

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:** December 2009 Foundation Payment #1

DATE: December 1, 2009

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 PAthway to Student Success (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.

## **PASS Report**

The deduction for EdChoice was updated in this payment

#### Statement of Settlement

SFSF: The portion of the SFSF that is transferred to the Community and STEM schools is calculated by multiplying the SFSF percentage to the total amount transferred to the Community and STEM schools. In some cases, the transfer to Community and STEM Schools exceeded the payment and districts received insufficient funds adjustments to their SFSF. To prevent this, the SFSF portion of Community and STEM School transfers are set such that this transfer will never be greater than the sum of the SFSF Education Stabilization and Special Education support. If the SFSF transfer is reduced to avoid the insufficient funds adjustment, the State Support Community school and STEM school transfers are increased by the amount of that reduction.

**JV01:** Due to an ADM adjustment in the community school count, a Final #5 FY 2007 SF-3 payment was run. The adjustments resulting from this change are included in this payment.

**JV41:** With the ADM adjustment made in FY2007, the transitional aid base in FY 2007 may have changed. This resulted in the need to create a Final #6 SF-3 for FY 2008. The adjustments resulting from these changes are included in this payment.

**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



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calculating the bi-monthly payment amount in previous fiscal years is used for recovery of overpayments.

This blended approach will calculate payments by setting the payment to an amount that brings the paid year-to-date to a level equal to the percentage of the year that has expired. For example, if the annual calculation for payment number 12 of 24 is \$120 million, regardless of what has transpired previously, the entity will be paid an amount that results in a paid year-to-date amount (year-to-date column + payment column) of \$60 million, or 50 percent of the annual amount. However, when the calculation of the annual amount results in an amount below what has already been paid and a negative payment situation is created, the amount to be recovered (the difference between the balance and the paid year-to-date) is divided by the number of remaining payments in the fiscal year, resulting in equal installments for payback.

### **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.

**JV02:** A FY 2007 Final #4 was run for this payment to correspond with the SF-3 ADM changes cited above.

## **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.

**JV40:** A FY 2007 Final #4 was run for this payment to correspond with the SF-3 ADM changes cited above.

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