



**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 May 2013 Payment #2

**DATE:** May 24, 2013

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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 [Bridge Formula Line-by-Line Calculation for FY 2013](#)

### ***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.

**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 (same as the May #1 payment).
- 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. 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 May #1 payment).
- FY 2011 charge-off property valuation per pupil is extracted from the Final #2 FY 2011 PASS calculation (same as the May #1 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 May #1 payment).

**FY 2013 Calculation Factors**

- FY 2013 ADM data incorporated in the funding calculation is now the final October count for this year. With the closing of the EMIS "K" Reporting Period, no further resident data update is expected. Keep in mind however that the community school component of the total ADM is still subject to change. In this payment data correction resulted in increases for some districts (updated since the May #1 payment).
- The statewide per pupil adjustment amount on the basis of which the calculated funding is reduced to stay within the appropriations is \$100.00. Any reduction in this amount results in the release of more state funding to districts. This factor is reflected on line "J" of the Bridge Form (same as the May #1 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 entirely based on FY 2012 Report Card data. 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 (updated since the May #1 payment).

**Additional Aid Items**

- **Preschool Special Education** funding is based on updated FY 2013 data. The funding in this payment is paid at 98.83% of the calculated amount to stay within the appropriations (same as the May #1 payment).
- **Special Education Transportation** funding is calculated based on FY 2012 factors with FY 2012 final adjustments to finalize the numbers. The payment to districts is being made at 73.29% of the calculated amount to stay within the appropriations (updated since the May #1 payment).

**Transfers and Adjustments**

- **ESC Deduction** reflects calculations based on FY 2013 data.
  - Supervisory allowance calculation is based on FY 2013 unit data.
  - Preschool allowance calculation is based on FY 2013 unit data.
  - Gifted allowance calculation is based on FY 2013 unit data.
  - The \$6.50 per-pupil amount calculation is based on FY 2013 ADM data.

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- Special education extended service is based on FY 2013 data for preschool, gifted and supervisory units.
  - ORC Section 3313.845 contracts are based on FY 2013 data.
- We are in the process of updating the FY 2013 deductions with new contracts, memberships and various other data (updated since the May #1 payment).
- **Open Enrollment** adjustment calculation is based on updated FY 2013 EMIS October data. Data updates will continue to be applied for the remainder of the fiscal year (updated since the May #1 payment).
  - **Community School** transfer is based on funding calculations for May 2013 utilizing live ADM data for all schools (updated since the May #1 payment).
  - **STEM School** transfer is based on funding calculations for April 2013 utilizing live ADM data (updated since the May #1 payment).
  - **Scholarship** transfer includes:
    - Educational Choice Scholarship - based on updated FY 2013 data
    - Jon Peterson Scholarship - based on updated FY 2013 data
    - Cleveland Scholarship
    - Autism Scholarship - based on updated FY 2013 data (updated since the May #1 payment).
  - **Other Adjustments** amount is calculated based on FY 2013 parameters and October data including FY 2013 CTE FTE. Special education categories and weights utilized in this calculation are based on HB153 provisions. Note that Autism Scholarship is now included in the Scholarship transfer on line "V" of the Bridge form (updated since the May #1 payment).
  - Please also note that a link at the bottom of the Bridge form will connect you to the ESC "Contracted Staff Report". A district's gifted allocation includes state gifted funding provided to an ESC in FY09 for which the district received services. HB153 requires that 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 "Y" through "AA" of the report are part of the total state funding resources that appear on line "O" of the form and are not additional funding items.

#### **Statement of Settlement:**

- Continuing with this payment, the statement of settlement contains the 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](#).

