

## **Average Daily Membership as a Replacement for Multiple Count Days**

Under the current law, Michigan funds districts based on two count days. The primary count day is known as the “Pupil Membership Count Day,” and occurs on the first Wednesday in October. The secondary count day is known as the “Supplemental Pupil Count Day,” and occurs on the first Wednesday in February. In determining membership under the School Aid Act, as effective October 1, 2012, the Pupil Membership Count Day is worth 90% and the Supplemental Count Day is worth 10%.

This method of count days is in conflict with implementation of an unbundled education system, an “Any Time, Any Place, Any Way, Any Pace” education system, and an open entry/exit system of learning. This conflict is further exacerbated by the inability of the state’s data systems to implement Section 25 of the current School Aid Act. The department issued a memorandum on November 1, 2012 indicating it was delaying implementation of Section 25.<sup>1</sup> In its final analysis of HB 5372, the House Fiscal Agency describes Section 25 as:

“Conference revises this section, which allows for an adjustment to districts' pupil membership counts, to automatically adjust a district's pupil membership using the same process for all districts if a pupil transfers from one district to another district after the count day.”<sup>2</sup>

We have been told by lawmakers, the department and key interest groups that this seemingly simple data transaction is impossible within the current construct of the data systems. Districts have been submitting written reports in order to comply with this section, but are in a state of confusion since the release of the Memo of November 1.

Michigan is one of nine states to operate with multiple count days. There are six major methods used by states to count students and provide funding to school districts.

### **Student Count Mechanisms<sup>3</sup>**

*Single Count Date* – a count on one day near the beginning of the academic year. The single count date is a count of the number of students in attendance in each school district on a particular date – usually on or around October 1, which is when the federal government requires

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<sup>1</sup> Memo of November 1; from Carol Wolenberg; subject “Section 25 Communication;” [http://www.mi.gov/documents/mde/Section\\_25\\_402756\\_7.pdf](http://www.mi.gov/documents/mde/Section_25_402756_7.pdf); accessed November 5, 2012

<sup>2</sup> Conference Report Summary; House Fiscal Agency; <http://legislature.mi.gov/documents/2011-2012/billanalysis/House/pdf/2011-HLA-5372-8.pdf>; accessed November 5, 2012

<sup>3</sup> “Average Daily Attendance;” joint report of the Washington State Senate Learning and K-12 Education Committee and the Senate Ways and Means Committee, 2011 interim; <http://www.leg.wa.gov/Senate/Committees/EDU/Documents/AverageDailyAttendance.pdf>; accessed November 5, 2012.

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a count of the number of students eligible for the free- and reduced-price lunch program for purposes of Title 1 funding.

Multiple Count Dates – a calculation based on two or more count dates during the year. This mechanism takes a count of the number of students enrolled or in attendance on two or more nonconsecutive dates - one date is often in the fall and the other in the spring – with some specific percentage of a district’s funding based on the first count and the remainder based on the second. The multiple-count methodology allows for adjustment, or truing up, to changes in enrollment over the school year.

Average Daily Attendance (ADA) – an average of a daily count during all or most of the year of students in attendance. A count is conducted every school day of students in attendance throughout the school year. Absent students are excluded from the daily count and the district’s average is lowered.

Average Daily Membership (ADM) – an average of daily count during all or most of the year of students enrolled. School districts are based on an average of a count conducted every school day of students enrolled in a school throughout the school year. The daily count includes absent students.

Single Count Period – an average of a daily count during an established period of time near the beginning of the year. This mechanism is characterized by a specific, multi-week period, typically at the beginning of the school year that occurs for less than half of the school year.

Multiple Count Periods – an average of a daily count during two or more periods of time during the year. This mechanism is characterized by an average count of more than one specified period of time – week, month, multiple weeks/months – during the school year that amounts to less than half of the school year.

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**Summary of States’ Practices:<sup>4</sup>**

Count Method	Number of States	States
Single Count Date	12	Colorado, Delaware, Connecticut, Indiana, Iowa, Kansas, Maryland, Massachusetts, Nevada, New Jersey, South Dakota, and West Virginia.
Multiple Count Dates	9	Arizona, Georgia, Hawaii, Louisiana, Maine, Michigan, Montana, Washington, and Wisconsin.
Average Daily Attendance (ADA)	7	California, Idaho, Kentucky, Mississippi, Missouri, New York, and Texas.
Average Daily Membership (ADM)	15	Arkansas, Minnesota, Nebraska, New Hampshire, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Vermont, and Virginia.
Single Count Period	4	Alabama, Alaska, New Mexico, and Wyoming.
Multiple Count Periods	3	Florida, Illinois, and Ohio.

