Ohio | Department of Education

John Kasich, Governor
Stan W. Heffner, Superintendent of Public Instruction

TO: Superintendents and Treasurers of City, Local, Exempted Village School Districts and Education Service Centers

FROM: Daria Shams, Center for Quality School Choice and Finance

RE: Fiscal Year 2013 Foundation Payment Calculation Distributed as August 2012 Payment #1

DATE: August 3, 2012

This payment reflects school districts' funding calculations based on provisions of Am. Sub. H.B.153 of the 129th General Assembly.

Foundation Payments are calculated twice a month for each school district according to provisions of Am. Sub. H.B.153. Calculations are reported on the **Bridge** foundation calculation form. The Bridge form for each payment that is posted on the ODE website is accompanied by worksheets that display detailed data and calculations that support the funding reported on the Bridge form. Reference manuals for the Bridge form and the Bridge worksheets are posted on the ODE website as well. The Bridge calculation is updated for each payment to reflect the changes that occur in the factors and data elements during the course of the fiscal year. For an explanation of the Bridge formula refer to the Bridge Formula Line-by-Line Explanation on ODE webpage

Public School Districts

Bridge Calculation:

Funding calculation under the Bridge formula in FY 2013 requires two sets of calculation data factors. One for FY 2011 and another one for FY 2013. Accordingly the Bridge form is organized into 3 main sections reflecting relevant factors and calculations plus 3 additional sections reflecting all other adjustments. The form is organized as follows:

1. FY 2011 Calculation Factors including total funding amount, ADM and charge-off valuation factors.
2. FY 2013 Calculation Factors including ADM factors.
3. FY 2013 Bridge Formula Calculation including the calculated formula amount based on FY 2011 and FY 2013 calculation factors.
4. Additional Aid Items including funding amounts distributed outside of the Bridge funding formula.
5. Transfers and Adjustments including fund transfers to other educational entities such as community schools and funding adjustments for options such as open enrollment.
6. Disclosure Items including portions of the funding of individual school districts that should be allocated to special, career tech and gifted education.

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FY 2011 Calculation Factors

- FY 2011 total funding amount used in this calculation is extracted from the Final #2 FY 2011 PASS calculation. Please note that the SFSF portion of the total FY 2011 funding is based on the June #2 file.
- FY 2011 total ADM used in this calculation to generate the 'Recalculated Formula ADM' reflects the October data and comes from the FY 2011 Final #2 file reported through EMIS as of 02/18/2011. The community school ADM add-in part is updated with the FY 2011 counts. Note that this ADM is not the same ADM that was used in the calculation of the PASS funding in FY 2011.
- FY 2011 charge-off property valuation is extracted from the Final #2 FY 2011 PASS calculation.
- FY 2011 statewide median charge-off valuation per pupil was updated based on updated FY 2011 ADM from Final #2 file.

FY 2013 Calculation Factors

- FY 2013 total ADM used to calculate the Bridge funding is actually the FY 2012 data extracted from the EMIS October 2011 data compilation as of 5/16/2012. This is ADM will be utilized in the FY 2013 funding calculation until the October 2012 data becomes available (same as the July #2 payment).
- The statewide per pupil adjustment amount on the basis of which the calculated funding is reduced to stay within the appropriations is $130.00. This factor the determination of which is a function of the funding ADM is subject to change as the funding ADM changes. This factor is reflected on line "J" of the Bridge Form (same as the July #2 payment).
- Subsidy for high performing school districts which is based on $17 per student in the current year formula ADM (line I) is being calculated based on the academic rating of school districts in the FY 2011 Report Card. Once the FY 2012 Report Card becomes available it will substitute the FY 2011 Report Card as the basis for this calculation. Under the provisions of the law districts that are identified as "Excellent with Distinction" or "Excellent" are the recipients of this subsidy. This payment appears on line "N" of the Bridge form (same as the July #2 payment).

Additional Aid Items

- **Preschool Special Education** funding is based on FY 2012 data as of the FY 2012 June #2 payment with one salary step increase for the staff experience level applied to the calculations. The funding is paid at 98.865075% of the calculated amount (same as the July #2 payment).
- **Special Education Transportation** funding is calculated based on FY 2012 factors as reflected in the FY 2012 June #2 payment and paid at 74.18% of the calculated amount (same as the July #2 payment).

