

State Foundation Payment Letter Fiscal Year 2022 November Community School Payment on November 12, 2021

GENERAL INFORMATION ON SCHOOL FOUNDATION PAYMENT REPORT

Foundation payments for community schools are calculated once a month. The November payment represents the fifth payment for FY2022. This letter, generated with each foundation payment, provides specific details about updates to payments to these entities, including fund deductions, adjustments, and transfers. We strongly encourage you to read this letter as it answers many of your questions regarding your foundation payment and provides links to important reports.

FY2022 PAYMENT DATES

Payments to community schools are made no later than the 10th business day of each month. The scheduled payment dates for FY2022 are as follows:

July 14, 2021	January 14, 2022
August 13, 2021	February 14, 2022
September 14, 2021	March 14, 2022
October 14, 2021	April 14, 2022
November 12, 2021	May 13, 2022
December 14, 2021	June 14, 2022

AMENDED SUBSTITUTE HOUSE BILL 110

The recently enacted state budget includes significant changes to the calculation and payment of state foundation funding. One of the biggest changes is a move to fund students where they are educated, rather than where they live. Community school students, STEM school students, students participating in a scholarship program (EdChoice, Cleveland Scholarship, Autism Scholarship, and Jon Peterson Special Needs Scholarship), and students participating in open enrollment will all be directly funded at their educating entity. This change will eliminate the deduction and transfer of funds from resident districts to educating entities for students participating in these school choice options.

Another significant change in the new formula is a variable base cost per pupil amount. This means that the funding provided to each community school student will vary based on the base cost calculation for the community school where the student is enrolled. Additionally, community schools will be subject to a phase-in of the new funding formula but will benefit from a per-pupil guarantee (formula transition supplement). This will add additional complexity in projecting the impact of the new school funding formula for each community school. The Department anticipates implementing the new funding formula in December. In the interim, the Department has calculated the minimum per-pupil amount that each community school will receive in FY22 and FY23. This guarantee amount, officially referred to as the formula transition supplement, is calculated based on FY21 funding levels. Every school will have its own unique per-pupil amount. The following components are included in this calculation:

1. Opportunity Grant (prior to the executive budget reductions)
2. Targeted Assistance
3. Economic Disadvantaged funding
4. English Learners funding
5. Special Education funding
6. Career-Tech funding

7. K-3 Literacy funding
8. Transportation funding
9. Graduation Bonus
10. Student Wellness and Success Funding

The per-pupil amounts for the formula transition supplement calculations can be found [here](#).

Please, note that that per-pupil amounts do not reflect the following:

1. Facilities funding – provided at \$500 per-pupil for brick-and-mortar students and \$25 for e-school students. For brick-and-mortar schools, this represents a \$250 per pupil increase over FY21 funding levels and is already reflected on the FY22 payment reports.
2. Catastrophic Cost Reimbursement Set-Aside – new in FY22, 10% of the paid amount for Special Education will be withheld and transferred into a statewide catastrophic cost reimbursement fund. Please contact your finance area coordinator if you have further questions about catastrophic cost claims and processes.

As schools prepare to submit five-year forecasts before the end of November, this minimum per-pupil funding amount may be helpful,

SCHOOL FINANCE PAYMENT REPORT (SFPR)

The November detail payment report is a comprehensive tool designed to walk the user through every step of the funding formula and shows the payment calculations. This report is commonly known as the School Finance Payment Report (SFPR).

INFORMATION RELEVANT TO THE NOVEMBER COMMUNITY SCHOOL PAYMENT

- The FY22 November payment included adjustments made for FY21 Final #2. The JV29 adjustment code was used for Final #2. The FY21 Final #2 amounts and corresponding monthly adjustments have been posted [here](#).
- The FY22 November payment included the fifth and final adjustment for internet or computer based community schools that are participants in the HB 123 pilot program. The final adjustment was based upon data from FY21 Final #2.
- FY2022 enrollment data provided as of October 25, 2021 through the EMIS data collector and SOES are used for the following funding categories:
 - Opportunity Grant
 - Targeted Assistance
 - Special Education
 - Limited English Proficiency
 - Economically Disadvantaged
 - K-3 Literacy
- The Opportunity Grant PPA for community schools continues to stay at \$5,979.92 on the November payment and will stay at this level until the new formula is implemented.
- Transportation payments are paid based on actual ridership data submitted through EMIS in FY2021 for community schools that provide direct transportation to their students. The November transportation payment will use FY2021 data.
- Career tech funding is based on the FY2021 CTA course data entered in the EMIS.
- The targeted assistance per-pupil amount and economically disadvantaged index reflects the resident district's most recent FY2019 data.

- FY15 Final #4 deductions that were spread over the course of one or more fiscal years (for some schools) will continue to impact settlement reports.
- FY17 Final #1 deductions that were spread over the course of one or more fiscal years (for some schools) will continue to impact settlement reports.
- FY19 Final #1 deductions that were spread over the course of one or more fiscal years (for some schools) will impact settlement reports.
- FY20 Final #1 deductions that were spread over the course of one or more fiscal years (for some schools) will impact settlement reports.
- School facilities funding is calculated at \$500 per FTE for each brick and mortar community school, and \$25 per FTE for each e-school. The overall cap on facilities funding for community schools is currently \$42,000,000. The amount of FTE's in the calculation causes the state to exceed that capped amount. As a result, the school facilities funding amount was calculated using a proration percentage of 98.78134330%.

STATEMENT OF SETTLEMENT

The Statement of Settlement shows the amount of funding by component paid out in each monthly payment calculation from SFPR and non-SFPR sources. Typically, the monthly amounts fluctuate based on data updates that occur during each payment period of the fiscal year. Payments between July and November will serve as a transition to the full implementation of the changes to state foundation funding with very few changes. On the statement of settlement, funds are generally paid out on a percentage basis or the remaining payments of the year basis. Fund recovery is typically based on the remaining payments of the year methodology. For an explanation of the percentage base and the remaining payments of the year base methodologies please visit this [link](#). In this payment:

(JV27) FY21 Community School Final #1
(JV28) FY19 Community School Final #1
(JV29) FY21 Community School Final #2
(JV31) FY20 Community School Final #1
(JV39) FY17 Community School Final #1
(JV42) FY15 Community School Final #4
(JV43) Auditor of State fees
(JV71) Community School FTE review adjustment
(JV93) ODE Office of School Sponsorship deductions
(JV97) HB 123 Pilot Payment

STRS and SERS retirement adjustments are based on information from these sources for the month of November.

For a more detailed explanation of all the adjustments please visit the [FY 2022 Journal Voucher Codes](#) on ODE website.

ADDITIONAL NOTES

FY 2021 CTE Guidance Letters for traditional school districts, joint vocational school districts and community schools are posted online. You can access this information through this [link](#). The FY 2022 letters will also be posted soon.

Questions should be directed to James Lansden at james.lansden@education.ohio.gov or your area coordinator.

