

# IDEA Equitable Services and Proportionate Share – What Are the Requirements?

April 2024

Michigan Department of Education Office of Special Education



# Definitions

- **Free Appropriate Public Education (FAPE):** Special education and related services provided by the public school system as described in a child's individualized education plan (IEP) and at no cost to parents.
- **Individuals with Disabilities Act (IDEA):** A federal law which makes available a FAPE in the least restrictive environment to eligible children with disabilities and ensures special education and related services to those children throughout the United States.
- **Local Education Agency (LEA):** IDEA defines an Educational Service Agency as an LEA. Therefore, in Michigan, an Intermediate School District (ISD), Regional Educational Services Agency (RESA) or Educational Service District (ESD) is an LEA for purposes of the equitable services requirements.

# Definitions Continued

- **Parentally placed private school children:** Children placed in non-profit, private elementary and secondary schools by their parents (parent choice). These include nonpublic and home schools.
- **Nonpublic Services Plan (NPSP):** Parentally placed private school children do not have a right to a FAPE and do not have an IEP. Services may be provided through a nonpublic services plan.

# Who's In the Room?

- Equitable Services Requirements
- ISD/Member District Representation
- Charter School Representation
  - Charter schools do not have geographical boundaries. Therefore, equitable services requirements do not apply.
- ISD Proportionate Share Model
  - Managed at ISD level
  - Managed at Member District level
  - Managed by ISD/Member Districts

# Virtual Office Hours

- April 26, 2024
  - 10am – 11:30am
  - [Virtual Meeting Link](https://bit.ly/PSOfficeHours1) (bit.ly/PSOfficeHours1)
- May 10, 2024
  - 10am – 11:30am
  - [Virtual Meeting Link](https://bit.ly/PSOfficeHours2) (bit.ly/PSOfficeHours2)

# Overview

- What Are Equitable Services?
- How are Children Found?
- What Private Schools are Included?
- What Child Counts Need to be Maintained?
- When Do I Count the Children?
- How Do I Count the Children?
- How Do I Communicate with Private Schools?
- What if Affirmation is Not Received?
- How Much Am I Required to Spend?
- Does the Required Amount Ever Change?
- What Services Are Provided To Children?

# Overview (Cont'd)

- What are the ISD/Member District Responsibilities?
- What Funds Do I Spend?
- How Do I Spend the Funds?
- What Documentation Needs to be Maintained?
- How Long Do I Have to Spend the Funds?
- Can I Spend More Than the Required Amount?
- What If I Don't Anticipate Spending All the Funds?
- What Is Recoding?
- How Can I Learn More?
- Key Take Aways
- Who Do I Contact?

# What Are Equitable Services?



# Equitable Services Defined

- Equitable services are special education and related services provided to parentally-placed private school children with disabilities in accordance with the provisions of IDEA and its implementing regulations in 34 CFR §§ 300.130 through 300.144.
- Components of Equitable Services
  - Child Find
  - Consultation
  - Fiscal (Proportionate Share)
  - Other Requirements

# How Are Children Found?

# Child Find – 34 CFR §300.131

- Child Find is Child Find
- Activities must be similar to activities performed for public school children.
- Each LEA must locate, identify, and evaluate all children with disabilities who are enrolled by their parents in private, including religious, elementary schools and secondary school located in the school district served by the LEA.

# What Private Schools are Included?

# Approved Nonpublic and Home Schools

- Only registered and approved nonpublic schools and home schools can be included in:
  - Proportionate Share Allocation Calculation
  - Timely and Meaningful Consultation
  - Receiving equitable services
  - Charging the proportionate share allocation for equitable services provided.

# Approved Nonpublic and Home Schools (Cont'd)

- Approved Nonpublic School Listing
  - [MDE Nonpublic and Home Schools Webpage](#)
    - Updated annually around January and July
  - E-mailed to ISD Superintendents typically in January and July
- Approved Home Schools
  - E-mailed to ISD Superintendents typically in January and July
  - Not Available on the MDE Nonpublic and Home Schools Webpage
- Listings can also be obtained by emailing [nonpublicschools@michigan.gov](mailto:nonpublicschools@michigan.gov).

