Ohio Department of Education

School Finance Newsletter

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Information for Ohio School Treasurers

Inside this issue

- PASS FY2011 foundation calculation adjustment was made for all districts
- FY2012 October ADM count and adjustments may not be reflected in January #2 payment
- Additional tangible personal property reimbursements are expected
- Expenditure Standards given to State Board
- Fiscal Benchmark Report now online
- T-1 amendments are due Jan. 31
- Please review career-tech weighted funding report
- Waiver approved for extending FY2009 obligation period for some regular and ARRA Funds
- Scott Bennington joins ODE staff
- Please note upcoming fiscal calendar date

PASS FY2011 foundation calculation adjustment was made for all districts

The FY2011 PASS foundation calculation was updated to generate the FINAL #1 payment file. The updated payment file uses an adjusted set of ADM figures that results in changes in the FY2011 funding calculation of every school district. The FY2011 funding adjustments are reflected on the FY2012 Statements of Settlement for the January #1 Bridge payment, which was distributed on **Jan. 6**. A detailed explanation of the ADM change that resulted in the FY2011 payment adjustments is provided in the January #1 Foundation Letter.

This payment file update did not result in major changes in the foundation calculation of most school districts in FY2011. A handful of districts, however, experienced sizable reductions in the foundation calculation that will result in funding recapture by the state. Recognizing the financial constraints most districts are under, ODE has decided to modify the usual collection procedure of recapturing previous year overpayments. Accordingly, with the consent of the district, if the amount of recapture is more than $50,000, ODE will split it in half and recapture one half through the end of this fiscal year and the other half through the July #1 to December #2 FY2013 payments. Affected districts will have an adjustment description of "JV02 FY2011 PASS ADJ *SEE JV LISTING" on their statements of settlement, whereas districts with "normal" adjustment handling will have an adjustment description of "JV02 FY2011 PASS ADJUSTMENT." Affected districts that prefer having the entire recapture made this fiscal year through the last payment of the year (June #2) need to contact Daria Shams at daria.shams@ode.state.oh.us as soon as possible.

FY2012 October ADM count and adjustments will not be reflected in January #2 payment

The Office of Quality School Choice and Funding had been hoping to incorporate the FY2012 October count ADM in the January #2 Bridge funding calculation. However, there are still some data issues that need to be resolved before the ADM figures can be finalized and incorporated into the funding calculations. It is expected that the February #1 payment will reflect the FY2012 October count.

Additional tangible personal property reimbursements are expected

Although the first round of the Tangible Personal Property (TPP) phase-out reimbursements for FY2012 were distributed in November, some school districts will be receiving additional positive reimbursement adjustments with the January #2 Bridge payment. These adjustments are being made for levy losses that were not taken into account when the November reimbursements were being calculated. The second FY2012 scheduled TPP reimbursement distribution will take place in May.

Expenditure standards given to State Board

Expenditure standards and a related memorandum, posted here for school districts, were submitted to the State Board of Education by the Dec. 31 deadline and were on the January State Board meeting agenda. State Board must approve expenditure standards by June 30. The standards are required by the 2012-2013 budget bill, which also stipulates that ODE must apply the standards to create expenditures-per-pupil values and rank districts within categories. The standards address which expenditures are excluded from "annual operating expenditures," and delineate between classroom instructional versus nonclassroom expenditures. Many individuals and organizations provided valuable input for making the expenditure rules. As the process continues with the State Board deliberations, questions, comments and suggestions can be sent to eric.bode@ode.state.oh.us.

Fiscal Benchmark Report now online

School district information from the 2010-2011 school year is now available through the Fiscal Benchmark Report on the ODE website. The report includes data for each district on one page in the following areas: operational efficiency measures, expenditures per pupil (and per equivalent pupil), academic performance, general financial condition and district demographics. The report also allows the user to compare his or her district side-by-side with the average of districts in the county, similar districts, statewide averages and other selected districts.

T-1 amendments are due Jan. 31

A district that has experienced a change in ridership or transportation service levels since its October count should submit an amended T-1 report. This report must be submitted through the SFPS online reporting system, and must be completed before the close of business on **Jan. 31**. To open your report, send an email to SCHOOLBUS@ode.state.oh.us.

Please review career-tech weighted funding report

The FY11 Career Technical Weighted Funding/Fiscal Accountability Report and supporting documents have been emailed to city, local, exempted village and joint vocational school district treasurers. Districts should review the report and submit any necessary adjustments via the Expenditure Revision Form by Tuesday, **Jan. 31**. Questions regarding the report or non-receipt of the information should be directed to sonja.hunter@ode.state.oh.us.

Waiver approved for extending FY2009 obligation period for some regular and ARRA Funds

The U.S. Department of Education (USDOE) has approved Ohio's application for a waiver to extend the period of obligation for certain fiscal year (FY) 2009 Elementary and Secondary Education Act (ESEA) formula programs (both FY2009 Regular and FY2009 American Recovery and Reinvestment Act [ARRA] funds). Under law, the period of obligation for all FY2009 funds ended Sept. 30, 2011. While nearly all Ohio local education agencies (LEAs) obligated their FY2009 allocation amounts by the original deadline of Sept. 30, 2011, the federal waiver allows LEAs with remaining FY2009 allocations until Sept. 30, 2012, to obligate the funds for select programs, which are:

- Title I, Part A Grants to Local Educational Agencies (Recovery Act);
- Title I, Part B, Subpart 3 Even Start;
- Title I, Part C, Migrant Education State Grants;
- Title I, Part D, State Agency Neglected and Delinquent Program;
- Math Science Partnerships;
- Title II, Part D, Enhancing Education Through Technology (Ed-Tech) State Program;
- Title II, Part D, Enhancing Education Through Technology (Ed-Tech) State Program (Recovery Act);
- Title IV, Part A, Safe and Drug-Free Schools and Community Grants.

LEAs obligating any FY2009 allocations remaining for these programs must use the funds according to program requirements. More details will be forthcoming regarding reporting requirements.

Scott Bennington joins ODE

As the new year began, Scott Bennington joined ODE as director of the Finance Program Services area of the Office of Quality School Choice and Funding. He comes to ODE from the Auditor of State's (AOS) office, where he managed school district performance audits for seven years. Before joining the AOS, Bennington worked for six years in ODE's Office of School Finance supporting the submission of five-year forecasts and overseeing schools in fiscal caution, watch and emergency. He also spent more than two years conducting program evaluations for the Legislative Office of Education Oversight. Bennington has private sector experience from Procter and Gamble, where he served in various cost accounting, cost analysis and profit forecasting roles. He has completed the requirements for a school treasurer license and has been trained as a Six Sigma Black Belt. He also holds a bachelor's degree in business administration from the University of Cincinnati and a master's degree in public administration from The Ohio State University.

Please note upcoming fiscal calendar date

- **Jan. 31** – Special Education Catastrophic Costs are due. Forms are instructions are included here.

For more information, contact your area coordinator or the ODE staff member below.

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