



Criteria for on the Ground Child Caring Institutions and Juvenile Detention Facilities

Michigan Department of Education

Office of Special Education

August 2023



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Criteria for on the Ground Child Caring Institutions and Juvenile Detention Facilities

Criteria for direct funding public school programs serving pupils on the grounds of child caring institutions and juvenile detention facilities.

(Revised August 2023 for the 2023-24 fiscal year)

Purpose

This document is designed to provide standards for reimbursing public school districts under various provisions of Section 24 of the State School Aid Act for pupils who, by court order or Department of Health and Human Services (DHHS) assignment, reside or are educated on the grounds of a juvenile detention facility or child caring institution. These are facilities licensed by DHHS or the Department of Licensing and Regulatory Affairs (LARA), as child caring institutions providing residential care and/or treatment services to children and adolescents.

For the 2023-24 fiscal year, districts operating educational programs under Section 24 of the State School Aid Act will be reimbursed on the lesser of the district's approved added costs or the approved per pupil allocation.

Districts will continue to use the enclosed criteria to determine the amount of "approved" costs eligible to be reimbursed under Section 24. The eligible "approved" costs will continue to be calculated in the same format as in previous years, using the ratios for staffing developed in this document. From the "approved" costs, the Michigan Department of Education (MDE) will deduct "all other revenue received under this act" to determine added costs. This is the same procedure as done in past years and the types of revenue deducted will continue to be foundation allowance, Section 53a, Section 51a, Section 51a(3), Section 22b, Section 51e, and Section 51c.

MDE's approved per pupil allocation will be calculated by taking the total full-time equivalency (FTE) upon which membership is paid for the year for pupils funded under Section 24 and divide that total into the \$7,650,000 appropriation.

It is imperative that the district accurately report their pupil membership enrolled in these programs on the Michigan Student Data System (MSDS). The district will need to work with the Intermediate School District (ISD) pupil membership auditor to ensure the FTE reported is accurate as it will affect revenue paid to the district.

This reimbursement methodology will affect revenue paid to districts with the February 2024 payment. The data used to make the preliminary distribution of state school aid will be the district's 2022-23 approved final costs from form Section 24 Actual Cost Report (SE-4824) and the district's blended membership count from the 2022 calendar year.

Eligibility Criteria

Funding is limited to pupils who meet all the following criteria:

1. The pupils are educated on the grounds of a facility licensed by DHHS or LARA as a child caring institution. Pupils in facilities with a day care or foster care license do not qualify.
2. The pupils are educated in the facility by order of a court or DHHS. Pupils placed by their parents, community mental health, or private agencies do not qualify.
3. The pupils' Individualized Education Program (IEP) requires them to remain on the grounds for their educational hours and confined to the facility or home for all non-educational hours. State and federal civil rights regulations, as well as the state special education rules, require placement of pupils in the least restrictive environment.

Funding Sources

Public school districts that are approved to operate educational programs on the grounds of a juvenile detention facility or child caring institution have a number of funding options:

1. Collect the educating district's foundation allowance. Effective with the 1996-97 year, Section 3(6) and Section 6(4)(d) of the State School Aid Act authorize the educating district to collect its foundation allowance for pupils residing in a juvenile detention facility or a child caring institution. (This is the foundation allowance of the district in which the facility is located.)
2. Apply for federal funds under Every Student Succeeds Act (ESSA) Title I Part D funding.
3. Qualify for special education categorical aid. Section 51a of the State School Aid Act authorizes funding to districts that employ special education approved teachers to provide the instruction to all youth placed in a juvenile detention facility or child caring institution approved by MDE to provide an on-grounds educational program. The cost of educating special education pupils in Section 24 facilities are included in the determination of the state's obligation to reimburse districts for 28.6138% of the total necessary costs of special education under Section 51a and may generate funds in addition to the foundation allowance paid for these pupils.

4. Claim Section 53a funding using the standard procedure identified in the directions for the Special Education Actual Cost Report (SE-4096). Programs approved to operate on the grounds of a juvenile detention facility or child caring institution may be approved to charge a portion of the costs to Section 53a based on the portion of eligible Section 53a pupils. The portion of costs billable to Section 53a are calculated by dividing the total fall pupil membership count into the Section 53a membership count. Section 53a funding is limited to eligible special education pupils with an IEP. Pupil costs reimbursed under Section 53a shall not be reimbursed under Section 24.
5. Claim 100 percent of the added cost for education programs under Section 24 of the State School Aid Act. Added cost is computed by deducting all other state revenue received under the State School Aid Act, including the foundation allowance, Section 51a, Section 51a(3), Section 53a, Section 22b, Section 51e, and Section 51c funds from the total approved expenditures.

Requesting Approval for Section 24, Section 52, and Section 53a Funding

School districts must be approved by MDE to operate programs on the grounds of juvenile detention facilities or child caring institutions to receive funding under either Section 24, Section 52, or Section 53a of the State School Aid Act prior to the first year of operation. In the initial year, the district must submit a written request for Section 24, Section 52, and/or Section 53a funding to MDE and receive approval to operate a program on the grounds of a juvenile detention facility or child caring institution. MDE may do periodic reviews to assure the program continues to meet the requirements for educating pupils in a restricted setting.

