

TO: Superintendents and Treasurers of City, Local, Exempted Village School

Districts and Education Service Centers

FROM: Daria Shams, Center for School Options and Finance

RE: Fiscal Year 2012 Foundation Payment Calculation Distributed as May 2012

Payment #1

**DATE:** May 11, 2012

This payment reflects school districts' funding calculations based on provisions of Am. Sub. H.B.153 of the 129<sup>th</sup> 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 <u>Bridge Formula Line-by-Line Explanation on ODE webpage</u>

#### **Public School Districts**

## **Bridge Calculation:**

Funding calculation under the Bridge formula in FY 2012 requires two sets of calculation data factors. One for FY 2011 and another one for FY 2012. 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. <u>FY 2011 Calculation Factors</u> including total funding amount, ADM and charge-off valuation factors.
- 2. FY 2012 Calculation Factors including ADM factors.
- 3. <u>FY 2012 Bridge Formula Calculation</u> including the calculated formula amount based on FY 2011 and FY 2012 calculation factors.
- 4. <u>Additional Aid Items</u> including funding amounts distributed outside of the Bridge funding formula.
- 5. <u>Transfers and Adjustments</u> including fund transfers to other educational entities such as community schools and funding adjustments for options such as open enrollment.
- Disclosure Items including portions of the funding of individual school districts that should be allocated to special, career tech and gifted education.



Following the incorporation of the October count ADM in the February #1 payment file, important additional data and factor updates will be applied to the Bridge funding calculation in each payment for the remainder of the fiscal year. Please pay special attention to each foundation letter to be up-to-date on these changes. For ease of reference, for each funding element the status of the data updates is color-coded. For new updates the status is given in green. Additionally, we have included a table of updates at the end of the foundation letter that summarizes all of the data updates so far.

## FY 2011 Calculation Factors

- FY 2011 total funding amount used in this calculation is extracted from the Final #2 FY 2011 PASS calculation (same as the April #2 payment). 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 (same as the April #2 payment).
- FY 2011 charge-off property valuation is extracted from the Final #2 FY 2011 PASS calculation (same as the April #2 payment).
- FY 2011 statewide median charge-off valuation per pupil was updated based on updated FY 2011 ADM from Final #2 file (same as the April #2 payment).

#### FY 2012 Calculation Factors

- FY 2012 total ADM used to calculate the Bridge funding is extracted from the EMIS October 2011 data compilation as of 05/01/2012. This is the seventh FY 2012 payment that is based on FY 2012 October data. Community school addin numbers are also for FY 2012. EMIS October Reporting Period has now been extended to May 11<sup>th</sup> 2012 (updated since the April #2 payment).
- The statewide per pupil adjustment amount on the basis of which the
  calculated funding is reduced to stay within the appropriations is \$148.00. 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 April #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. Under the
  provisions of the new 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 (updated since the April #2 payment).



# Additional Aid Items

- Preschool Special Education funding is based on FY 2012 data and is paid at 100% of the calculated amount (updated since the April #2 payment).
- Special Education Transportation funding is calculated based on FY 2012 factors and paid at 100 % of calculation (same as the April #2 payment).

## **Transfers and Adjustments**

- ESC Deduction reflects a calculation that is based on a mix of data from FY 2011 and FY 2012 (updated since the April #2 payment).
  - o The supervisory allowance calculation utilizes FY 2012 unit data.
  - o 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 based on updated FY 2012 EMIS data including FY 2012 CTE FTE (updated since the April #2 payment).
- Community School transfer is based on FY 2012 calculations for April 2012 community school payment utilizing FY 2012 community school ADM extracted from FY 2012 SOES data (same as the April #2 payment).
- STEM School transfer is based on the FY 2012 calculation for April 2012 STEM school payment data (same as the April #2 payment).
- EdChoice Scholarship transfer calculation is based on FY 2012 data (same as the April #2 payment).
- Other Adjustments amount is calculated based on updated FY 2012 parameters and data including FY 2012 CTE FTE (updated since the April #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 2012 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 2012 to be devoted to these purposes. Keep in mind that lines "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 <a href="here.">here.</a>
- This payment continues to reflect the FY 2011 Post-Secondary Deductions which was initiated with the August #2 payment (JV09).
- In addition to the above mentioned FY 2011 Post-Secondary Deductions (JV09), with this payment we reflect additional FY 2011 Post-Secondary Deductions for students whose information were not submitted or were submitted incorrectly before (JV18).
- This payment continues to reflect the FY 2010 PASS adjustment as reflected on the FY 2010 Final #5 payment file. This adjustment is due to changes in FY 2010 open enrollment calculation and was initiated with the August #1 payment (JV01).
- This payment reflects FY 2011 PASS adjustments resulting from updating the FY 2011 Jun #2 to the Final #1 and then the Final #1 to the Final #2 files (JV 02 and JV03).
- This payment continues to reflect adjustments for FY 2011 Solvency Assistance Repayment which was initiated with the July #1 payment (JV61).
- This payment continues to reflect payment adjustments for FY 2012 Solvency Assistance Repayment which was initiated with the August #1 payment (JV60).
- This payment continues to reflect the FY 2010 Post-Secondary Deductions which was initiated with the August #2 payment (JV10).
- FY 2011 adjustments pursuant to provisions of ORC Section 3317.028 which were initiated with the July #2 payment continue to be included in this payment for some school districts (JV17).
- This payment continues to be adjusted with Judgment Payments which were initiated with the July #1 payment (JV87).
- This payment reflects SF-6 Excess Cost Tuition adjustments (JV98 and JV99).
- This payment reflects special education catastrophic aid reimbursement (JV96).

