Minnesota Department of Education

Memorandum

TO: Charter School Directors and Authorizers

FROM: Carol Hokenson, Manager
Division of School Finance

DATE: May 15, 2013

SUBJECT: Average Daily Membership (ADM) for Charter Schools 1-3 Years Old

The purpose of this memo is to provide you with information related to the reporting and financial implications of projected ADM. The data reported on the Enrollment Projections Report for Charter Schools is used for the calculation of your estimated 2013-14 general education revenue, charter school lease aid, special education aid, and EL aid. For first year charter schools, the free/reduced lunch counts are used to calculate compensatory revenue.

The student count used for the calculation of aid entitlements is ADM. ADM represents the portion of the year a student is enrolled. Only students enrolled on the first day of school and who remain enrolled for the entire school year will generate 1.0 ADM. All other students will generate less than 1.0 ADM. Early in the school year, a head count of students is used as a proxy for ADM. However, after the first few weeks of school, start and end dates and membership days are required to calculate an accurate ADM. Therefore, your Minnesota Automated Reporting Student System (MARSS) file should reflect the current status of students entering and withdrawing from your school.

Aid entitlements are revised based on new student estimates. The calculation and projections of aid entitlements for the remainder of the year will change (increase/decrease) as a result of the submitted student counts. It is imperative the charter school revisit their district revenue and expenditure budgets and make any necessary adjustments when student counts and/or entitlements change.

School Calendar and Enrollment Information – ADM Projections and MARSS as outlined in Minnesota Statutes, section 124D.11, subdivision 9, paragraph (f) provides in part that:

In order to receive state aid payments under this subdivision, a charter school in its first three years of operation must submit a school calendar in the form and manner requested by the Department and a quarterly report to the Minnesota Department of Education (MDE). The report must list each

student by grade, show the student's start and end dates, if any, with the charter school, and for any student participating in a learning year program, the report must list

the hours and times of learning year activities. The report must be submitted not more than two weeks after the end of the calendar quarter to the department. The department must develop a web-based reporting form for charter schools to use when submitting enrollment reports. A charter school in its fourth and subsequent year of operation must submit a school calendar and enrollment information to the department in the form and manner requested by the department.

Distribution of School Aids; Appropriation - Errors in Distribution – Overpayments as outlined in Minnesota Statutes, sections 124A.41. subdivision (2):

"On determining that the amount of state aid distributed to a school district is in error, the commissioner is authorized to adjust the amount of aid consistent with this subdivision. On determining that the amount of aid is in excess of the school district's entitlement, the commissioner is authorized to recover the amount of the excess by any appropriate means. Notwithstanding the fiscal years designated by the appropriation, the excess may be recovered by reducing future aid payments to the district. Notwithstanding any law to the contrary, if the aid reduced is not of the same type as that overpaid, the district must adjust all necessary financial accounts to properly reflect all revenues earned in accordance with the uniform financial accounting and reporting standards pursuant to sections123B.75 to 123B.83. Notwithstanding the fiscal years designated by the appropriation, on determining that the amount of an aid paid is less than the school district's entitlement, the commissioner is authorized to increase such aid from the current appropriation. If the aid program has been discontinued and has no appropriation, the appropriation for general education shall be used for recovery or payment of the aid decrease or increase. Any excess of aid recovery over aid payment shall be canceled to the state general fund.

Completion of Enrollment Projections Report for Charter Schools

The report should be completed by charter schools within their first three years of operation and mailed to MDE or emailed to jeanne.krile@state.mn.us by June 10, 2013.

View copies of the report.

Charter schools within their first three years of operation must submit quarterly updates. The quarterly updates (September 30, January 3 and April 4) must include a signed, updated projections report. If the charter school is unable to submit MARSS data on those dates, a roster of students' names – sorted by grade, start dates, and end dates must be submitted with the signed, updated projections report. For the January 2 update, charter schools will have to submit a roster electronically with the projections report as there is no scheduled MARSS submission date coinciding with the January 2 date. For all updates, MDE will cross reference data submitted on MARSS and/or a student roster.

School Calendars

Charter schools must submit a copy of their 2013-14 school calendar. The calendar must include the number of student instructional days per month and per year. Charter schools are not required to send a copy of the board minutes where the calendar is approved. However, charter schools

must send MDE the board meeting date when the calendar was officially adopted. There is a line on the projections report in which charter schools can report the date.

If you have any questions, contact Jeanne Krile at jeanne.krile@state.mn.us or (651) 582-8637.