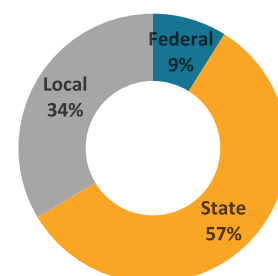


MICHIGAN

AUTHORIZER TYPE(S)	Local Education Agency Institute of Higher Education
LEGAL STATUS OF CHARTER SCHOOLS	Local Education Agency
LINKAGE TO A TRADITIONAL DISTRICT	No Link (Both authorizer types)
STATE SPECIAL ED FUNDING FORMULA	Percentage Reimbursement— Funding based on a percentage of allowable actual expenditures.
% OF STUDENTS WITH DISABILITIES	13.01% (all public schools) 10.60% (charter schools)

MICHIGAN Revenue Sources, FY 2014



FY 2014	Spending Per Pupil
MICHIGAN	\$11,110
US	\$11,009

*Sources on last page; click [here](#) for definitions

Overview

- Charter schools in Michigan are called public school academies (PSAs).
- All local school districts (LEAs) and PSAs are a part of an Intermediate School District.
- An intermediate school district (ISD) in the state of Michigan is a government agency organized at the county or multi-county level that assists local school districts in providing programs and services, usually including career/technical and vocational education as well as special education programs and services.

Charter School Funding

State Funding:

Charter schools (called Public School Academies or PSAs) receive a foundation allowance equal to the lesser of the per-pupil funding of the district in which the school is located, or the PSA Maximum Foundation (\$7,391 for FY2015-16). In addition to the foundation allowance, charter schools are eligible for the same categorical funding as traditional public schools. The authorizing body can charge a fee of up to 3% of the charter school's total state school aid. Payments under the State School Aid Act are sent directly to the charter school's authorizing body.

Michigan's categorical special education funding formula is a percentage reimbursement model.

Local Funding:

Intermediate School District special education millage is a source of funds raised for special education in the LEAs and PSAs in their jurisdiction. LEAs and PSAs are included in the intermediate school district plan for special education programs and services and receive funding from this source in a manner determined by the ISD. LEAs and PSAs sign the ISD Plan.

Federal Funding:

IDEA grants are provided to LEAs and PSAs through their respective ISDs. The total grants provided to the ISDs are based upon the IDEA statutory formula taking into consideration all of the LEAs and PSAs within their jurisdiction. The ISD Plan determines how special education programs and services will be provided.

State Special Education Funding

The Revised Michigan State School Aid Act appropriates state special education funding and reimbursement requirements in Section 51a. Charter schools (called Public School Academies or PSAs) are their own LEAs and receive reimbursement directly from state aid categorical funds.

State aid funding is provided to all intermediate school districts (ISDs), LEAs and PSAs using a reimbursement system, based upon a set percentage of total approved special education costs (paid with local funds at the time they are incurred). Michigan reimburses total approved costs of special education (excluding costs for Section 53a pupils, see below) at 28.6138 % and total approved costs of special education transportation at 70.4165%.

Section 53a of the State School Aid Act provides 100% reimbursement of the added costs of operating special education programs for eligible pupils. Examples of pupils who may qualify for reimbursement include:

- Pupils assigned to a district through the courts or a state agency, if the pupil was a resident of another intermediate district at the time the pupil came under the jurisdiction of the court or state agency.
- Pupils who are residents of institutions operated by the department of community health.
- Pupils placed in a district by a parent for the purposes of a suitable home.

Local Special Education Funding

All charter schools (called Public School Academies or PSAs) are entitled to intermediate school district special education millage funds and, for purposes of special education services, are bound to the same requirements as other local constituent districts served by their respective intermediate school districts. The charter school, just as any other constituent district, must be recognized in its respective intermediate school district plan for special education programs and services.

A charter school may contract with its own (or another) intermediate school district, a school district in a bordering state, the Michigan Schools for the Blind and the Deaf, the Department of Community Health, the Department of Human Services, or a private entity to provide special education services. The intermediate school district where the charter school is located shall be a party to each contract even if the intermediate school district does not participate in the delivery of the program or services.

Federal IDEA Part B Funding

The Revised Michigan State School Aid Act appropriates federal IDEA Part B funds in Section 51a.

Federal IDEA Part B funds are allocated to all intermediate school districts (ISDs, which are considered LEAs for the purposes of IDEA), traditional LEAs, and charter school LEAs (called Public School Academies or PSAs) according to IDEA's statutorily required formula. The amount of IDEA Part B funds determined for all of the entities of an ISD is provided in total to the ISD. ISDs determine how the IDEA Part B funds will be utilized to provide special education programs and services within their ISD based on their ISD Plans which include both charter and traditional LEAs.

ISDs may retain all of the IDEA Part B allocation, retain a portion and distribute the remaining funds to their constituent LEAs (including PSAs), or distribute all of the funds to their LEAs (including PSAs), depending upon their plan for providing and funding special education programs and services. Charter schools (PSAs) are LEAs and ISDs must treat them equitably regarding the distribution of IDEA funds and/or services.

Special Education High-Cost Funds

Michigan does not provide a high-cost fund with state funding or through the use of IDEA Part B funds.

Medicaid

Medicaid School Based Services

Intermediate school districts (ISDs) are paid only the federal share of the reimbursement, since school aid covers the state share. The federal share is split 60% to the school district and 40% to the state's Medicaid office. Medicaid reimburses only for expenditures from state or local sources. All LEAs and charters (PSAs) have the opportunity to access the Medicaid provisions by working through their respective intermediate school districts. Very few PSAs take advantage of this opportunity.

References / Resources**Reference sites**

Michigan Department of Education

<http://www.michigan.gov/mde>

Michigan Association of Public School Academies

<http://www.charterschools.org/>

Funding links

Section 388.1651a Allocations for reimbursement for special education programs, services and personnel

[http://www.legislature.mi.gov/\(S\(v5qdec3zujvkaerhwksrixrb\)\)/mileg.aspx?page=getObject&objectName=mcl-388-1651a](http://www.legislature.mi.gov/(S(v5qdec3zujvkaerhwksrixrb))/mileg.aspx?page=getObject&objectName=mcl-388-1651a)

Michigan Senate Fiscal Agency: The Basics of School Funding

http://www.senate.michigan.gov/sfa/Departments/DataCharts/DCK12_SchoolFundingBasics.pdf

Michigan Department of Education: Charter Schools – Questions and Answers

https://www.michigan.gov/documents/PSAQA_54517_7.pdf

Michigan Department of Education: Validation of Section 53a Pupils

https://www.michigan.gov/documents/mde/Validation_Section_53a_Pupils_447304_7.pdf

Michigan Department of Education, Office of Special Education: Special Education Pupil FTE Reporting 101

http://mpaaa.org/images/downloads/Conference_Spring_2014/s6d_introspeced.pdf

High-cost links

N/A

Medicaid links

Michigan Department of Education, Office of Special Education: Medicaid School Based Services 101

http://www.michigan.gov/documents/mdch/Medicaid_SBS_101_473957_7.pdf

Departments/Organizations

Michigan Department of Education, Office of Special Education

Sources for data on first page of report

Percentage of students with disabilities: U.S. Department of Education, Civil Rights Data Collection (CRDC) for the 2013-14 school year. Available at <https://www2.ed.gov/about/offices/list/ocr/docs/crdc-2013-14.html>

Federal, state, and local revenue sources & spending per pupil: United [States](#) Census Bureau, Annual Survey of School System Finances.

Available at <https://www.census.gov/programs-surveys/school-finances.html>