# Benefits of Early Nonpublic and Homeschool Registration

- Previously approved nonpublic and homeschools afforded equitable services until first release of approved nonpublic and homeschool data by MDE in November.
- If approval is granted by November release, no break in equitable services provided.
- If approval is not granted by November release, equitable services cease until approval is granted.
- Services are not retroactive. Services begin as of date registration is approved.

# Parentally Placed Private School Children Attending Preschool

- Parentally placed private school children with disabilities in Preschool are considered for equitable services if attending a private preschool program operated within and by a registered and approved private elementary school.



# Stand-Alone Private Preschools or Private Childcare Centers

- Because stand-alone private preschools or private childcare centers do not meet the definition of an elementary school in Michigan, those programs are not included in the ISD's proportionate share child count.
- These settings are not excluded from the requirements of child find.

# What Child Counts Need to be Maintained?

# Record Keeping – 34 CFR §300.132(c)

Each ISD must maintain in its records, and provide to the Michigan Department Of Education (MDE):

- The number of children evaluated, including re-evaluations.
- The number of eligible children with disabilities.
- The number of children with disabilities receiving services in the private schools within the ISD's jurisdiction.

# Record Keeping Example

- School Year: 2021-2022
- Counts include registered and approved nonpublic schools and homeschools only

<b>Student Name</b>	<b>Date of Child Evaluation 2021-2022</b>	<b>Has the Child Been Determined Eligible?</b>	<b>Is the Child Receiving Services?</b>
John Smith	N/A (Evaluated 20-21)	Yes	Yes
Jane Smith	N/A (Evaluated 20-21)	Yes	No Services refused by nonpublic
John Doe	November 2021	Yes	Yes
Jane Doe	January 2022	Yes	No Services refused by nonpublic
Billy Jones	March 2022	Yes	Yes
Betsy Jones	May 2022	No	No

# When Do I Count the Children?

# Annual Count – 34 CFR §300.133(c)

Each ISD must:

- Determine the total number of children with disabilities within the ISD.
  - Public School Count (Appendix B)
  - Private School Count (34 CFR §300.133(c))
- Ensure the count is conducted between Oct. 1 and Dec 1 of each year. (Official Fall Count)
- Use the prior year count.
  - Example: Flowthrough 2022-23 (230450 grant) uses the Fall 2021 Count.

# How Do I Count the Children?

# Public School Count

The number of eligible children with disabilities in  
public schools within the ISD

=

The number of children with an IEP in public  
schools within the ISD



# Private School Count

The number of parentally placed eligible children with disabilities in private schools within the ISD

=

The number of **eligible** parentally placed children with disabilities in registered and approved nonpublic and home schools within the ISD

# Private School Count (Con't)

- Based on the total number of parentally placed private school children **determined eligible** to receive special education and related services, **not just those served**.
- Data sources for additional analysis
  - MDE Nonpublic and Homeschool Office\*
  - Michigan School Data System (MSDS)\*

\*These data sources may not be solely reliable sources to determine this count.

# Private School Count – IDEA Preschool (3-5)

- Includes children ages 3 through 5 attending private preschool program operated within and by an approved private elementary school.
- Does not include stand-alone private preschools or private childcare centers.
- Count not exclusive to preschool children
  - Also includes 4 and 5 year-olds in kindergarten, including developmental kindergarten.

# How Do I Communicate with Private Schools?

# Consultation – 34 CFR §300.134

- To ensure timely and meaningful consultation, an LEA, or, if appropriate, an SEA, must consult with private school representatives and representatives of parents of parentally placed private school children with disabilities during the **design and development** of special education and related services for children.

# Required Consultation Topics – 34 CFR §§300.134(a)- 300.134(e)

- Child Find
- Explanation of Proportionate Share Calculation
- Consultation Process
- Provision of Special Education and Related Services
- How, if the LEA disagrees with the views of the private school officials on the provision or types of services, the LEA will provide to the private school officials a written explanation of the reasons why the LEA chose not to adopt the recommendations of the private school officials.

