

# CLIENT ALERTS

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## Schools Can No Longer Rely on Administrative Exhaustion to Preclude ADA Claims

### Client Alert

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When considering early settlements for disability claims in the Michigan Department of Education, schools have always been best served with global agreements that cover a release for all claims. This is true now more than ever, as the United States Supreme Court recently resolved a circuit split relating to when claims are prohibited under the Individuals with Disabilities Education Act (IDEA) based on a failure to exhaust the statute's administrative dispute resolution procedures, which requires a person to first try to resolve the dispute through the government agency's internal procedures before they can go to court or seek other forms of relief under the IDEA. The Court held that the IDEA's administrative exhaustion requirement only applies when a plaintiff—using a different statute—seeks relief that is also available under the IDEA.

The case, *Luna Perez v. Sturgis Public Schools*, involved a deaf student, Miguel Luna Perez, who claimed that the Michigan public schools in Sturgis, which he had attended, had failed to provide him with adequate support for his disability. Perez and his parents filed a complaint with the Michigan Department of Education. They contended, among other things, that Sturgis failed to satisfy its obligations under the IDEA. Before an administrative hearing occurred, the parties settled the dispute. As part of the settlement, Sturgis agreed to Perez's equitable demands for additional schooling. Despite the settlement, Perez subsequently filed suit in federal court; he sought compensatory damages under the Americans with Disability Act (ADA).

Sturgis moved to dismiss the ADA claim. It argued that the IDEA barred the claim because Perez failed to exhaust the IDEA's administrative dispute resolution procedures.

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The district court agreed, and the Sixth Circuit Court of Appeals affirmed the dismissal. The Supreme Court, however, reversed. It concluded that the IDEA's exhaustion requirement did not preclude Perez's ADA suit because the money damages he sought were not available under the IDEA.

In the wake of *Perez*, schools should be wary of making settlements in IDEA proceedings without a comprehensive release of claims under other statutes.

As always, you are welcome to consult with the authors of this Alert or any member of Butzel's Education Industry Team on any questions regarding this Supreme Court decision and the IDEA's exhaustion requirement.

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