**Recommendation**

The proposed draft eliminates both the Pupil Membership Count Day and the Supplemental Count Day and replaces Michigan’s count method with the Average Daily Membership (ADM) method. The concept of a supplemental count day, or recognizing the prior year’s membership, is something that may be maintained.

This method does not require additional administrative burden. Unlike the Average Daily Attendance (ADA) method, ADM does not require daily attendance reports; rather the only reporting change occurs when a pupil enrolls or withdraws from a district. This is the basic premise of Section 25. However, Section 25 attempted to change Michigan to an ADM state, but also maintained multiple count days.

Essentially, our goal should be to count enrollments.

Key items to note in the changes:

1. Removal of time and place by striking the words “in regular daily attendance.”
2. Recognition of online or other innovative forms of learning by adding the words “receiving instruction.”
3. Elimination of the pupil membership count day – since this is a major item in the current act, this creates a massive task of updating references within the school aid act (not complete yet). Additionally, federal reporting is required to coincide with the existing

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<sup>4</sup> “Average Daily Attendance;” joint report of the Washington State Senate Learning and K-12 Education Committee and the Senate Ways and Means Committee, 2011 interim; <http://www.leg.wa.gov/Senate/Committees/EDU/Documents/AverageDailyAttendance.pdf>; accessed November 5, 2012.

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pupil membership count day, so any changes must ensure continued ability to comply with federal law.

4. The concept of a “supplemental count day” remains in the definition of membership, but that section will be redrafted to be more consistent with ADM concepts.
5. The new section 25 is designed to accomplish the goal of the current section 25, by allowing the funding to follow the pupil, irrespective of the district in which the pupil is enrolled as of the first Wednesday in October.

**Comparison of the Functions of the Current System and the Proposed System**

Function	Current System	Proposed System
Counting of Pupils	<p>Based on two count days:</p> <ol style="list-style-type: none"> <li>1. Pupil Membership Count Day, which occurs on the 1<sup>st</sup> Wednesday in October and equals 90% of a district’s membership; and</li> <li>2. Supplemental Count Day, which occurs on the 1<sup>st</sup> Wednesday in February and equals 10% of a district’s membership.</li> </ol> <p>However, the current Section 25 requires an immediate reallocation based on a pupil enrolling a different district.</p>	<p>Replace the existing multiple count day system with an Average Daily Membership system. Educating districts will be paid based on actual enrollment on a monthly basis. This does not require attendance information to be submitted to the state, merely enrollment information.</p> <p>This change will fully implement the intended policy change embodied in Section 25, as enacted for the current fiscal year.</p>
Curating courses	Districts	[No change]
Pupil Choice of Schools	By District, within or contiguous ISD, or Public School Academy	By Course throughout the entire state
Open Enrollment of out of district pupils	Each District may decide whether to open enrollment or not	[No change]
Maintenance of Records	Districts	Enrollment District [For many pupils, this may not be a change]
Foundation Allowance	District of residence or educating district, whichever is less	[No Change]

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Apportionment of Foundation Allowance	Educating district or districts, based on foundation allowance	<p>This depends on the choice of the parent/pupil:</p> <ol style="list-style-type: none"> <li>1. If parent/pupil chooses a traditional unbundled school experience, then there will be no change, i.e. there is no apportionment or splitting of the foundation allowance.</li> <li>2. If parent/pupil chooses an enrollment district and chooses all their courses that are offered by the enrollment district or by a district or third-party provider that has a contract with the enrollment district, then there is no change.</li> <li>3. If the parent/pupil chooses an enrollment district and chooses some of their courses from an educating district that is not the enrollment district, and the enrollment district does not have a contract with the respective educating district, then the pupil's membership is apportioned among the educating districts based on current law and methods.</li> </ol>
Payment to District	11 payments	[No Change]
Payment to District for online course		50% upon enrollment; The remaining amount can be received 40% upon "proficiency" or 50% upon "mastery"
Performance Funding	\$30 million for limited growth models that are available	5% of foundation allowance based on the developing

