

MEMORANDUM

TO: Charter School Directors and Authorizers



FROM: Carol Hokenson, Manager
Division of School Finance

DATE: May 14, 2012

SUBJECT: Average Daily Membership (ADM) for Charter Schools Four Years Old and Older

Charter schools four years old or older must submit their Average Daily Membership (ADM) and Limited English Proficient (LEP) estimates via the Electronic Data Reporting System (EDRS). This memorandum is only being sent to those charter schools that can participate in the electronic reporting of their ADM estimates.

Charter School Information

Charter schools sent their FY 2013 and FY 2014 ADM estimates to the Minnesota Department of Education (MDE) last fall or the charter school may have updated them during the school year. The FY 2015 estimates have been posted to the MDE website. They were the result of applying a Grade Progression Ratio (GPR) of 1.0 to the FY 2014 ADM while leaving the kindergarten ADM constant at the FY14 level. (For example, FY 2014 1st grade ADM was progressed to the FY 2015 2nd grade ADM.) This is only a means of seeding the database so that the charter school need only update the figures. This data is not considered department-endorsed estimates.

[Documentation for reporting ADM and LEP estimates using EDRS](http://education.state.mn.us/MDE/SchSup/SchFin/MARSSStuAcc/AvgDailyMemb/index.html) is available online (<http://education.state.mn.us/MDE/SchSup/SchFin/MARSSStuAcc/AvgDailyMemb/index.html>). The documentation includes samples of screen images and data definitions. It also includes directions for all school districts that use the EDRS system to submit ADM and LEP estimates, not just charter schools.

Submission of ADM Estimates Using EDRS

Charter schools in their fourth or later year must update their FY 2013 ADM and LEP estimates by June 10, 2012, so that metered payments can start July 15, 2012. Aid payments for charter schools are updated monthly through January 2, 2013, using the most recent estimates on file via EDRS. The department may not be able to revise estimated aid entitlements and payments for any ADM increases submitted after January 2, 2013, as the Department of Finance will not allow the general education aid to exceed the February forecast appropriation amounts. MDE will continue to accept ADM changes through April 5, 2013, but it is likely only enrollment projections that decrease will be used as a basis for payment of state aid.

If the current FY 2012-13 ADM and LEP estimates for your school are accurate, perform EDRS Menu item #3, Sum and Authorize. This Sum and Authorize action will be used in lieu of signature on a report.

Performing menu item #3 sets an internal EDRS flag that the school has reviewed and confirms their estimates. The estimates will not be used for payment unless the charter school enters EDRS and performs item #3 prior to June 10, 2012. Verifications performed after June 13 may delay the calculation of metered payments for the school in the same manner as not providing a paper report would have delayed payments in the past.

Charter schools must also provide ADM and LEP estimates for the FY 2013-14 and FY 2014-15 school years by September 30, 2012. These data are used for the state forecast and legislative analysis. Although these estimates can be updated at any time, they will be used only at specified times throughout the school year.

Using EDRS

Each EDRS user must have an EDRS application on file within MDE. EDRS users who are already registered with MDE, in order to access other EDRS systems, do not have to re-apply for accessing the ADM/LEP projections. If you are not registered, the application is available at the end of the documentation. The user must access EDRS using the computer with the IP address that is reported on the EDRS application. This is what allows the user into the system.

Charter schools going into their fourth year will find their password for the EDRS ADM and LEP Projections System in a separate, secure message e-mailed to the school director. Charter schools in their fifth or later year already have this information.

[Access EDRS](#) on the department's website.

(<http://education.state.mn.us/MDE/SchSup/DataSubLogin/ADM/index.html>)

EDRS User Name is: MDE

EDRS Password is: data

On the next screen enter your district number, district type and your unique password.

Charter password:

Each charter school is assigned a password that is specific to the ADM and LEP projections system. You can change this at any time via EDRS.

There are three primary EDRS functions:

1. Menu item #1 View: Use this feature to review your data without changing it. No internal flags are set or re-set.
2. Menu item #2 Update: Use this feature to update your data.
 - Each time Update is selected, whether or not changes have actually been made, an internal flag is set that indicates that the data have been modified. Do not use # 2 if all you want to do is to view the current estimates. Use Function # 1 for viewing.
 - Charter schools' ADM should only be in the adjusted ADM columns. Charter schools cannot enter their ADM estimates in the resident ADM columns.
 - Only charter schools with state-approved learning year programs can have extended time ADM.
 - For single-site charter schools, all updates can be made at the district level.
 - For multiple-site charter schools, the updates can be made at the district level or at the school level. However, do not change both district and school level data without executing an intervening Sum and Authorize or the changes may not be what was intended.
3. Menu item #3 Sum and Authorize: Use this feature to either (a) sum school level changes to create a new district total, or (b) allocate updated district totals to individual schools.

- For single-site charter schools, all updates can be made at the district level. The sum and authorize function will make the school level data equal the new district level data.
- This also resets the flag that is set under the update feature by indicating the data are ready for use.

ADM Notes

As you are aware, ADM is used for the calculation of your estimated FY 2012-13 general education revenue, charter school lease aid, special education aid, and limited English proficiency (LEP) aid. Underestimating or overestimating your ADM can have serious financial implications. Underestimating may leave your school short of the necessary revenue to properly serve your students. Overestimating ADM counts will force the department to recover the payments – leaving your schools with cash flow problems in the current year and/or future years.

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.

Aid entitlements are revised based on new student estimates. The cash payment and projected payments for the remainder of the year will change (increase/decrease) as a result of the student counts submitted on EDRS. It is imperative the charter schools 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 sections [Minnesota Statutes, section 123B.75](#) to [Minnesota Statutes, section 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.

Contacts

If you have any questions about reporting, please reach Jeanne Krile, Division of School Finance, at (651) 582-8637 or jeanne.krile@state.mn.us.