

## CEPI Helpful Hint: Guidance on Section 25e

### What is Section 25e?

Section 25e of the State Aid Act allows a school district to claim prorated full-time equivalency (FTE) for pupils that transfer after the Fall Pupil Membership Count date and prior to the Spring Supplemental count date.

### How do I submit a request?

To request a prorated transfer FTE for a student, a district must do the following:

- Submit and certify a Student Record Maintenance (SRM) record, which must include the following:
  - The Section 25 component. The “First Day in Attendance” characteristic must specify the date the student was first in attendance at the new district. This date will be used to calculate the amount of FTE being transferred. *(For additional information on the Section 25 component, you can reference the [MSDS Collection Details Manual](#).)*
  - Whether it’s General Education or Special Education FTE, the total FTE cannot be greater than the amount claimed for the student in the Fall General Collection.
- Submit the request **prior** to the spring count date.
  - In addition, the request must be submitted within 30 calendar days of the student transferring into your district or within 30 days after the Fall General Collection certification deadline, whichever is greater.
  - For any requests not submitted within 30 days, as noted above, you may use a modified first date of attendance that complies with the 30-day window as per the legislation. In doing so, the membership for the pupil will be prorated according to the modified first date of attendance reported.

### What happens next?

The request will appear in a separate screen (Manage Section 25e Requests) for your Intermediate School District (ISD) auditor(s) to review. Your request will be approved or denied. Your auditor(s) may also request additional documentation from you. Please consult with them to learn what additional requirements exist.

### What happens if my request is denied?

The system automatically denies requests for one of the following reasons:

- A student-level FTE adjustment was made on the Audit Form/Narrative for this student, and the remaining FTE is less than the amount of the FTE in the request.
- A student-level FTE adjustment was made on the Audit Form/Narrative for this student after a previous Section 25e request was approved. The auditor must approve this request manually.

You may resubmit the request (if applicable) by submitting and certifying another SRM record. A “copy to staging” function is available within the SRM Collection to reduce the amount of data entry for a resubmission request.

If your request is denied *after* Spring count day, you will have 30 days from Spring count day to resubmit the denied claim with new details. Previously unsubmitted claims will not be accepted.

### **What happens when my request is approved?**

- The appropriate FTE adjustments will be applied to the gaining/losing districts’ audit form (DS4061 or DS4120) and audit narrative.
- The Michigan Department of Education, Office of State Aid and School Finance will extract the aggregate FTE amounts for each district to process state aid payments. Section 25e requests that are approved by the second business day of the month will be reflected in that month’s payment.

### **Which report can I use to track Section 25e activity?**

**Section 25 Summary Report:** This detailed report displays the gains and losses for your district.

### **I received an error that an incoming student had zero FTE in the Fall Collection, but s/he had FTE. Help!**

This error can occur for two different reasons:

- 1) The student’s UIC was linked after the Fall General Collection closed, and the (now) primary UIC wasn’t reported in the fall. In this case, the auditor must process the request manually.
- 2) The ISD auditor determined that the student was not eligible to be counted and removed the FTE in the fall district’s audit form (DS4061). In this case, the student is not eligible for an FTE transfer under Section 25e.

For more information about Section 25e, please refer to the [Section 25e user guide](#).