# Written Affirmation of Consultation – 34 CFR §300.135(a)

- When timely and meaningful consultation, as required by 34 CFR §300.134, has occurred, the LEA must obtain a written affirmation signed by the representatives of participating private schools.
- Written affirmation is obtained **after** consultation has occurred, not before.

# What If Written Affirmation is Not Received?



# Written Affirmation of Consultation – 34 CFR §300.135(b)

- If written affirmation is not received, the ISD must note this and submit documentation to MDE OSE with an explanation of attempts made to obtain written affirmation.

# How Much Am I Required to Spend?

# Expenditures – 34 CFR §300.133(a)

The LEA\* where the private schools are located must expend:

- A proportionate share of the LEA's total subgrant under §611(f) of IDEA on services for parentally placed children aged 3-21 in accordance with a required formula; and
- A proportionate share of the LEA's total subgrant under §619(g) of IDEA for services for parentally placed children aged 3-5 in accordance with a required formula.

\*Note: IDEA defines an Educational Service Agency as an LEA. Therefore, in Michigan, an Intermediate School District (ISD), Regional Educational Services Agency (RESA) or Educational Service District (ESD) is an LEA.

# Proportionate Share Calculation Example – Flowthrough Grant (3-21) – See Appendix B

- School Year: 2022-2023
- Program Number (formerly Grant Number): 230450
- Count: Official Fall 2021 Count

Description	Counts/Calculation
Number of eligible children (3-21) with disabilities in public schools within the ISD (Students with IEPs)	475
Number of parentally placed children (3-21) <b>determined eligible</b> in private elementary and secondary schools within the ISD	25
<b>Total number of eligible children (3-21)</b>	<b>500</b>
IDEA Flowthrough (Section 611) funds allocated to the ISD	\$1,000,000
<b>Average allocation per eligible child (3-21)</b>	<b>\$2,000</b> (\$1,000,000/500)
Number of parentally placed children (3-21) <b>determined eligible</b> in private elementary and secondary schools within the ISD	25
<b>Total Flowthrough Proportionate Share Requirement</b>	<b>\$50,000</b> (\$2,000 x 25)

# Proportionate Share Calculation Example – Preschool Grant (3-5)

- School Year: 2022-2023
- Program Number (formerly Grant Number): 230460
- Count: Official Fall 2021 Count

Description	Counts/Calculation
Number of eligible children (3-5) with disabilities in public schools within the ISD (Students with IEPs)	95
Number of parentally placed children (3-5) <b>determined eligible</b> in private elementary schools within the ISD	5
<b>Total number of eligible children (3-5)</b>	<b>100</b>
IDEA Preschool (Section 619) funds allocated to the ISD	\$50,000
<b>Average allocation per eligible child (3-5)</b>	<b>\$500</b> (\$50,000/100)
Number of parentally placed children (3-5) <b>determined eligible</b> in private elementary schools within the ISD	5
<b>Total Preschool Proportionate Share Requirement</b>	<b>\$2,500</b> (\$500 x 5)

# Does the Required Amount Ever Change?

# Proportionate Share Allocation Calculation Adjustments

- Allocation does not get updated to current year count numbers.

# What Services Are Provided To Children?



# Equitable Services Determined – 34 CFR §300.137

- Parentally placed private school children with disabilities do not have a right to a FAPE.
- ISD/member district makes final decision on special education and related services to be provided.
- Each child has a nonpublic services plan describing the special education and/or services to be provided
  - Not an IEP

# What are the ISD/Member District Responsibilities?

# ISD Oversight Responsibilities

- Regardless of the implementation model used by ISDs to provide equitable services to parentally placed private school children with disabilities, compliance is determined at the ISD level since the ISD is the subrecipient of IDEA funds.
- The ISD must be able to provide evidence member districts are compliant with the equitable services requirements.

# Member District Compliance Responsibilities

- Member districts implementing the equitable services requirements outlined in [34 CFR §§ 300.130 through 300.144](#), including child find, consultation, and other requirements must be in compliance with these regulations.

