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**Changes for Expenditure Standards announced in Mid-Biennium Review**

The Governor's Mid Biennium Review (MBR), unveiled March 14, includes provisions relating to schools' expenditure standards and rankings. Under the proposal, the expenditure rankings are delayed for a year, so that they would be on Local Report Cards for the first time in August 2013. Many stakeholders had provided input that delaying implementation would allow time for developing the rankings, providing training and making adjustments. Also, the MBR clarifies the alignment of expenditure standards with federal definitions.

In the meantime, the process for developing the [expenditure standards](#) continues. The standards were submitted to the State Board of Education in January and were revised for presentation to a State Board committee on March 12. These revisions were made to align the definitions more closely to federal reporting categories. This approach should minimize variations from differences in school treasurers' coding practices.

Throughout the process of developing the standards, ODE is working to meet requirements while being sensitive to priorities brought forth by stakeholders, including consistency, fairness, clear definitions and time to implement any necessary changes. Please direct any questions or comments to Eric Bode at [eric.bode@education.ohio.gov](mailto:eric.bode@education.ohio.gov).

**MBR items in proposed legislation would further affect school finance**

[Senate Bill 316](#) has been introduced and contains many of the education-related provisions of the MBR. The MBR does NOT include any changes to the foundation aid formulas for FY2013. Among the items addressed in the bill are:

- Providing for separate Local Report Cards for joint vocational school districts, to be first implemented in 2013 (ORC 3302.033).
- Allowing a traditional school district or community school to operate all or part of a school using a blended learning model, and requiring the State Board of Education to adopt standards for blended learning (ORC 3302.41).
- Updating many sections to reflect a change from the current accountability system that uses ratings such as Excellent and Effective to one using letter grades of A-F. Generally, it is anticipated that this change would put more schools and districts in lower ratings. Among the expected consequences of the change are more students qualifying for Educational Choice Scholarships, more territories in which community schools may open and fewer districts qualifying for the \$17-per-student bonus for a high rating.
- Allowing, but not requiring, school districts to offer unused school facilities to planned or relocating community schools (ORC 3313.411).
- Eliminating the requirement that 50 percent of beverages offered at schools be water or low-calorie drinks (ORC 3313.816).
- Eliminating the July 1 deadline for "additional" agreements between school districts and Educational Service Centers (ESCs), in order for the Department of Education to make

deductions for these agreements (ORC 3313.843). Note: the July 1 deadline for primary service agreements with ESCs is unchanged.

- Eliminating the closure exemption for dropout prevention and recovery community schools (ORC 3314.35).
- Allowing school treasurers to also serve as business managers (ORC 3319.031).
- Requiring school districts in fiscal emergency to address shared services in a financial recovery plan (ORC 3316.04). This provision is in House Bill 487, a separate MBR bill.

### ***Cupp Report and FY2013 funding simulation posted online***

The updated FY2011 District Profile Report (Cupp Report) has been posted [here](#) in the Finance Related Data section of the ODE website. Additionally, an FY2013 funding simulation based on provisions of Am. Sub. H. B. 153 is posted [here](#) to assist treasurers with their funding forecasts. This simulation also can be found from [education.ohio.gov](http://education.ohio.gov) by searching for: *FY2013 Bridge Funding Simulation*.

### ***Here's what's new with EMIS updates affecting foundation payments***

More data and factor updates are being applied to the FY2012 Bridge Foundation Payment calculations through the end of the fiscal year. The EMIS October reporting period has been extended to **March 28**. As a result, some districts will see ADM changes in three payments (both March payments and the April #1 payment). Additionally, the March number 1 foundation payment calculation reflected updated gifted-unit data for educational service centers, as well as updated school-age ADM data for boards of developmental disabilities.

