



## 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:** August 2009 Foundation Payment #1  
**DATE:** August 5, 2009

The Governor has signed the biennial appropriation bill for fiscal years 2010 and 2011 but the department is still in the process of incorporating all of the formula changes into our payment systems. Until that process is complete, state foundation payments to districts will be based on the formulas from the last biennial budget bill using data from the June #2 payment.

EMIS withholdings for any district's failure to meet year-end data submission requirements were incorporated into this payment.

### Foundation Payments

Foundation payments are based on the June #2 payment. This payment uses the data elements from the June #2 payment and the formulas from H.B. 119, the biennial budget bill for fiscal years 2008 and 2009. Property values, ADM, poverty indices, community school deductions, and all other relevant data sets have remained the same. FY 2010 ESC contracts were updated when provided.

### Statement of Settlement

The statement of settlement has been updated to reflect the incorporation of the state fiscal stabilization funds made available in the American Recovery and Reinvestment Act. These funds appear as a group of lines at the top of the settlement report corresponding to any unrestricted payments calculated on the SF-3. Funds are to be deposited to fund 532 with a receipt code of 4220.

Poverty Based Assistance for traditional school districts has been eliminated in the new budget bill. Therefore, any funds shown as PBA may be deposited into your general fund.

SF-6 Excess Cost deductions from resident districts for services provided to handicapped children by another district (JV99) and payments to the districts of attendance for such services (JV98) are included in this payment.

### ESC

The new biennial budget bill reduces the appropriation for ESCs to \$46.4 million. Statutory language governing this appropriation further directs the department to allocate the available funding using the same methodology used in FY 2009. The



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methodology used in FY 2009 was to use the formula outlined in temporary law assuming the availability of \$52 million, which is the amount originally set aside in the budget before state budget reductions. ESC allocations were then cut proportionately to get to the reduced level. For this reason, this same methodology will be used in FY 2010, which is that the state per pupil amount of \$37.00 (\$40.52 for multi-county ESCs) is calculated at 100% for locals, cities and exempted villages, and at 79.77510% for community schools to stay within an initial appropriation amount of \$52 million. Subsequently, an appropriation reduction of \$5.6 million is applied proportionately to get to \$46.4 million, reducing each ESC's annual amount by 10.769231% of the calculated total.

### **Boards of Developmental Disabilities**

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 final FY2009 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.