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***MBR legislative deliberations continue***

In the last few weeks, the Ohio General Assembly has been actively addressing bills relating to the Mid-biennium Review (MBR) of the state budget. These bills identify and revise budget items enacted last year and reform existing education policy.

Senate Bill 316, which contains the education policy portions of the MBR, was amended and passed by the Senate last week. It has been assigned to the House Education Committee, with its first hearing scheduled for today (May 15). House Bill 487, which addresses much of the management efficiency framework in the MBR revisions, was passed by the House on April 27 and is now in the Senate Finance Committee for consideration. More information about both bills is posted [here](#).

***House Bill 386 addresses casino tax revenues for education***

Tax revenue from Ohio's new casinos will start flowing to schools in FY2013. The Constitutional amendment authorizing the four casinos specified that 34 percent of the tax on gross casino revenue shall be distributed to schools and used to support primary and secondary education. The payments will be made by the Ohio Department of Taxation (ODT). ODE will provide ODT information on enrollment by school and by county, which will be the basis for calculating the share for each city, exempted village or local school district, joint vocational school district, community school and STEM school. The Senate added amendments to House Bill 386 to clarify the calculation, and specify that casino tax distributions would be made in August and January. These amendments will be discussed in a conference committee. When that legislation is final, ODE will provide more information about the payments. For more information about the legislation, please click [here](#).

***FY2012 EMIS processing schedule updated***

The FY2012 processing schedule has been updated and posted to the [EMIS Web page](#). ODE has extended the close of the October reporting period one final time to today, **May 15**. The extension will allow districts to review reports run by ODE based on last Friday's submissions and make any needed last-minute corrections.

***Please make note of IDEA financial review updates***

As the Office for Exception Children (OEC) conducts its review of district EMIS and financial data to ensure local education agency (LEA) expenditures adhere to the Individual with Disabilities Education Act (IDEA), district administrators need to be aware of several points. First, there has been a change in procedure for the reviews taking place this year. Although in the past, ODE conducted one fiscal review to

ensure each LEA meets both Maintenance of Effort (MOE) as well as Excess Cost requirements, these reviews are now separate. In addition, please note that an error in a calculation formula resulted in some districts receiving inaccurate notifications from OEC earlier this year regarding their MOE status. Following are more details regarding each review:

- **Maintenance of Effort Reviews** – The purpose of this review is to ensure that each LEA has not used IDEA Part B funds to reduce the district's local expenditures from that of the preceding year for educating children with disabilities. An LEA is to budget for the education of children with disabilities at least the same **total** or **per capita** amount of either: a) local funds only; or b) state and local funds spent from those same sources in the most recent prior year.

Although some districts received letters indicating they did not meet the MOE requirement for either grades K-6 or 7-12, OEC later found that it is not necessary to look at expenditures for these two grade-level groups individually. For Excess Cost requirements, however, reviewing expenditures by these grade-level groupings is required. Those districts that received an initial incorrect letter were sent an email explaining the error. OEC currently is recalculating the information and expects to have new notifications sent this month. Only those districts whose data indicate that they have not met MOE receive communication on this topic. Please note that an LEA may reduce the level of its expenditures below the comparison year if the reduction is the result of one of several factors, which will be outlined in the letters sent to districts that have not met MOE.

- **Excess Cost Reviews** – All districts will receive information regarding this second OEC review, which determines if each LEA has used IDEA Part B funds only for the excess cost of providing special education and related services to children with disabilities. Excess costs are those that exceed the average annual per student expenditure in an LEA during the preceding school year for an elementary or secondary student, as appropriate. The LEA must expend the stated amounts for children with disabilities before funds under Part B of the Act are used to pay the excess costs of providing special education and related services.

OEC will ask each district to review its Excess Cost Report for accuracy. Errors often are caused by incorrect EMIS function coding for special education expenditures. If your LEA has not made the transition to the new Uniform School Accounting System (USAS) codes established in FY2010, the old (incorrect) coding will result in inaccurate data.

Questions can be directed to Stephanie Ferrell at [stephanie.ferrell@education.ohio.gov](mailto:stephanie.ferrell@education.ohio.gov).

### ***Tangible personal property reimbursement scheduled***

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

### ***ARRA 1512 reporting data collection to begin June 1***

On **June 1**, the American Reinvestment and Recovery Act (ARRA) 1512 Quarterly Survey will launch for activity through the second quarter of calendar year 2012, ending June 30. All local education agencies (LEAs) receiving ARRA funding through various initiatives – including Title I, Part A Grants to Local Educational Agencies (Recovery Act); Race to the Top (RttT); School Improvement Grants (SIG); Education Jobs and the Teacher Incentive Fund – are required to report their data through this survey. Please note that those LEAs who receive FY2013 ARRA/SIG competitive 1003(g) funds for SIG buildings approved to receive such funds do not have to obligate those ARRA funds by Sept. 30, 2012.

