

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:** November 2009 Foundation Payment #2

DATE: November 18, 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.

## Statement of Settlement

**SFSF:** The percentage of funding provided with Education Stabilization funds was updated to 5.978642175%

**JV09:** Deductions for students who were enrolled in postsecondary option programs in FY2009 are included in this payment.

**JV50/JV51:** Tuition adjustment(s) for non-handicapped children to district of attendance and residence pursuant to Section 3313.64 of the Ohio Revised Code are included in this payment.

JV52/JV53: Tuition adjustment(s) for handicapped children to district of attendance and residence pursuant to Section 3313.64 of the Ohio Revised Code are included in this payment.

**Positive Payments/Annual Deductions –** Some districts may see an adjustment or transfer payment reported as positive payments while the annual amount is negative. This will result when previous deductions have caused the paid year to date to exceed the percent of year elapsed; in such a case, the district will receive a positive payment for the line. Please record the payment as a negative expenditure to ensure the annual funding is recorded correctly.

**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.



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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.

## **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.