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 School Options and Finance

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

DATE: April 13, 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 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. FY 2011 Calculation Factors including total funding amount, ADM and charge-off valuation factors.
2. FY 2012 Calculation Factors including ADM factors.
3. FY 2012 Bridge Formula Calculation including the calculated formula amount based on FY 2011 and FY 2012 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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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 FY 2011 PASS calculation (same as the March #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 compilation taken during the first full week of October 2010 and reported through EMIS as of 02/18/2011. The community school ADM add-in part is also 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 March #2 payment).
- FY 2011 charge-off property valuation is extracted from the Final FY 2011 PASS calculation (same as the March #2 payment).
- FY 2011 statewide median charge-off valuation per pupil was updated based on updated FY 2011 ADM figures (same as the March #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 04/04/2012. This is the fifth FY 2012 payment that is based on FY 2012 October data. Community school add-in numbers are also for FY 2012. EMIS October Reporting Period has now been extended to April 19th 2012 (updated since the March #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 March #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 March #2 payment).

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Additional Aid Items

- Preschool Special Education funding is extracted from the Final FY 2011 PASS calculation and is paid at 100% of the calculated amount (same as the March #2 payment).
- Special Education Transportation funding is calculated based on FY 2012 factors (updated since the March #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 March #2 payment).
    - 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 based on FY 2012 EMIS data. CTE FTE is not included in calculation base (updated since the March #2 payment).
- Community School transfer is based on FY 2012 calculations for March 2012 community school payment utilizing FY 2012 community school ADM extracted from FY 2012 SOES data (same as the March #2 payment).
- STEM School transfer is based on the FY 2012 calculation for March 2012 STEM school payment data (same as the March #2 payment).
- EdChoice Scholarship transfer calculation is based on FY 2012 data (same as the March #2 payment).
- Other Adjustments amount is calculated based on FY 2012 data and parameters. CTA FTE is not included in calculation base (updated since the March #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.

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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 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 continues to reflect the FY 2011 PASS adjustments resulting from updating the FY 2011 June #2 to the Final #1 file. This change which also affected the FY 2012 funding calculations was initiated with the January #1 payment file (JV02).
- 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).

Education Service Centers (ESC)

ESC funding comes from 2 sources:

1. State – This funding is distributed as follows:
    a. State per-pupil amount for which Am. Sub. H.B. 153 provides for the total per-pupil amount ($37 single-county and $40.52 multi-county) to be 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 to community schools.

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b. Preschool unit funding which is calculated based on FY 2011 units.
c. Gifted unit funding which is now calculated based on FY 2012 units.
d. Special education transportation which is now 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 per-pupil amount from FY 2011. The FY 2011 per-pupil amount is simply multiplied by the BDD number of students in FY 2012 to generate this funding. The ADM to which the FY 2011 per-pupil amount is applied has been updated with FY 2012 data.
- Preschool handicapped unit funding of BDD has been calculated based on FY 2012 data.
- Special Education Transportation part of the funding is now calculated based on 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:

- The Early Childhood Education Staff Units report is now available and the report explanation has been posted on the EMIS website. This report will be produced every Thursday and Monday based on the data processed at ODE on Wednesday and Friday respectively through the end of the October reporting period. Please note that the certification checks have not been incorporated into this report yet. When the certification checks are incorporated, if a teacher is not properly certified the staff member will change from being funded to not being funded. We urge you to carefully look at these reports for your district to ensure data accuracy to avoid funding losses in the April #2 foundation payment when we pull the data on April 16th.
- 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 the reason for this is the inconsistency in the versions of Excel that are being used. If you cannot access this link please do not hesitate to let me know at daria.shams@education.ohio.gov. I will send you your simulation as an attachment to my response to your e-mail.

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FY 2012 Payment Files Data Update Summary Table

Calculations	Data Source	Calculation Parameters Applied	FY 2012 Initial Update File	Additional Notes
FY 2011 District Base ADM	FY 2011 Final #1	FY 2012	January #1 File	Recalculated ADM
FY 2011 District Base Funding	FY 2011 Final #1	FY 2012	January #1 File	
FY 2011 District Charge-off Index	FY 2011 Final #1	FY 2012	February #2 File	
FY 2012 District ADM	FY 2012 October	FY 2012	February #1 File	
FY 2012 Community School Add-in ADM	FY 2012 Current Counts	FY 2012	February #2 File	
FY 2012 District Per-Pupil Adjustment	$148.00	FY 2012	March #1 File	More Updates to Come
FY 2012 District Preschool	FY 2011 Final #1	FY 2012	Not Updated Yet	
FY 2012 District Special Ed Transportation	FY 2012	FY 2012	April #1 File	
FY 2012 EdChoice	FY 2012 Counts	FY 2012	November #1 File	
FY 2012 Open Enrollment Adj.	FY 2012 Counts	FY 2012	February #2 File	CTA Data Part Still FY 2011
FY 2012 Other Adjustments	FY 2012 Counts	FY 2012	February #2 File	CTA Data Part Still FY 2011
FY 2012 ESC State Gifted	FY 2012 Units	FY 2012	March #1 File	
FY 2012 ESC State Preschool	FY 2011 Units	FY 2012	Not Updated Yet	
FY 2012 ESC State Per-Pupil	FY 2011 Funding	FY 2012	November #1 File	90% of FY 2011 Funding
FY 2012 ESC Supervisory Units	FY 2012 Units	FY 2012	March #1 File	
FY 2012 ESC $6.50 Per-Pupil	FY 2012 ADM	FY 2012		
FY 2012 ESC Extended Service	FY 2011 Units	FY 2012	Not Updated Yet	
FY 2012 ESC Contracts	FY 2012 Contract	FY 2012		
FY 2012 BDD Preschool	FY 2012 Units	FY 2012	February #2 File	
FY 2012 BDD School Age	FY 2012 ADM	FY 2012	March #1 File	

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

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

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