# Member District Expenditure Scenarios

- Scenario A
  - Proportionate Share Allocated to Member Districts through IDEA Flowthrough/Preschool Applications.
- Scenario B
  - Proportionate Share Funds Managed at the ISD
  - [ISD Management of Proportionate Share Funds-October 2023](#)

# Fiscal Responsibilities of ISDs

- Calculate proportionate share amount for §611 (Flowthrough) and §619 (Preschool) separately.
- Budget in NexSys the amounts the ISD and/or member districts will spend using function code 371 for §611 (Flowthrough) and §619 (Preschool) separately.
- Upload calculation into NexSys application.
- Determine how fiscal requirement will be met in coordination with member districts.
- Ensure the proportionate share requirement is met in the aggregate.
- Ensure carryover grant funds are spent before new year grant funds.
- Ensure supplanting has not occurred.

# Additional Responsibilities of ISDs and Member Districts

- Ensure costs charged are actual, not budget estimates
- Ensure documentation supports charges to the grant.
- Charge the grant for allowable expenditures before using other funds.
- Charge the grant on a regular basis.
- Identify service providers and ensure sufficient supporting documentation is maintained.
- Other Responsibilities
  - Child Find
  - Timely and Meaningful Consultation
  - Data Collection

# What Funds Do I Spend?



# Supplement Not Supplant – 34 CFR §300.133(d)

- Local funds may supplement and, in no case, supplant the proportionate amount of Federal funds required to be expended for parentally placed private school children with disabilities under this part.

**Reminder: All federal funds must be expended by the end of the grant period. ISDs/member districts may need to reallocate expenditures to the federal funds in the event local funds are used simultaneously.**

# Federal and State Requirements

Equitable Services provided using proportionate share funds must follow the federal requirements under IDEA.

- 34 CFR §§300.130-300.144

Auxiliary services provided using non federal funds may follow the Auxiliary Services Act

- Michigan Administrative Code R 340.291-340.295
- The Revised School Code Section 380.1296

# How Do I Spend The Funds?

# Allowable Expenditures

- Special education instructional services (34 CFR §300.142)
- Related services (34 CFR §300.34)
- Transportation (34 CFR §300.139)
  - Must be necessary for children to access equitable services.
- Direct service documentation and preparation time
- Nonpublic Services Plan meeting
- Mileage and Travel time
- Fringe benefits (2 CFR §200.431)
  - (paid holidays, sick leave, etc)

# Allowable Expenditures (Cont'd)

## Indirect Services (Q&A Question D-6)

- Consultative Services
- Supplies and equipment (34 CFR §300.144)
  - Must remain property of the ISD/member district
  - Must be reasonable and related to providing equitable services to parentally-placed private school children with disabilities.
  - MDE prior approval required for capital outlay
- Professional Development/Training
  - Cannot be a prorated amount of overall professional development expenditures
  - Must be reasonable and related to providing equitable services to parentally-placed private school children with disabilities.
  - Can include training for private school teachers and other private school personnel.

# Unallowable Expenditure Examples

- Child find activities
- Evaluations and re-evaluations
- Determination of eligibility
- Timely and meaningful consultation
- Administrative costs
- Direct payments to a private school
- Repairs, minor remodeling, or construction of private school facilities
- ISD/member district expenditures generated from indirect cost rate

# What Documentation Needs to be Maintained?

# Fiscal Supporting Documentation

Supporting documentation must:

- Be transparent
  - Personnel Activity Reports (PARS) are typically not sufficient.
- Clearly show how time charged is related to providing equitable services to parentally placed private school children with disabilities during the 27-month period of availability.
- Clearly identify time related to providing equitable services to parentally placed private school children with disabilities ages of 3 to 5.



# Reconciliation of Expenditures

- ISD/Member Districts must be able to reconcile:
  - Provider documentation/service logs
  - Actual expenditures charged to the proportionate share requirement.
- Final expenditures cannot be based on budget estimates.
  - If budgeted estimates are utilized, expenditures must be reconciled based on actual time spent.

# Forecasting and Monitoring Expenditures

- Monitor throughout the year for:
  - Charging expiring grant first
  - Local fund expenditures
  - Allowability
  - Anticipation of meeting requirement or not in the aggregate

# Draft Fringe Benefit Allocation Calculation Example Template

- May be used and modified as needed.
- Not considered the only approach to calculating a proportionate amount of fringe benefits, including paid leave time.
- Contact Nicole Licht at [LichtN@michigan.gov](mailto:LichtN@michigan.gov) if interested in receiving a copy.