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	based on MEAP (4 <sup>th</sup> through 8 <sup>th</sup> grades)	MCEE growth and assessment tools – with the expectation the % will grow.
Counseling Functions	Districts	<p>Counseling is performed in two different ways:</p> <ol style="list-style-type: none"> <li>1. The enrollment district is required to provide the pupil/parents counseling services</li> <li>2. The educating district may refuse to enroll an online pupil under 3 situations, which have the effect of the educating district offering some counseling functions:             <ol style="list-style-type: none"> <li>a. the pupil has previously gained the credit, partial credit or credits embodied in the online course;</li> <li>b. the online course does not allow the pupil to achieve academic growth; or</li> <li>c. the online course is inconsistent with the remaining graduation requirements of the pupil</li> </ol> </li> </ol>

**Selection of the Enrollment District and Funding Distributions**

Under the Draft Version 1, a pupil is required to select one educating district as the pupil’s enrollment district. The enrollment district may be a local school district, public school academy, intermediate school district or education achievement system.

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An enrollment district may provide instruction or may contract with another district, intermediate district or other entity to provide instruction. An enrollment district has the following requirements:

- (A) Verify the pupil is a resident of this state;
- (B) Identify the pupil's eligibility for any additional educational services funded by the Michigan public education finance act, including, but not limited to, at-risk funding, special education services, and English language learner services;
- (C) Maintain records of the pupil;
- (D) In cooperation with the pupil and parents, provide counseling services, which may include the creation and maintenance of a personalized education plan for the pupil;
- (E) Furnish the Center with all required data<sup>5</sup>;
- (F) Grant diplomas as allowed under the revised school aid act;
- (G) Accept all credits earned by the pupil at any district or intermediate district;
- (H) Allow the pupil to take a course or online course from any district or intermediate district in the state; and
- (I) Administer the pupil growth and assessment tool for its enrolled pupils. The pupil growth and assessment tool will be based on the recommendation from the Michigan council for educator effectiveness.<sup>6</sup>

After a pupil has selected an enrollment district, then the pupil must select courses. The pupil may select courses from those offered by the enrollment district or through the enrollment district (meaning the enrollment district has contracted with other districts or intermediate districts for courses) or the pupil may select from courses offered by any district or intermediate district that offers open enrollment, as defined by section 105 of the Michigan Public Education Finance Act.

**Enrollment District has a contract with Educating District<sup>7</sup>**

- Educating district is paid by the enrollment district.<sup>8</sup>
- The pupil would be in membership of the enrollment district.
- The enrollment district acts as the fiscal agent for the pupil.
- If the enrollment district is the pupil's district of residence, then the foundation allowance allocation would be the allocation for the pupil's district of residence.

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<sup>5</sup> Educating districts may still have data submission requirements.

<sup>6</sup> This function may be better administered to each educating district providing instruction to each pupil, which may or may not be the pupil's enrollment district.

<sup>7</sup> "Educating district" means any district or intermediate district, eligible to receive funds under this act, which provides instruction, including an online course, to a pupil.

<sup>8</sup> Under this scenario, the enrollment district has an incentive to drive the price of education down and the pupil has an incentive to receive more education services than the pupil may receive in a bundled system. However, this cannot be the only choice for the pupil, as it would enable the enrollment district to limit education service choices for the pupil.

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- However, if the enrollment district was not the pupil’s district of residence, then the foundation allowance allocation for the pupil would be the lesser of:<sup>9</sup>
  - i. Allocation for the pupil’s district of residence;
  - ii. Allocation for the enrollment district;
  - iii. If the enrollment district is a public school academy, then the lesser of the foundation allowance of the district in which the public school academy is located or the state maximum public school academy allocation; or
  - iv. If the enrollment district is the education achievement system, then the allocation for the district in which the achievement school is located not to exceed the basic foundation allowance.

**Example #1**

Peter’s district of residence is Shepherd Public Schools. Peter enrolls in Shepherd High School (SHS), making SHS his enrollment district. Peter receives all of his courses from SHS. Peter is in the membership of Shepherd Public Schools.

Funding Flow:

- Shepherd receives the enrollment district categorical
- Shepherd receives the full foundation allowance

**Example #2**

Peter’s district of residence is Shepherd Public Schools. Peter enrolls in Shepherd High School (SHS), making SHS his enrollment district. Peter excels at math, so Peter chooses to take a two-semester online math course from the Huron Valley Charter School. Peter receives the remaining five courses from SHS. Peter is in the membership of Shepherd Public Schools.

Funding Flow:

- Shepherd receives the enrollment district categorical.
- Shepherd receives the full foundation allowance.
- Huron Valley Charter School receives 50% of the contracted amount from Shepherd upon enrollment (enrollment amount).
- Huron Valley Charter School receives the remaining contracted amount, dependent on whether Peter demonstrated “mastery” or “proficiency” of the course content as described in the online course syllabus. If Peter does not demonstrate mastery or proficiency, then Huron Valley Charter School receives nothing additional from the enrollment amount.