Direct written requests for the program's initial year for Section 24, Section 52, or Section 53a funding to:

Michigan Department of Education
Office of Special Education
P.O. Box 30008,
Lansing, Michigan 48909.

The request must contain the following:

1. The name and location of the juvenile detention facility or child caring institution.
2. The number of beds approved by the DHHS.

3. Evidence of DHHS or LARA license. Further, if facilities have been added for educational purposes (not residential) please include evidence of approval by fire marshal and health department offices.
4. Other demographic or program information that will assist MDE to facilitate the district's education program for adjudicated youth.

MDE staff may contact the district and arrange an on-site visit to review the program for approval. A copy of the program approval criteria is available from MDE Office of Special Education (OSE) upon request.

Criteria for Approving Costs

Funding is contingent upon the submission and approval of the Section 24 Actual Cost Report that is within the cost criteria that follows and a continuation of operation letter as described on page 10.

These criteria will be used by MDE in establishing preliminary state aid payments under Section 24 of the State School Aid Act.

The percent of part-time staff that can be charged to Section 24, Section 52, or Section 53a will be calculated using the lessor of 233 days or the number of days the district operates regular school year programs. These ratios apply to contract staff, as well as those employed by the district.

***Example.** The district qualifies for a liaison person to be employed 60 days. The district operates programs for 200 days. The district could claim 30 percent of the liaison person's salary and fringe benefits (60 divided by 200).*

Ratios and multiples are subject to review by MDE. **Costs beyond these ratios must be assumed by the district.**

1. **Teacher to Student Ratio.** Districts will be funded based on the number of full-time equated pupils, enrolled on the October pupil count, for either:
 - a. 1 teacher for each 8 or more pupils, or
 - b. 1 teacher, 1 paraprofessional for each 10 or more pupils
2. **School Liaison.** The district may assign staff to liaison with the institution, coordinate IEPs, provide supervision, or otherwise help coordinate the program operated on the grounds of the child caring institution. Three days of liaison staff time will be funded for each pupil based on the number of licensed bed(s) or number of pupil(s) enrolled on the

February count date whichever is greater with a maximum of one liaison per facility. This person may be a supervisor, principal, teacher consultant for students with disabilities, or other professional who carries out this activity on either a full or part-time basis. The liaison staff person must be on-site for the time funded. The district's director of special education may not be reimbursed from Section 24, Section 52, or Section 53a to carry out this function.

Please be advised that persons who are not special education approved persons may not be funded under Section 52 or Section 53a. Such persons will be funded under Section 24. Please list the name of the person functioning as the school liaison and whether the person holds special education approval and the type of such approval.

***Example:** A facility which anticipates providing education to 20 students or has 20 licensed beds will have a maximum of 60 days of liaison staff (20 student beds x 3 days each).*

3. **Secretarial Staff.** Three days of clerical time will be funded for each licensed bed or for each pupil enrolled on the February count date whichever is greater with a maximum of 1.5 FTE per facility. To qualify for Section 24, Section 52, and/or Section 53a funding, the staff must be on the grounds of the child caring institution for the time periods funded.

Districts should be able to distinguish when the secretary is dealing with educational records which are funded under Section 52, Section 53a, and Section 24 and when the record keeping is a "facility" treatment function which should be paid for by the facility.

4. **Diagnostic Personnel.** A maximum of two days of diagnostic time during the detention/placement period will be funded for each new pupil for the services of a teacher consultant for students with disabilities, school psychologist, school social worker, or school counselor.

In addition, a school social worker may be reimbursed for a maximum of two days for each new pupil referred to special education.

The district must keep records showing the actual time spent in the on-grounds program by diagnostic personnel on a pupil-by-pupil basis for monitoring purposes. **For each diagnostic personnel reported on the SE-4824, the district shall include documentation demonstrating total new pupils during the detention/placement period. For each school social worker reported on the SE-4824, the district shall also include documentation demonstrating total new pupils referred to special education.**

***Example:** A facility evaluates 120 pupils. The district wishes to employ a school psychologist to handle this function. The district will be approved for a maximum of 240 days (120 pupils x 2 days each) of this service.*

The costs for the school counselor position may not be charged to Section 52 or Section 53a since such positions are not approvable under the Michigan Administrative Rules for Special Education (MARSE). Such costs will be reimbursed under Section 24 only.