As per a January waiver approval from the U.S. Department of Education, districts that have unexpended FY2009 Title II, Part D funds (Enhancing Education through Technology State Program) also need to complete the 1512 Quarterly Survey. These districts have until Sept. 30, 2012, to obligate the funds.

Related guidance is posted on ODE's Stimulus Updates [website](#) under the heading *Data and Reporting Guidance*. The survey will remain available through close of business on **June 15**; no submissions can be accepted after this time. Please direct any questions concerning the ARRA 1512 reporting to [recovery@education.ohio.gov](mailto:recovery@education.ohio.gov).

### **State fiscal year-end closing procedures announced**

As in the past, the state's accounting system will shut down in June as part of state government's year-end fiscal closing procedures. Therefore, ODE must adjust its timetable to approve payment cash requests before the fiscal year ends. To ensure timely payment, the ODE Office of Grants Management must receive your July cash requests by the following dates:

- Paper Project Cash Requests (PCRs) **by June 1; and**
- PCRs through the CCIP by **June 6** at 11:59 p.m.

The Office of Grants Management will process the requests as quickly as possible. Requests received after these deadlines will not be submitted to the state's accounting system for payment until after July 1.

Please remember that all cash requests must comply with the provisions of the Cash Management Improvement Act (34 CFR 80.21). To receive approval consideration, cash requests must be made for immediate needs for the month requested. If a submitted cash request does not comply with the standards, it will be returned unapproved and may not be paid until after July 1.

Finally, please complete any necessary budget revisions for FY2012 in the CCIP. Please remember that no activities specified by the budget revisions are permitted to take place until approval from the ODE program office is received. Please contact your program consultant if you have questions about budget revisions and their due dates. Questions may be directed to the Office of Grants Management at (614) 752-1483.

### **Gifted funding FAQ and list of allowable expenditures available**

Please remember that for FY2012 and FY2013, each district must spend no less than their FY2009 gifted unit amount on services to students identified as gifted. Your district also must spend no less than their FY2009 supplemental identification amount on gifted identification.

In addition, if an ESC received gifted unit funding for services to your district in FY2009 and your district has not maintained these services, another step is necessary. If this is the case, your district also must spend an amount equivalent to the funding received by the ESC in FY2009 for staff providing those services.

Please note that the FY2009 gifted unit, supplemental identification and ESC amounts are currently listed on your district's Bridge report under Disclosure Items. For more information, see the Gifted Funding FAQ and Gifted Allowable Expenditures documents available [here](#) (see the *Final Enacted Version* heading).

### **Transition of SOES data collection to EMIS postponed**

As you may know, enrollment data for students at community schools currently is entered into the School Options Enrollment System (SOES) and these schools enter other data into EMIS. As ODE makes enhancements to EMIS, plans are underway to move the entry of enrollment data to this system. The transfer of the enrollment records function from SOES to EMIS, originally scheduled for this summer, has been postponed until the end of 2012. When this transfer takes place, ODE will maintain the SOES system for flagging incorrectly entered enrollment data and error resolutions between users.

### **FY2011 transportation cost reports are posted**

Two [transportation cost analysis reports](#) are available for FY2011. First, the reimbursement analysis report details all costs and ridership reported by the district. Also, the cost analysis reports detail operating costs for students who ride yellow school buses.

### **Prepare now for T2 reports**

The T2 report for FY2012 is due on Aug. 1. While that date may seem far away, now is the time to plan the data summary reports and other account summaries that will be needed. This report is the mechanism that collects all pupil transportation costs and reports them to ODE. Special education transportation costs are particularly dependent upon this report.

***Plans for makeup of excess calamity days via online lessons due July 31***

Schools in Ohio are permitted to use five calamity days for circumstances such as hazardous weather conditions, disease epidemic, damage to school building, inoperability of buses or other equipment necessary to the school's operation, or temporary conditions making the school building unfit, such as utility failure.

To make up calamity days in excess of five, schools have the option to use their contingency plans or use online lessons for up to three days. To use the online option next year, schools must submit a plan to ODE on or before July 31. For more information, including Frequently Asked Questions and a link to BASA's model resolution for use in obtaining local board and teacher sign-off on your district plan, [click here](#).

***Please note upcoming fiscal calendar dates***

- May 30 – Five-year forecasts due. Please see the April School Finance newsletter [here](#) for submission instructions.
- June 1 – ESC service contracts are due for inclusion in subsequent year #1 foundation payment (Please note: the ODE FY2012 Calendar incorrectly lists this date as June 10).

***For more information, contact your [area coordinator](#) or the ODE staff member below.***

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