**Example #3**

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<sup>9</sup> Section 20 (5), Section 20 (6), Section 20 (7)

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Peter's district of residence is Shepherd Public Schools. Peter enrolls in Shepherd High School (SHS), making SHS his enrollment district. Peter excels at math, so Peter chooses to take a two-semester online math course from the Huron Valley Charter School. However, Peter struggles with biology and the Shepherd biology teacher's methods do not work for Peter. 8 weeks into the first semester, Peter drops the Shepherd biology course and enrolls in an online biology course from the Cranbrook Science Charter School. Peter is in the membership of Shepherd Public Schools.

**Funding Flow:**

- Shepherd receives the enrollment district categorical
- Shepherd receives the full foundation allowance.
- For the online math course, Huron Valley Charter School receives 50% of the contracted amount from Shepherd upon enrollment (enrollment amount).
- For the online math course, Huron Valley Charter School receives the remaining contracted amount, dependent on whether Peter demonstrated "mastery" or "proficiency" of the course content as described in the online course syllabus. If Peter does not demonstrate mastery or proficiency, then Huron Valley Charter School receives nothing additional from the enrollment amount.
- For the online biology course, Cranbrook Science Charter School receives 50% of the contracted amount from Shepherd upon enrollment (enrollment amount).
- For the online biology course, Cranbrook Science Charter School receives the remaining contracted amount from Shepherd, dependent on whether Peter demonstrated "mastery" or "proficiency" of the course content as described in the online course syllabus. If Peter does not demonstrate mastery or proficiency, then Cranbrook Science Charter School receives nothing additional from the enrollment amount.

**Example #4**

Peter's district of residence is Shepherd Public Schools. Peter enrolls in Shepherd High School (SHS), making SHS his enrollment district. Peter excels at math, so Peter chooses to take a two-semester online math course from the Huron Valley Charter School. Peter is a gifted writer and is accepted in an English course at Central Michigan University. However, Peter struggles with biology and the Shepherd biology teacher's methods do not work for Peter. 8 weeks into the first semester, Peter drops the Shepherd biology course and enrolls in an online biology course from the Cranbrook Science Charter School. Peter takes the remaining three courses at SHS. Peter is in the membership of Shepherd Public Schools.

**Funding Flow:**

- Shepherd receives the enrollment district categorical
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- For the online math course, Huron Valley Charter School receives 50% of the contracted amount from Shepherd upon enrollment (enrollment amount).
- For the online math course, Huron Valley Charter School receives the remaining contracted amount from Shepherd, dependent on whether Peter demonstrated “mastery” or “proficiency” of the course content as described in the online course syllabus. If Peter does not demonstrate mastery or proficiency, then Huron Valley Charter School receives nothing additional from the enrollment amount.
- For the English course at CMU, SHS issues payment to CMU, as prescribed in the post-secondary enrollment act and post-secondary institution section (section 21b)
- For the online biology course, Cranbrook Science Charter School receives 50% of the contracted amount from Shepherd upon enrollment (enrollment amount).
- For the online biology course, Cranbrook Science Charter School receives the remaining contracted amount from Shepherd, dependent on whether Peter demonstrated “mastery” or “proficiency” of the course content as described in the online course syllabus. If Peter does not demonstrate mastery or proficiency, then Cranbrook Science Charter School receives nothing additional from the enrollment amount.

**Enrollment District does NOT have a contract with Educating District**

- The educating district is paid by the State.<sup>10</sup>
- The pupil would be in membership of the educating district for the portion of instruction provided by the educating district (1 course of a full 6 course load in 1 semester would mean 1/12).
- The State would act as the fiscal agent for the pupil (for this course and any others not provided by or through the enrollment district).
- If the educating district is the pupil’s district of residence, then the foundation allowance allocation would be the allocation for the pupil’s district of residence.
- However, if the educating district was not the pupil’s district of residence, then the foundation allowance allocation for the pupil would be the lesser of:
  - i. Allocation for the pupil’s district of residence;
  - ii. Allocation for the educating district;
  - iii. If the enrollment district is a public school academy, then the lesser of the foundation allowance of the district in which the public school academy is located or the state maximum public school academy allocation; or
  - iv. If the educating district was the education achievement system, then the allocation for the district in which the achievement school is located not to exceed the basic foundation allowance.