5. **Special Education Ancillary and Related Services.** Services are to be billed on the actual time the staff works in the facility to meet the requirements for services established in each pupil's IEP. The district must keep records showing the actual time spent in the on-grounds program by personnel on a pupil-by-pupil basis for monitoring purposes. **For each split funded special education ancillary and related services personnel reported on the SE-4824, the district shall include documentation demonstrating the actual time the staff worked in the facility to meet the requirements for services in each pupil's IEP.**
6. **Instructional Costs.** These costs include supplies, professional development, non-staff purchased services, and capital outlay. Districts will be reimbursed a maximum of \$400 per pupil. This can be based on the number of residential pupils the facility is licensed to serve or the number of pupils educated on the February count date, whichever is greater. Instructional costs include items listed in the [State Aid & IDEA Part B, Section 611 Allowable Costs](#) under object codes 3000 through 6000.
7. **The Following Costs are Not Reimbursed:**
 - a. **Rent and Other Overhead Expenses.** The child caring institution is responsible to provide facilities which meet the requirements of the fire marshal and health department for classroom space as a condition for serving pupils on the grounds. School districts may not claim any charge for rent. DHHS reimburses the facility for its operation and maintenance.
 - b. **Pupil Transportation.** Transportation is not funded under Section 24. Special education pupil transportation is funded under Section 52 or Section 53a of the State School Aid Act.

Required Length of School Year

Programs must be scheduled the minimum number of days and the minimum number of clock hours of instruction required by the State School Aid Act. For the 2023-24 school year, the number of hours required is 1,098. The program will be funded to operate the same number of days and hours approved for the district's regular K-12 programs.

Reporting Final Costs

1. Each district applying for categorical aid under Section 24, Section 52, or Section 53a of the State School Aid Act must set up a cost center in its accounting system for each child caring institution and juvenile detention facility.
2. The operating district will be responsible to include a detailed list of expenditures charged to Section 52 and Section 53a on the Special Education Actual Cost Report Form SE-4096, which outlines expenses by function and object code.
3. Diagnostic and other split-funded personnel must keep a record of the pupils evaluated and the time spent on each evaluation. The criteria found in Attachment A must be used to allocate final costs among Section 24, Section 52, and Section 53a.
4. Documentation of costs must be maintained so MDE can monitor expenditures charged to Section 24, Section 52, and Section 53a of the State School Aid Act. The district must also keep pupil attendance records in a format consistent with the State Board of Education's Pupil Membership Accounting and Auditing Manual. These records are also subject to review by the ISD and MDE pupil membership auditors.
5. The following documentation will be required to be submitted with the completed SE-4824, if applicable:
 - a. For each diagnostic personnel (e.g., a teacher consultant for students with disabilities, school psychologist, school social worker, or school counselor) reported on the final costs report, the district shall include documentation demonstrating total new pupils during the detention/placement period. For each school social worker reported on the final costs report, the district shall also include documentation demonstrating total new pupils referred to special education.
 - b. For each split funded special education ancillary and related services personnel reported on the final costs report, the district shall include documentation demonstrating the actual time the staff worked in the facility to meet the requirements for services established in each pupil's IEP.

Application Process and Reporting Requirements

Public school districts approved to operate a program on the grounds of a child caring institution or a juvenile detention facility in the 2023-24 fiscal year need only submit a letter indicating they will continue to operate the program in the 2023-24 fiscal year. Preliminary payments for these districts will be the final approved payment the district received for the 2022-23 fiscal year as adjusted for the final reported cost.

Attachment A

Section 24 of the State Aid Act

Section 24 of the 2023-24 State School Aid Act reads in part as follows:

1. From the state school aid fund money appropriated in section 11, there is allocated for 2023-24 an amount not to exceed \$7,650,000.00 for payments to the educating district or intermediate district for educating pupils assigned by a court or the department of health and human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of health and human services and approved by the department to provide an on-grounds education program. The amount of the payment under this section to a district or intermediate district is calculated as prescribed under subsection (2).
2. The department shall allocate the total amount allocated under this section by paying to the educating district or intermediate district an amount equal to the lesser of the district's or intermediate district's added cost or the department's approved per-pupil allocation for the district or intermediate district. For the purposes of this subsection:
 - a. "Added cost" means 100% of the added cost each fiscal year for educating all pupils assigned by a court or the department of health and human services to reside in or to attend a juvenile detention facility or child caring institution licensed by the department of health and human services or the department of licensing and regulatory affairs and approved by the department to provide an on-grounds education program. Added cost is computed by deducting all other revenue received under this article for pupils described in this section from total costs, as approved by the department, in whole or in part, for educating those pupils in the on-grounds education program or in a program approved by the department that is located on property adjacent to a juvenile detention facility or child caring institution. Costs reimbursed by federal funds are not included.
 - b. "Department's approved per-pupil allocation" for a district or intermediate district is determined by dividing the total amount allocated under this section for a fiscal year by the full-time equated membership total for all pupils approved by the department to be funded under this section for that fiscal year for the district or intermediate district.
3. A district or intermediate district educating pupils described in this section at a residential child caring institution may operate, and receive funding under this section for, a department-approved on-grounds educational program for those pupils that is longer than 181 days, but not longer than 233 days, if the child caring institution was

licensed as a child caring institution and offered in 1991-92 an on-grounds educational program that was longer than 181 days but not longer than 233 days and that was operated by a district or intermediate district.

4. Special education pupils funded under section 53a are not funded under this section.