# Draft Fringe Benefit Allocation Calculation Example Template Visual

Fiscal Year	2021-2022	Total Days per Staff Contract	185
Staff Name	Jane Smith	Hours Per Day	7
Position	Speech Therapist	Total Hours per Staff Contract	1,295

  

Allocation Summary (Allocable and Non Allocable Time)																					
Description of Time	Funding Source	July	August	September	October	November	December	January	February	March	April	May	June	Total Hours (Before Allocation of Paid Time Fringe Benefit Hours)	Total Days Informational Only	Percentage of Time	Paid Time Fringe Benefit Hours Proration	Total Hours (Paid Time Fringe Benefit Hours Prorated)	Allocable Time Expenditures	Paid Time Fringe Benefit Expenditures	Total Expenditures
Hours spent providing equitable services to parentally placed private school children with disabilities in registered and approved nonpublic schools/home schools (Ages 3-5)	IDEA Preschool 220460 IDEA Preschool ARP 221285	0	0	2.75	2.5	3.5	3	1.5	4.5	3	2.5	1.25	5.5	30.00	4.29	2.32%	4.41	34.41	\$ 2,774.13	\$ 407.89	\$ 3,182.02
Hours spent providing equitable services to parentally placed private school children with disabilities in registered and approved nonpublic schools/home schools (Ages 3-21)	IDEA Flowthrough 220450 IDEA Flowthrough ARP 221280	0	0	15.75	10.5	15.75	10.25	12.5	10.25	21.5	22.5	22.25	5.5	146.75	20.96	11.83%	21.58	168.33	\$ 13,570.13	\$ 1,995.25	\$ 15,565.38
Hours spent serving public school children <i>Hours Automatically Calculated At End of Fiscal Year</i>	Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	952.25	136.04	73.53%	140.01	1,092.26	\$ 88,055.55	\$ 12,947.05	\$ 101,002.60
Paid Time Fringe Benefit Hours <i>Automatically included from Paid Time Fringe Benefit Summary Below</i>	To be allocated based on time spent	0	0	9	0	14	77	8.5	28	14	14	1.5	0	166.00	23.71	12.82%					
<b>Total Hours</b>														<b>1,295.00</b>	<b>185.00</b>	<b>100.00%</b>	<b>166.00</b>	<b>1,295.00</b>			
Hours Variance (Should be 0)														-	-		-	-			
<b>Total Expenditures</b>																			<b>\$ 104,399.81</b>	<b>\$ 15,350.19</b>	<b>\$ 119,750.00</b>
Expenditures Variance (Should be 0)																					

  

Paid Time Fringe Benefit Summary (Hours)														
Paid Time Fringe Benefit Description	July	August	September	October	November	December	January	February	March	April	May	June	Total Paid Time Fringe Benefit Hours	Total Days Informational Only
Paid Personal Time (Hours)			7										7.00	1.00
Paid Vacation Time (Hours)					7				7				14.00	2.00
Paid Holidays (Hours)						70							70.00	10.00
Paid Sick Leave (Hours)			2		7		1.5		7	14	1.5		33.00	4.71
Paid Snow Days (Hours)						7	7	28					42.00	6.00
<b>Total Non Allocable Time</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>14</b>	<b>77</b>	<b>8.5</b>	<b>28</b>	<b>14</b>	<b>14</b>	<b>1.5</b>	<b>0</b>	<b>166.00</b>	<b>23.71</b>

  