### **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 90% of the corresponding FY 2011 total amount. This funding (90% of the FY 2011 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 now calculated based on FY 2012 units.
- 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.

## Boards of Developmental Disabilities (BDD)

- The school age component of BDD funding in FY 2012 is based on a flat perpupil amount from FY 2011 applied to updated FY 2012 ADM.
- Preschool handicapped unit funding of BDD has been calculated based on updated FY 2012 data.
- Special Education Transportation part of the funding is now calculated based on corrected 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.

## Important Note:

• An FY13 Bridge funding simulation based on provisions of Am. Sub. H. B. 153 has been posted on ODE website for your use. This simulation can be accessed by navigating the following path: ODE Homepage → Finance → State Funding for Schools → FY13 Bridge Funding Simulation. We understand that some users are having problems accessing this source. It is believed that the problem is caused by inconsistency in different versions of Excel that are being used. If you cannot access this link please do not hesitate to let me know by contacting me at <a href="mailto:daria.shams@education.ohio.gov">daria.shams@education.ohio.gov</a>. I will send you your simulation as an attachment to my response to your e-mail.



## FY 2012 Payment Files Data Update Summary Table

Calculations	Data	Calculation Parameters	FY 2012 Initial Update	Additional
Calculations	Source	Applied	File	Notes
FY 2011 District Base	FY 2011	FY 2012	January #1	Recalculated ADM
ADM	Final #1		File	
FY 2011 District Base	FY 2011	FY 2012	January #1	
Funding	Final #1		File	
FY 2011 District	FY 2011	FY 2012	February #2	
Charge-off Index	Final #1		File	
FY 2012 District	FY 2012	FY 2012	February #1	
ADM	October		File	
FY 2012 Community	FY 2012	FY 2012	February #2	
School Add-in	Current		File	
ADM	Counts			
FY 2012 District Per-	\$148.00	FY 2012	March #1	More Updates to
Pupil Adjustment	E)/ 0040	E)/ 0040	File	Come
FY 2012 District	FY 2012	FY 2012	April #2	
Preschool	Units	EV 0040	File	Data Cama ata din
FY 2012 Special Ed	FY 2012	FY 2012	April #1 File	Data Corrected in
Transportation for all Entities			File	April #2 File
FY 2012	FY 2012	FY 2012	November #1	Further Data
EdChoice	Counts	F1 2012	File	Updates in May #1
FY 2012 Open	FY 2012	FY 2012	February #2	Opuates III May #1
Enrollment Adj.	Counts	1 1 2012	File	
FY 2012 Other	FY 2012	FY 2012	February #2	
Adjustments	Counts	1 1 2012	File	
FY 2012 ESC	FY 2012	FY 2012	March #1	
State Gifted	Units		File	
FY 2012 ESC	FY 2012	FY 2012	April #2	
State Preschool	Units		File	
FY 2012 ESC	FY 2011	FY 2012	November #1	90% of FY 2011
State Per-Pupil	Funding		File	Funding
FY 2012 ESC	FY 2012	FY 2012	March #1	
Supervisory Units	Units		File	
FY 2012 ESC \$6.50	FY 2012	FY 2012		
Per-Pupil	ADM			
FY 2012 ESC	FY 2011	FY 2012	Not Updated	
Extended Service	Units	EV 6040	Yet	
FY 2012 ESC	FY 2012	FY 2012		
Contracts	Contract	EV 0040	Fab	
FY 2012 BDD	FY 2012	FY 2012	February #2	
Preschool	Units	EV 2042	File	
FY 2012 BDD	FY 2012	FY 2012	March #1	
School Age	ADM		File	



Updated Data Elements Shown in Green. Items in Red Not Updated Yet.

Questions should be directed to Daria Shams at <a href="mailto:Daria.Shams@education.ohio.gov">Daria.Shams@education.ohio.gov</a> or your area coordinator.