Center for
School Finance

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TO: Superintendents and Treasurers of City, Local, Exempted Village School Districts, and Educational Service Centers
FROM: Paolo A. DeMaria, Associate Superintendent, Center for School Options and Finance
RE: August 2008 Foundation Payment #2
DATE: August 26, 2008

This payment reflects the factors based on Am. Sub. H.B 119.

SPECIAL REMINDER:

This August #2 payment reflects EMIS withholding penalties for some districts. Payment withholdings have been implemented for districts that have not fully resolved FY 2008 year-end data reporting issues. The withholding will not be reflected on the statement of settlement, thus, if the check or EFT received by your district does not match the amount on the statement of settlement it is likely your district was subject to EMIS withholding. For posting purposes, each line of the statement of settlement should be reduced by the same percentage that the overall payment has been reduced due to withholding. When your data reporting issues are resolved, the withheld portion of your payment will be released and sent to you. If you had more than one withholding, you will receive multiple payments upon submission of a corrective action plan.

For more information regarding the status of your district's year-end data submission, please contact your EMIS coordinator.

A. SF-3

1. This payment is based on FY 2008 June #2 ADM data as a proxy for FY09 ADM.
2. Median income files were updated which resulted in a slight change for those districts receiving alternative parity aid.

B. Statement of Settlement

1. Some districts will note with this payment that some portion of their payment has been withheld because they have not fully complied with data reporting requirements as of the end of FY 2008. This withholding does not appear on the statement of settlement. (See Special Reminder above.)
2. A Final #3 SF-3 for FY08 was run to adjust for open enrollment data submitted by some districts in Northeast Ohio to their area offices and a revised median income file was used in calculating alternative parity aid for a few districts.
3. Preschool handicapped units for the Final #3 were paid at 99.78723356% in this payment.
4. SF14 tuition adjustments for non-handicapped pupils (JV50, JV51) and SF14 H tuition adjustments for handicapped pupils (JV52, JV53) are included with this payment.

5. The first of three FY09 direct payments are included in this payment to reimburse districts for fixed levy losses due to the reduction of assessment rates of tangible personal property (JV25). Information used for these calculations are available on the Department of Taxation website at: http://tax.ohio.gov/divisions/personal_property/PPT_law_changes_070303.stm.
6. The first of three FY09 payments are included in this payment to reimburse districts for fixed sum levy losses due to the reduction of assessment rates of tangible personal property (JV24). Information used for these calculations are available on the Department of Taxation website at: http://tax.ohio.gov/divisions/personal_property/PPT_law_changes_070303.stm.
7. This payment includes what has been referred to as the FY2008 Tangible Personal Property loss reimbursement "true up calculation". The amount shown on the statement of settlement (either positive or negative) is 3/7 of the difference between the payments made in FY08 under the original calculation done in July 2007 based on the July #2 SF-3 and the year-end calculation based on the June #2 SF-3. Another 3/7 will be included in the October payment and 1/7 will be included in May 2009. (JV29).

C. ESC

1. Some ESCs will note that with this payment some portion of their payment has been withheld because they have not fully complied with year-end data reporting requirements but this withholding does not appear on the statement of settlement. (See Special Reminder above.)
2. The state per pupil amount of $37.00/$40.52 is calculated at 100% for pupils from locals, cities, exempted villages and 28.83484 % for community school pupils. Subsequently, a budget reduction of $5,000,000 per executive order 2008-01S was applied reducing each ESC's annual amount by approximately 9.615385 % of the calculated total.
3. This payment uses FY 2008 ADM as a projection of FY 2009 ADM. Units' years of experience are increased by 1 and J40404 K-12 ADM is based on FY2008 ADM as a projection for FY2009.

D. MRDD

1. All calculations based on FY 2008 data except the years of experience are increased by 1 for all units.
2. This payment includes a FY 2008 Final #3 calculation which caused very minor changes in state share percentages which in turn caused minor adjustments (the largest about $6) for a few MRDDs. (JV36)

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