



## Department of Education

Ted Strickland, Governor  
Deborah S. Delisle, Superintendent of Public Instruction

**TO:** Superintendents and Treasurers of City, Local, Exempted Village School Districts and Education Service Centers  
**FROM:** Kim Murnieks, Executive Director, Center for School Options and Finance  
**RE:** March 2010 Foundation Payment #2  
**DATE:** March 16, 2010

This payment reflects the factors in Am. Sub. H.B.1 of the 128<sup>th</sup> General Assembly.

### Foundation Payments

Foundation payments are calculated according to the **Evidenced-Based Model (EBM)** and reported on the **PA**thway to **S**tudent **S**uccess (**PASS**) form. The PASS worksheet displays the detailed data and calculations that support the funding reported on the PASS form. Reference manuals for the PASS form and the PASS worksheet are posted on the ODE web site.

### Open Enrollment and Other Adjustments

Open enrollment and Other Adjustments were updated to reflect the FY2010 student data reported during October count week. However, the CTE services **deductions** are still based on FY2009 student counts.

### Preschool Units

Preschool unit calculations were paid at 100% in this payment based on final unit approval for FY 2009 submitted to the Office of Early Learning and School Readiness.

### EMIS October Count for Funded ADM

The first phase of incorporating the FY2010 October count data into the payment system continues with this payment. Pursuant to Am. Sub. House Bill 1, districts are funded on a trailing ADM unless there is a 2 percent or larger growth in total ADM for the current year (total ADM is displayed on line 2 of the PASS detail worksheet.) However, there also are provisions in law that require ODE to add in any student attending a community or EdChoice school who is not already included in the total ADM. This "add-in" is determined by comparing each student reported in the School Options Enrollment System (SOES) or EdChoice EMIS subsystems to the students reported by districts in EMIS. If a student is reported in both systems for the same resident district, the add-in is calculated to ensure the FTE a district receives funding for is at least as large as the FTE the community school or EdChoice school is funded for.

Under the development of a trailing ADM, this creates some challenges as we reconcile the students reported in SOES and EdChoice to the students reported in



EMIS. This reconciliation will require the merging and comparison of three primary files, each compiled from three sub files:

1. The FY2009 Total ADM resident count – comprised of the resident district FY2009 October count file, the FY2009 community school file and the FY2009 EdChoice file;
2. The FY2010 Total ADM resident count – comprised of the resident district FY2010 October count file, the FY2010 community school file and the FY2010 EdChoice file
3. The FY2009/2010 Total ADM resident count – comprised of the resident district FY2009 October count file, the FY2010 community school file and the FY2010 EdChoice file

Once these three data sets are created, the FY2010 total ADM (file #2) will be compared to the FY2009 total ADM (file #1) to determine if the district has experienced a 2 percent or more increase in total ADM. If the 2 percent threshold has been reached, the funding will be based on the FY2010 ADM (file #2.) If the 2 percent threshold is not obtained, the funding will be based on the FY2009/2010 ADM (file #3.)

Because of the complexities associated with this process, we plan to phase in the revision to the ADM calculations over multiple payments. For the March #2 payment, we have completed the programming of the FY2010 resident student count and will combine that with the fiscal year 2009 community school and EdChoice add-in files to estimate file #2 above. This will allow districts to see the ADM detail worksheets for EMIS reported data and allow us to verify that the year-to-year comparison is working correctly.

Step two will be to merge the community school files into files #2 & #3 above and the final step will be to merge the EdChoice files into files #2 & #3 above. At this time, we plan to complete this process over three payments, beginning with the April #1 payment. However, this timetable may change if we discover either a surplus or shortage of problems.

**Board of Developmental Disabilities Deductions:** There is no provision or calculation of a deduction from the resident school district and the Board of DD deduction as part of “other adjustments” on the PASS form has been eliminated.

### Statement of Settlement

**JV50 & JV51:** SF-14 Tuition adjustment(s) for non-handicapped children are included in this payment.

**JV52 & JV53:** SF14 Tuition adjustment(s) for handicapped children are included in this payment



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**Monthly Payment Calculations** – Continuing with this payment, the statement of settlement contains a new blended approach to calculating payments and recoveries: a percentage based method is used for payments and the installment method used in calculating the bi-monthly payment amount in previous fiscal years is used for recovery of overpayments.

### **ESC**

The state per pupil amount of \$37.00/\$40.52 for multi-county ESC's is paid at 100% for locals, cities/exempted villages, and **83.52134%** for community schools. Subsequently, a budget reduction of \$5,600,000 per executive order 2008-01S was applied reducing each ESC's annual amount by **10.769231%** of the calculated total.

Preschool unit calculations were paid at 100% in this payment based on final unit approval for FY 2009 submitted to the Office of Early Learning and School Readiness.

### **Boards of Developmental Disabilities**

Funding for students attending a Board of Developmental Disabilities has been updated per Section 265.30.20 of Am. Sub. H.B. 1. This section overwrites the payment and distribution formula in 3317.20 with a calculation whereby a per pupil amount for the prior fiscal year is calculated as the total funding received divided by the number of students served. Each Board of DD will receive this per pupil amount increased by 0.75% and multiplied by the number of school-aged pupils served in the current year.

Preschool unit calculations were paid at 100% in this payment based on final unit approval for FY 2009 submitted to the Office of Early Learning and School Readiness. The school age payment is based on the October 2009 ADM data as submitted to the Office of Exceptional Children.

If there are any questions with regard to the adjustments or the statement of settlement, please contact this office or your area coordinator.