

## 11/29/12 - Rep. Rogers Proposed Changes for Section 25

1. Move to an 80/20 current year blended pupil membership with 80% based on the Fall count and 20% based on the following February count (both in a single school year). This would mean the State only pays for kids in the district in that current year, but also would provide for district stability in budgeting and staffing with much of the funding determined early in the year.
2. Allow districts to VOLUNTARILY request Section 25 transfers (rather than requiring a mandatory transfer) up until the February count date. Generally, district costs are incurred prior to that date, and mobility after the February count date is low. Provides an end-point for the final count so that it can be included in the final audit.
3. Revise the Section 25 transfer process as follows:
  - a. CEPI would create a new transfer application very similar to and based upon the current Graduation and Dropout (GAD) application.
  - b. A district, voluntarily, would request a transfer through the system for a pupil who enrolls after the fall count date.
  - c. The system would notify sending district, which provides exit dates and other necessary information.
  - d. The system notifies ISD auditing staff.
  - e. The ISD auditing staff could look at the individual pupil information, edit it, approve it, and leave comments.
  - f. Then the system would aggregate the district-wide changes for adjustments to the State Aid payment system.
4. Postpone implementation until FY 2013-14, to provide time for CEPI to create a new electronic transfer system and to provide districts with notice for pupil membership changes. Reinstate the prior year Section 25 process for the remainder of FY 2012-13 to provide districts with an avenue for reimbursement for the balance of the year.

### Benefits of proposed transfer process:

- Keeps the cost to CEPI lower because the GAD template already exists and minimizes additional work for MDE by providing an electronic process.
- Incurs minimal cost to ISDs because they already use the GAD system, and it would not require separate audits.
- Allows funding to follow students while maintaining State oversight and accountability, which aligns with the Governor's goals included in the Oxford Foundation's School Aid Re-write and provides a transition if we decide to move toward more counts in the future.