

TO: Superintendents and Treasurers of City, Local, Exempted Village School Districts, and Educational Service Centers

FROM: Paolo A. DeMaria, Associate Superintendent, Center for School Finance

RE: July 2006 Foundation Payment #1

DATE: July 7, 2006

This payment reflects the factors based on AM Sub H.B. 66 with modifications implemented for FY2007.

A. SF-3

1. Factors in SF-3 Calculation

These calculations are based on a projected total ADM which was formulated using 2006 October count projections and estimates of 2007 February counts as a percent of the October count received from school districts combined with our trend analysis. The resulting annualized total ADM is weighted 75% October count and 25% February count. Special education counts were estimated to increase by 3% from FY06. Career tech FTEs and JVS total ADM were assumed to be the same as in the FY06 June #2 payment.

2. With the start of the new fiscal year, two lines have been added to your SF-3 to reflect the student counts and deductions for the Ohio Educational Choice Scholarship program (EdChoice.) Line 1K will report the number of students receiving EdChoice scholarships and line 23E will report the deductions for these students. These values will remain zero until the first round of awards have been granted and accepted; additional updates will be provided as the timeline for completing the award process is finalized.

3. Gap Aid Phase out Payments

HB 66 provided that if a district receiving Gap Aid passes a levy that causes them to become ineligible for Gap Aid and the levy exceeds the millage equivalent of their Gap Aid by at least one mill, they will receive phase out Gap Aid payments for 3 years. Due to a delay in receiving the necessary levy passage data, if there are any districts that qualify for such phase out payments, they are not yet included in the district's SF-3 calculation.

4. The formula amount is now **\$5,403.00** per pupil.
5. Tax year **2005** valuation figures used.
6. Continuation of six special education categories with the following weights phased-in at a rate of **90.0%**.
 - a. Category 1 - .2892
 - b. Category 2 - .3691
 - c. Category 3 - 1.7695
 - d. Category 4 - 2.3646
 - e. Category 5 - 3.1129
 - f. Category 6 - 4.7342
7. State median income of **\$30,476**
8. The phase-in % for building blocks professional development has increased to **75%**
9. The hourly rate for building blocks large group intervention has increased to **\$20.40**.
10. The hourly rate for PBA large group intervention has increased to **\$20.40** and the phase-in % has increased to **100%**.
11. The salary allowance for CSR has increased to **\$54,941**.
12. The phase in % for PBA Professional Development, Dropout Prevention, Community Outreach and LEP have been increase to **70%**.
13. **The Cost of Doing Business Factor was reduced such that the range goes from 1.0 to 1.025.**
14. Special Education Transportation is paid at F2006 levels and will be calculated when current fiscal year data is available.
15. Regular Education Transportation for FY2007 is paid @ 102% of the amounts paid in FY2006.

B. Statement of Settlement

1. Note on adjustments pursuant to ORC 3317.026, 3317.027 and 3317.028.

These adjustments are made to a district's charge off property valuation and if they result in additional funding or a reduction in funding they will appear on the district's statement of settlement with this payment. Due to the fact that so many districts are on the formula aid guarantee this fiscal year, many of these changes in valuation result in no change in funding for the districts but simply make the amount needed in the formula aid guarantee to bring the level of formula aid up to the guaranteed amount to be less. Therefore, not as many districts as in the past will receive these adjustments and those that do will see smaller amounts than in the past for comparable changes in valuation. A detailed explanation for each can be found by clicking on the following links.

- [FY2006 SEC. 3317.026 Adjustment @ 100% \(JV15\)](#)

- [FY2006 SEC. 3317.027 Adjustment @ 100% \(JV16\)](#)

- [FY2006 SEC. 3317.028 Adjustment @ 100% \(JV17\)](#)

The SF3 used for each adjustment calculation can be viewed from the [FY2006 SF3 reports](#) page.

C. ESC NOTES

1. State per pupil amount of \$37.00/\$40.52 for multi-county ESC's paid @ 100% for locals, 99.66215% for cities/exempted villages, and 0.00% for community schools.
2. Based on FY2006 EMIS data with the following noted exceptions
 - a. Units years of experience increased by 1
4. J40404 K-12 ADM is based on FY2006 district ADM projected for FY2007. The calculation is as follows:
Current Year Formula ADM
+ SF 3 Total Kindergarten * .5
+ Preschool ADM attending the Educational Service Center
+ SF3 JVSD-1-12 * .80
+ SF3 JVSD-SE-1-12 * .80

D. Miscellaneous

If there are any questions in regards to the adjustments or the statement of settlement, please contact this office or your [area coordinator](#).