

FY17 TPP Supplement

Sub. S. B. 208 provides that no city, exempted village or local school district should receive less in FY17 than it did in FY15 in terms of total state education aid plus any current expense reimbursement for TPP phase-out and/or public utility deregulation. For districts, whose sum total in FY17 amounts to less than their sum total in FY15, TPP Supplement is calculated by subtracting the sum total for FY17 from the sum total in FY15.

TPP Supplement was distributed for the first time in FY16 pursuant to provisions of Am. Sub. H. B. 64 of the 131st General Assembly. Sub. S. B. 208, a subsequent legislation, provides that this funding be calculated and distributed in FY17 as well based on a calculation methodology that is slightly different from the methodology used in FY16.

The FY17 supplement is calculated based on the following steps:

1. Calculate the combined state education aid and TPP/Deregulation current operating expense levy loss allocation for FY15 for every school district.
2. Calculate the combined state education aid and TPP/Deregulation current operating levy loss reimbursement for FY17 for every school district.
3. Adjust the FY15 combined amount calculated in number 1 above by subtracting from it the FY16 career technical funding calculated as part of the FY16 foundation funding.
4. Adjust the FY17 combined amount calculated in number 2 above by subtracting from it the FY17 career technical funding calculated as part of the FY17 foundation funding.
5. Calculate the FY17 supplement amount by subtracting from 96% of the FY15 adjusted combined amount calculated in number 3 above, the FY17 adjusted combined amount calculated in number 4 above.
6. If the result of the calculation in number 5 above is a positive number, that will be the TPP Supplement calculation for FY17.

Since the calculation of this supplement is predicated on state education aid and the calculation of the state education aid is usually not finalized until after the end of the fiscal year and also since we wanted to distribute this fund to school districts as soon as possible, a compromise had to be made. In April 2017 we calculated the supplement amount based on current data at the time and distributed 80% of the calculated amount. The undistributed 20% was used as a funding cushion to absorb funding changes that would result from data updates once the state education aid calculation was finalized.

With the finalization of the FY17 Final #3 payment file, we recalculated the supplement amount. The funding implications of the data updates were captured in the context of the 20% undistributed portion of the initial calculation.

When we initially calculated the supplement in April 2017, FY17 state education aid and career technical funding data were extracted from the FY17 April #1 Foundation Payment file. The FY16 career technical funding data were extracted from the FY16 Final #3 Foundation Payment file. For the recalculation of the supplement, the FY17 state education aid and career technical funding data were extracted from the FY17 Final #3 Foundation Payment file while the FY16 career technical funding data were extracted from the FY16 Final #4 Foundation Payment file. In both the initial and the recalculation of the supplement amount, the FY15 state education aid was extracted from the FY15 Final #5 Foundation Payment file.

Please click on this [link](#) to access the spreadsheet of the TPP Supplement for FY17. The spreadsheet is comprised of 2 worksheets. The first worksheet shows the data elements and the calculation of the initial version of the supplement as well as the 80% distributed amount. The second worksheet shows the recalculation of the supplement amount with the adjusted undistributed portion still owed districts and any overpayment that resulted from the update of the calculation data.

It is important to keep in mind that TPP Supplement is not the same as the reimbursement for TPP phase-out or public utility Deregulation. The calculation of this supplement does not affect the calculation of the reimbursements slated for distribution in November and May of each fiscal year. Also, unlike the TPP/Deregulation reimbursement where reimbursement amounts should be accounted for by levy type, the entire TPP Supplement can be deposited into your general revenue fund and utilized as the district personnel see fit.

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