**Example #1**

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<sup>10</sup> Under this scenario, the choice of education services is not limited to the choices the enrollment district may offer.

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- Shepherd receives the full foundation allowance

**Example #2**

Peter's district of residence is Shepherd Public Schools. Peter enrolls in Shepherd High School (SHS), making SHS his enrollment district. Peter excels at math, so Peter chooses to take a two-semester online math course from the Huron Valley Charter School. Peter receives the remaining five courses from SHS. Peter is in the membership of Shepherd Public Schools and Huron Valley Charter School.

**Funding Flow:**

- Shepherd receives the enrollment district categorical.
- Shepherd receives 5/6 of the foundation allowance.
- Huron Valley Charter School receives 1/12 of the foundation allowance from the State upon enrollment (enrollment amount).
- Huron Valley Charter School receives the remaining foundation allowance amount from the State, dependent on whether Peter demonstrated "mastery" or "proficiency" of the course content as described in the online course syllabus. If Peter does not demonstrate mastery or proficiency, then Huron Valley Charter School receives nothing additional from the enrollment amount.

**Example #3**

Peter's district of residence is Shepherd Public Schools. Peter enrolls in Shepherd High School (SHS), making SHS his enrollment district. Peter excels at math, so Peter chooses to take a two-semester online math course from the Huron Valley Charter School. However, Peter struggles with biology and the Shepherd biology teacher's methods do not work for Peter. 8 weeks into the first semester, Peter drops the Shepherd biology course and enrolls in an online biology course from the Cranbrook Science Charter School. Peter is in the membership of Shepherd Public Schools, Huron Valley Charter School and Cranbrook Science Charter School.

**Funding Flow:**

- Shepherd receives the enrollment district categorical.

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- Shepherd receives 5/6 of the foundation allowance for the period of time in which Peter was enrolled in Shepherd’s biology course.
- For the online math course, Huron Valley Charter School receives 1/12 of the foundation allowance from the State upon enrollment (enrollment amount).
- For the online math course, Huron Valley Charter School receives the remaining foundation allowance amount from the State, dependent on whether Peter demonstrated “mastery” or “proficiency” of the course content as described in the online course syllabus. If Peter does not demonstrate mastery or proficiency, then Huron Valley Charter School receives nothing additional from the enrollment amount.
- Shepherd receives 4/6 of the foundation allowance for the period of time after Peter drops the Shepherd biology course.
- For the online biology course, Cranbrook Science Charter School receives 1/12 of the foundation allowance from the State upon enrollment (enrollment amount).<sup>11</sup>
- For the online biology course, Cranbrook Science Charter School receives the remaining foundation allowance amount from the State, dependent on whether Peter demonstrated “mastery” or “proficiency” of the course content as described in the online course syllabus. If Peter does not demonstrate mastery or proficiency, then Cranbrook Science Charter School receives nothing additional from the enrollment amount.

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**Funding Flow:**

- Shepherd receives the enrollment district categorical.
- Shepherd receives 5/6 of the foundation allowance for the period of time in which Peter was enrolled in Shepherd’s biology course
- For the online math course, Huron Valley Charter School receives 1/12 of the foundation allowance from the State upon enrollment (enrollment amount).

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<sup>11</sup> For this allowance, does Cranbrook receive 1/12 less the portion Shepherd has exhausted during the 8-week period that Peter was enrolled in Shepherd’s biology course or the full 1/12 of its foundation allowance? This is part of the section 25 issue and is further complicated by the requirement that an online course maintains an open entry and exit method.

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- For the online math course, Huron Valley Charter School receives the remaining foundation allowance amount from the State, dependent on whether Peter demonstrated “mastery” or “proficiency” of the course content as described in the online course syllabus. If Peter does not demonstrate mastery or proficiency, then Huron Valley Charter School receives nothing additional from the enrollment amount.
- Shepherd receives 4/6 of the foundation allowance for the period of time after Peter drops the Shepherd biology course.
- For the English course at CMU, Shepherd issues payment to CMU, as prescribed in the post-secondary enrollment act and post-secondary institution section (section 21b)
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- For the online biology course, Cranbrook Science Charter School receives the remaining foundation allowance amount from the State, dependent on whether Peter demonstrated “mastery” or “proficiency” of the course content as described in the online course syllabus. If Peter does not demonstrate mastery or proficiency, then Cranbrook Science Charter School receives nothing additional from the enrollment amount.

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<sup>12</sup> See note 11 – same issue.

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