Ohio | 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: October 2009 Foundation Payment #1
DATE: October 6, 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.

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, and all other relevant data sets have remained the same except Community School deductions were made based on the June SOES data and AM. Sub. HB 1 calculations. FY 2010 ESC contracts were updated when provided. EdChoice deductions were updated beginning with the September #1 Payment with ADM changes and implementation of $5,200 per pupil instead of $2,700 for kindergartners.

Statement of Settlement

SFSF – 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.

ESC

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.

25 South Front Street, MS 710
Columbus, Ohio 43215
education.ohio.gov

(614) 466-9044
(877) 644-6338
(888) 886-0181 (TTY)

The school age payment is based on the final FY2009 ADM data as submitted to the Office of Exceptional Children.

ESC, Boards of DD Statement of Settlement

The statement of settlement for ESC's and MR/DD's 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. All other entities will move to this approach after the payment system is updated for changes in the biennial budget.

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.

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