- Adjustment for **FY 2012 Post Secondary** deduction which was initiated with the August #1 payment is reflected in this payment (JV09).
- This payment reflects the **FY 2012 Bridge Adjustments** for updating the FY 2012 June #2 Bridge payment file to the Final #1 (JV01) and the Final #1 to the Final #2 (JV03).
- This payment reflects the twenty-first installment of the **FY 2012 Solvency Assistance Repayment** adjustment collected in FY 2013 (JV60).
- This payment reflects the **FY 2013 Solvency Assistance Repayment** adjustment collected in FY 2013 the collection of which was initiated with the August #1 payment (JV61).
- This payment reflects additional **FY 2012 Post Secondary** deductions for students whose data were not submitted before or were corrected (JV10).
- This payment includes a **Jon Peterson Reimbursement** which is made to districts on funding guarantee for Jon Peterson scholarship in FY 2013. The reimbursement is to compensate for deductions made for students participating in the program who have never attended a public school before (JV15).
- This payment reflects **FY 2012 Insufficient Funds Repayment** (JV85).
- This payment includes the twenty-first installment in **Judgment Repayment** for FY 2013 (JV87).
- This payment reflects adjustments for **FY 2013 Insufficient Funds Repayment** (JV86).
- This payment reflects **SB140 SF-14 Tuition** adjustments (JV50 and JV51).
- This payment reflects **SF-14H Special Education Tuition** adjustments (JV52 and JV53).
- This payment reflects **SF14 Per Diem** adjustment (JV62 and JV63).
- This payment includes the second of two annual installments in TPP phase-out reimbursement distribution for:
  - **Fixed Rate Operating Levy Losses (JV41).**
  - **Fixed Rate Non-Operating Levy Losses (JV42).**
  - **Fixed Sum Levy Losses (JV24).**
  - **Inside Debt Levy Losses (JV25).**

Links to complete information on TPP distribution and the allocation of reimbursements for various types of levies are provided below.

### ***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 2013 units is paid at 98.83% of the calculated amount to stay within the appropriations.
  - c. Gifted unit funding which is calculated based on FY 2013 units.
  - d. Special education transportation which is calculated based on adjusted FY 2012 factors.
2. Local – This funding is deducted from member school districts and is distributed as follows:
- a. Supervisory allowance calculation based on FY 2013 unit data.
  - b. Preschool allowance calculation based on FY 2013 unit data.
  - c. Gifted allowance calculation based on FY 2013 unit data.
  - d. The \$6.50 per-pupil amount calculation based on FY 2013 ADM data.
  - e. Special education extended service based on FY 2013 data for preschool and gifted and supervisory units.
  - f. ORC Section 3313.845 contracts are based on FY 2013 data.

### ***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.
- Keep in mind that no deduction to regular districts' funding is made for school age children at BDDs. The entire BDD funding is paid for by the state.
- Preschool handicapped unit funding of BDD is now calculated based on FY 2013 data and is paid at 98.83% of the calculated amount to stay within the appropriations.
- Special Education Transportation part of the funding is calculated based on adjusted FY 2012 factors.

### **Additional Notes**

- Please note that for each Bridge payment we have posted a corresponding Excel formatted file for those users who want to run funding data analysis. You can access the Excel files by navigating the following path: ODE Homepage → Finance → State Funding for Schools → District Payment Reports → FY 2013 → [Bridge Report - Excel Format](#)
- We have posted information on the allocation of TPP reimbursements that were distributed with the November #2 foundation payment, on ODE website which can be accessed by navigating the following path: ODE Homepage → Finance → State Funding for Schools → [Information on the Phase-out and Loss Reimbursement of Tangible Personal Property Taxes \(FY2012 and FY2013\)](#)
- We have posted information on the allocation of Public Utility Deregulation reimbursements that were distributed in August 2012 and February 2013 on



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line that can be accessed by navigating the following path: ODE Homepage → Finance → State Funding for Schools → [District Public Utility Tangible Deregulation Reimbursement; FY 2012 and Thereafter](#)

Questions should be directed to Daria Shams at [Daria.Shams@education.ohio.gov](mailto:Daria.Shams@education.ohio.gov) or your area coordinator.