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Transfers and Adjustments

- **ESC Deduction** reflects a calculation that is based on a mix of data from FY 2011 and FY 2012.
    - The supervisory allowance calculation utilizes FY 2012 unit data.
    - The $6.50 per-pupil amount utilizes FY 2012 ADM data.
    - Special education extended service utilizes FY 2011 unit data.
    - ORC Section 3313.845 contracts are based on FY 2012 data.
- **Open Enrollment** adjustment calculation is updated based on FY 2012 EMIS year-end data including FY 2012 CTE FTE (updated since the July #2 payment).
- **Community School** transfer is based on funding calculations for July 2012 utilizing the latest FY 2012 ADM for existing schools. Deductions for new community schools are based on funding calculations that utilize 50% of the new schools' ADM projections for up to 100 students. Once the actual October count data becomes available all calculations and deductions will be updated accordingly (same as the July #2 payment).
- **STEM School** transfer is based on funding calculations for July 2012 utilizing the latest FY 2012 data elements (same as the July #2 payment).
- **EdChoice Scholarship** transfer calculation is based on FY 2012 data. When the FY 2013 data becomes available, the calculation will be updated accordingly. It must be noted that for the first time in FY 2013, the Jon Peterson Scholarship which will expand the EdChoice program to include funding for special needs students, will go into effect. Once all of the data elements for this funding deduction have been compiled, the EdChoice deduction will include the Jon Peterson Scholarship fund as well (same as the July #2 payment).
- **Other Adjustments** amount is calculated based on FY 2013 parameters and FY 2012 data including FY 2012 CTE FTE and HB 153 special education weights (same as the July #2 payment).
- Please also note that we have added a link at the bottom of the Bridge form that will connect you to the ESC "Contracted Staff Report". Am. Sub. HB 153 includes a requirement related to FY09 ESC services. A district's gifted allocation includes state gifted funding provided to an ESC in FY09 for which the district received services. If your district has not maintained gifted services with your ESC, then you must spend out of the Bridge funding, an additional amount equal to the funding received by the ESC for staff providing those services. This link connects you to a spreadsheet that provides you with these amounts for reference if gifted services with your ESC have not been maintained.

Disclosure Items

- As the FY 2013 funding formula does not provide for any calculation for special, career tech and gifted education services, the law requires the Bridge report to show the respective funding amounts in FY 2011 (for special education and career tech) and FY 2009 (for gifted education) as minimum amounts in FY 2013 to be devoted to these purposes. Keep in mind that lines

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"Y" through "AA" of the report are part of the total state funding resources that appears on line "O" of the form and are not additional funding items.

Statement of Settlement:

- 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. We have posted a spreadsheet to assist school districts' personnel with the percentage based calculations used for the statement of settlement that can be accessed by clicking here.
- This payment reflects the third installment in FY 2013 of the remaining **FY 2011 PASS Adjustment** for districts that have chosen to have the application of these adjustments continue through December 2012 (JV02).
- This payment reflects the third installment of the **FY 2012 Solvency Assistance Repayment** adjustment collected in FY 2013 (JV60).
- This payment reflects the third installment of the **FY 2013 Solvency Assistance Repayment** adjustment collected in FY 2013 (JV61).
- This payment includes the third installment in **Judgment Repayment** for FY 2013 (JV87).
- With this payment we start adjusting the foundation payment for the **FY 2012 Post Secondary** deduction (JV09).
- This payment includes the **SF-6 Excess Cost Tuition** adjustment (JV98 and JV99).

Education Service Centers (ESC)

ESC funding comes from 2 sources:

1. State – This funding is distributed as follows:
    a. State per-pupil amount ($37 single-county and $40.52 multi-county) which is based on 85% of the corresponding FY 2012 total amount. This funding (85% of the FY 2012 amount) is distributed at 100% of the calculated amount to local, city and exempted village school districts as well as community schools.
    b. Preschool unit funding which is calculated based on FY 2012 units.
    c. Gifted unit funding which is calculated based on FY 2012 units.
    d. Special education transportation which is calculated based on FY 2012 factors.
2. Local – This funding is distributed as follows:
    a. Supervisory allowance calculation which is based on FY 2012 units.
    b. $6.50 per-pupil amount which is based on FY 2012 ADM data.
    c. Special education extended service which is based FY 2011 units.
    d. ORC Section 3313.845 contracts which is based on FY 2012 data.

All unit funding calculations involve one salary step increase.

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Boards of Developmental Disabilities (BDD)

- The school age component of BDD funding in FY 2013 is based on a flat per-pupil amount from FY 2012 applied to FY 2013 ADM. At this point, FY 2012 ADM data is utilized as proxy for FY 2013.
- Preschool handicapped unit funding of BDD has been calculated based on FY 2012 data with allowance for one salary step increase and proration to 99.865075% of the calculated amount to stay within the appropriations.
- Special Education Transportation part of the funding is calculated based FY 2012 factors.
- Keep in mind that no deduction to the funding of regular school districts is made for BDDs. The entire BDD funding is paid by the state.

Questions should be directed to Daria Shams at Daria.Shams@education.ohio.gov or your area coordinator.

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