Payroll Summary							
Payroll Expense Description	Object Code	Total FYTD Expenditures	Amount Per Hour	Amount Allocated to IDEA Preschool	Amount Allocated to IDEA Flowthrough	Amount Allocated to Other	Variance
Salary	1280	\$ 65,000.00	\$ 50.19	\$ 1,727.19	\$ 8,448.85	\$ 54,823.96	\$ -
Life Insurance	2110	500.00	0.39	\$ 13.29	\$ 64.99	\$ 421.72	\$ -
Disability Insurance	2120	500.00	0.39	\$ 13.29	\$ 64.99	\$ 421.72	\$ -
Health Insurance	2130	25,000.00	19.31	\$ 664.30	\$ 3,249.56	\$ 21,086.14	\$ -
Dental Insurance	2140	2,500.00	1.93	\$ 66.43	\$ 324.96	\$ 2,108.61	\$ -
Vision Insurance	2150	1,000.00	0.77	\$ 26.57	\$ 129.98	\$ 843.45	\$ -
Retirement	2820	20,000.00	15.44	\$ 531.44	\$ 2,599.65	\$ 16,868.91	\$ -
Employer Social Security	2830	5,000.00	3.86	\$ 132.86	\$ 649.91	\$ 4,217.23	\$ -
Workers Compensation	2840	250.00	0.19	\$ 6.64	\$ 32.50	\$ 210.86	\$ -
<b>Total</b>		<b>\$ 119,750.00</b>	<b>\$ 92.47</b>	<b>\$ 3,182.02</b>	<b>\$ 15,565.38</b>	<b>\$ 101,002.60</b>	<b>\$ -</b>

# Draft Parentally Placed Private School Service Log Template

- May be used and modified as needed.
- Not considered the only approach to tracking time related to providing services to parentally placed private school children with disabilities.
- Contact Nicole Licht at [LichtN@michigan.gov](mailto:LichtN@michigan.gov) if interested in receiving a copy.

# Draft Parentally Placed Private School Service Log Template Visual

<b>Staff Name:</b>	Jane Smith					<b>District:</b>	Apple Valley School District	
<b>Month:</b>	September					<b>Fiscal Year:</b>	2023-24	
<b>Child Name</b>	<b>IDEA Preschool (Ages 3-5)</b>	<b>Date of Service</b>	<b>Service Time (Minutes)</b>	<b>Documentation/ Planning Time (Minutes)</b>	<b>Travel Time (Minutes)</b>	<b>Location of Service (Drop Down)</b>	<b>Service Type</b>	<b>Detailed Service Notes</b>
Example: Jane Doe	X	9/15/2022	10	15	40	Sunshine School	Articulation	Worked on R sounds per Service Plan goal
Jane Doe	X	9/19/2023	30	15	10	Sunshine School	Articulation	Worked on R sounds per Nonpublic Services Plan goal
Sally Smith		9/19/2023	30	15	0	Sunshine School	Articulation	Worked on S sounds per Nonpublic Services Plan goal
John Doe	X	9/19/2023	30	15	20	ABC School	Articulation	Worked on T sounds per Nonpublic Services Plan goal
Jane Doe	X	9/26/2023	30	15	10	Sunshine School	Articulation	Worked on R sounds per Nonpublic Services Plan goal
Sally Smith		9/26/2023	30	15	0	Sunshine School	Articulation	Worked on S sounds per Nonpublic Services Plan goal
John Doe	X	9/26/2023	30	15	20	ABC School	Articulation	Worked on T sounds per Nonpublic Services Plan goal
<b>Total Service Time (Hours)</b>			<b>3.00</b>					
<b>Total Documentation/ Planning Time (Hours)</b>			<b>1.50</b>					
<b>Total Travel Time (Hours)</b>			<b>1.00</b>					
<b>Grand Total (Hours)</b>			<b>5.50</b>					
Staff Signature							Date	
Supervisor Signature							Date	
<b>Note: For purposes of this document, all children ages 3-5 should be identified as Preschool in Column B (IDEA Preschool).</b>								
<b>For Business Office Use Only</b>								
		IDEA Preschool Grant (Ages 3-5)	IDEA Flowthrough Grant (Ages 3-21)					
		Hours	Hours	Total	Variance			
Service Time		2.00	1.00	3.00	0.00			
Documentation/ Planning Time		1.00	0.50	1.50	0.00			
Travel Time		1.00	0.00	1.00	0.00			
<b>Total</b>		<b>4.00</b>	<b>1.50</b>	<b>5.50</b>	<b>0.00</b>			

# How Long Do I Have to Spend the Funds?

# Expenditure Period

## 27-Month Period of Availability

- 15-month Initial
  - E.g., July 2021-September 2022
- 12-month Carryover
  - E.g., October 2022-September 2023

**Reminder: All carryover funds must be expended by the end of the grant period. ISD/member districts may need to reallocate funds to the carryover grant if new grant funds are simultaneously utilized.**



# Can I Spend More than the Required Amount?

# ISD Determinations

Additional proportionate share funds can be spent if:

- ISD has a meets requirements determination result.