As a result of updates to the FY2012 ADM used in the FY2012 funding calculations, there was a need to update the statewide per-pupil adjustment factor. This per-pupil amount, which stood at \$159 in all the payment calculations from the start of the fiscal year through the February #2 payment, is now reduced to \$148. The funding implication of this update for every school district is increased calculated funding amounts. This per-pupil factor is the basis for reducing the calculated funding of each school district so that the statewide total Bridge funding would not exceed the appropriations. Since the determination of this per-pupil adjustment amount is a function of the ADM used in the calculations, and since the October ADM is still subject to change, more updates to this factor will be forthcoming. Please direct funding related questions to Daria Shams at [daria.shams@education.ohio.gov](mailto:daria.shams@education.ohio.gov).

### ***Career-Technical Education unspent funding to be reallocated***

According to the FY2012-2013 state budget (House Bill 153), each school district is allocated an amount for career-technical education in each year equal to the amount allocated for that district for FY2011. The bill stipulates that such funds be spent only for approved career-technical education expenses. With this requirement in mind, the bill also allowed that if a district informs ODE that it is unable to spend its allocation on approved career-technical education expenses, ODE may reallocate the funds to other school districts. Such reallocations are made first to districts within the original district's career-technical education planning district (CTPD) that have growth in career-technical enrollment. If there are no such districts, such reallocations would be given next to other school districts, with priority according to growth in career-technical enrollment.

A listing of each district's career-technical education funding will be posted [here](#). (Note that ODE is still in the process of adding some adjustments to these figures, which should be finished in the next two weeks.) Districts that are unable to expend any or all of their FY2012 funds allocated for career-technical education are asked to notify [Daria Shams](#) by **April 16** to have their funds reallocated as described above. Identified funds will then be reallocated in May for FY2012 expenditures. Questions associated with this funding calculation should be directed to Shams; career-technical education programmatic questions should be directed to [Raul Soto](#) or [Dwight Anstaett](#).

### ***Five-year forecasts will be due soon***

Please remember that all city, local, exempted village and joint vocational school districts are required to submit an updated five-year forecast between **April 1** and **May 31** of each year. The forecast must be submitted electronically through EMIS.

While the numeric five-year projections **must** be submitted through EMIS, districts continue to have the **option** of submitting forecast assumptions in PDF format via email. PDF files should have the naming convention **DISTRICT\_NAME-IRN**, where all parts of the name are separated with an underscore followed by a dash and the IRN, and contain no spaces. For example, Newton Falls Exempted Village School District would be named NEWTON\_FALLS-045567 and Newton Local would be NEWTON-048637. Note that school district type (city, local, exempted village, joint vocational) should **not** be part of the file name.

PDF assumptions should be emailed to [sonja.hunter@education.ohio.gov](mailto:sonja.hunter@education.ohio.gov). Districts using this method must include the following phrase in their EMIS assumption submissions: *"Please visit the Ohio Department of Education website at [ftp://ftp.ode.state.oh.us/geodoc/5-yrForecast/](http://ftp.ode.state.oh.us/geodoc/5-yrForecast/)."*

Community schools need only update their five-year forecasts if there are changes to their October submissions. An update to a community school five-year forecast will need to be reviewed and approved by the school's governing authority and submitted to the Office of Community Schools (**not** through EMIS) between April 1 and May 31. Community school five-year forecasts and questions should be directed to [mary.cotton@education.ohio.gov](mailto:mary.cotton@education.ohio.gov).

***Building and grade-level reconfigurations will affect transportation***

ODE's Office of Pupil Transportation recently worked with a number of districts that are reconfiguring grade levels and building assignments. While there are many good reasons to do so, district staff should be mindful that there is almost always an impact on support services, notably transportation. Please remember to carefully consider your transportation plan, and determine the cost impact and service demand changes by moving to grade-level buildings. It is not uncommon to encounter an increase in transportation costs to service grade-level buildings on pre-existing bell schedules. If you are considering this change, you may wish to contact the ODE pupil transportation office to discuss the impacts and service options.

***For more information, contact your [area coordinator](#) or the ODE staff member below.  
Office of Quality School Choice and Funding***

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