupil transfer to the Department, and the FTE for each district will be adjusted to reflect the pupil's enrollment in the alternative education program.

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When considering eligibility under subsection 2, districts should know that the Department has defined alternative education as "...a subdivision of the regular K-12 program designed for pupils who can be better served in an alternative delivery system. Pupils served include those who have specific needs and are often at risk of not graduating. Alternative education programs seek to provide added flexibility and alternative instructional models. These often include expanded services from the traditional setting such as online learning, institutional programs, counseling, childcare, and transportation in an effort to help pupils overcome barriers and meet the goals of the Michigan Merit Curriculum..."

Districts questioning the qualifications of the enrolling/billing program should find evidence of the district's eligibility under Section 25d by reviewing the information contained in the Educational Entity Master (EEM) and the Michigan Student Data System (MSDS). A district that is eligible to bill must show evidence in the EEM that the district provides alternative education as a setting, and the MSDS record for the affected pupil must indicate that the pupil has enrolled in an alternative education program.

Special education programs operated under the Michigan Administrative Rules for Special Education (MARSE) do not qualify as alternative education programs for the purposes of educating pupils who have been expelled or referred from the court. Pupils enrolled in special education programs are not eligible under the second provision of Section 25d for the 2012-13 school year.

Questions related to special education eligibility should be directed to the Office of Special Education (mde-ose@michigan.gov). Questions regarding alternative education eligibility should be directed to Brian Barber (BarberB@michigan.gov). Questions regarding the payment process should be directed to Phil Boone (BooneP@michigan.gov) or Brian Ciloski (CiloskiB@michigan.gov).

cc: Michigan Education Alliance