Only the required proportionate share amount can be charged if:

- ISD has a needs assistance, needs intervention, or needs substantial intervention determination result.

[Letter to Apostle \(OSEP 2012\)](#)

# What If I Don't Anticipate Spending All the Funds?

# What Happens if an ISD does not fully spend the Proportionate Share Allocation?

- **Option 1:** Request a proportionate share recoding review with MDE OSE.
- **Option 2:** Return unspent funds to the United States Department of Education
  - Unexpended funds on the Final Expenditure Report must be at least the amount of unspent proportionate share funds.
  - ISD will need to explain why funds are being returned.

# What Is Recoding?

# What is Proportionate Share Recoding?

- If an LEA is unable to spend the entire proportionate share allocation on equitable services for parentally placed private school children with disabilities by the end of the 27-month grant period, the ISD may recode the unspent portion to be used to pay for other allowable IDEA Part B expenditures for the same period of availability.
- Prior to making any accounting adjustments, MDE OSE approval to recode is **required**.

# Recoding Review Process

- ISD Submits Request to Recode to MDE OSE by May 31st of the carryover period.
- ISD Submits Required Information and Documentation
- If Recoding is Approved,
  - ISD Receives Preliminary Approval to Recode
  - ISD submits Report with final expenditures after the period of availability has expired.
  - ISD Receives Final Approval to Recode

# Primary Components of a Recoding Review

- Child Find
- Timely and Meaningful Consultation
- Fiscal



# Key Take Aways

- What Private Schools Are Considered?
- What Parentally Placed Children are Being Served?
- What Counts Are Used in the Allocation Calculation?
- How Is The Allocation Calculated?
- Spend Federal Funds Before Local Funds
- Spend Expiring Federal Funds Before New Federal Funds
- Maintain Transparent Documentation
- Recoding Conditions (Programmatic & Fiscal)
- Focus on Students First

# How Can I Learn More?

# Resources

## MDE Guidance:

- [IDEA Equitable Services at a Glance-October 2023](#)
- [ISD Management of Proportionate Share Funds-October 2023](#)
- [Equitable Services: Proportionate Share and Recoding-October 2022](#)
- [MDE Proportionate Share Webpage](#)

## OSEP Guidance:

- [February 2022 Q&A on Serving Children with Disabilities Placed by Their Parents in Private Schools](#)

# Member District Expenditure Scenario Example Resource

## Scenario A: Proportionate Share Funds Allocated to Member Districts

Proportionate Share funds allocated to member districts in IDEA Flowthrough/Preschool Applications.

Member districts provide services and charge expenditures to federal funds. Member districts request funds through the ISD, either IDEA Preschool (3-5) or IDEA Flowthrough (3-21).

Member districts spending less/more than proportionate share funds allocated requires ISD application amendment(s) in NexSys.

Member districts must track additional expenditures beyond allocated amount in the event proportionate share requirement is not met in the aggregate and reallocation is needed. Close ISD/member district communication is essential to avoid supplanting.

## Scenario B: Proportionate Share Funds Managed at ISD

Proportionate Share funds maintained and budgeted in NexSys at ISD level only. ISD determines amount anticipated to be spent by each member district.

Member districts provide services and charge expenditures to local funds. Member districts request reimbursement, either IDEA Preschool (3-5) or IDEA Flowthrough (3-21) from the ISD's proportionate share allocation.

ISD implements internal tracking process for monitoring member district proportionate share spending with actual and anticipated amounts. No application amendments in NexSys for spending changes between districts.

ISD determines which grant member district proportionate share reimbursement requests will be reimbursed from (carryover/new grant funds).

# Who Do I Contact?

# Contact Information

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Any Questions?