



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 July 2011 Payment #2

DATE: July 22, 2011

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.

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. For that reason the Bridge payment form is organized into 3 main sections that reflect the relevant calculation factors and the funding formula calculation of individual school districts plus 3 additional sections that reflect funding for Additional Aid Items, Transfers and Adjustments and Disclosure Items. 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.

- FY 2011 total funding amount used in this calculation is extracted from the FY 2011 PASS calculation for the second payment in June 2011.
- 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. Note that this ADM is not necessarily the same ADM that was used in the calculation of the PASS funding amount in FY 2011.
- FY 2011 charge-off property valuation is extracted from the FY 2011 PASS calculation for the second payment in June 2011.
- FY 2012 total ADM used to calculate the Bridge funding amount is in fact the same FY 2011 ADM referenced above. This ADM is presently being used in the July #2 calculations as proxy until actual October count ADM for FY 2012 becomes available. This ADM reflects the FY 2011 October count compilations for students who attend their resident school districts but the community school part of this ADM (the add-in) comes from FY 2010 compilations.
- The statewide per pupil adjustment amount on the basis of which the calculated funding amount is reduced to stay within the appropriations is \$159.00. This figure is reflected on line "J" of the Bridge form.
- Preschool special education funding is extracted from the FY 2011 PASS calculation for the second payment in June 2011. This amount however reflects a proration to 99.072984% of the calculated amount to stay within the limits of the available funds.
- Special education transportation funding is extracted from the FY 2011 PASS calculation for the second payment in June 2011.
- ESC deduction is based on updated ADM and contracts amounts for FY 2012.
- Open enrollment adjustment is based on FY 2011 year-end EMIS data.
- Community school transfer amount is based on the FY 2012 calculations for July 2011 community school payments.
- STEM school transfer amount is based on FY 2012 calculations for July 2011 STEM school payments.
- EdChoice Scholarship transfer amount is extracted from the FY 2011 PASS calculation for the second payment in June 2011.
- Other Adjustments amount is extracted from the FY 2011 PASS calculation for the second payment in June 2011.

Please note that the Bridge form includes information on funding targeted to special education, career technical education and gifted education services for FY 2012. These amounts that are shown at the bottom of the Bridge form on lines "Y" through "AA" are part of the total state funding resources amount that appears on line "O" of the form and are not additional funding items. Provisions of the law require us to show these amounts on the Bridge form so that school districts' personnel would know what portion of the total funding calculation should be devoted to provision of these services. The special and career technical education allocations are equal to the FY 2011 amounts whereas the gifted education allocation equals the FY 2009 amount.

Also, the provisions of Am. Sub. H. B. 153 call for the distribution of a supplement to high performing school districts based on \$17 per pupil. Only school districts that are identified as 'Excellent with Distinction' or 'Excellent' are eligible to receive this subsidy. Presently the Bridge form does not include any such distribution to any school district. Once the FY 2011 Report Card information is out we will calculate the High Performing Subsidy for eligible districts based on that.

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 at:
<http://education.ohio.gov/GD/DocumentManagement/DocumentDownload.aspx?DocumentID=83748>
- EMIS withholdings continue to be in effect for this payment. These withholdings are penalties for non-compliance with the EMIS end-of-year data submission requirements. Upon fulfilling these requirements the withholdings will be lifted.
- SF-14 tuition adjustments for non-handicapped students pursuant to provisions of SB 140 are reflected in this payment (JV50 and JV51).
- SF-14 tuition adjustments for handicapped students pursuant to provisions of SB 140 are reflected in this payment (JV52 and JV53).
- SF-14 per diem adjustments are reflected in this payment (JV62 and JV63).
- FY 2011 funding adjustments pursuant to provisions of ORC Section 3317.026 are reflected in this payment (JV15).
- FY 2011 funding adjustments pursuant to provisions of ORC Section 3317.027 are reflected in this payment (JV16).
- FY 2011 funding adjustments pursuant to provisions of ORC Section 3317.028 are reflected in this payment (JV17).
- This payment also reflects the FY 2011 Solvency Assistance Repayments (JV61).
- This payment also reflects Judgment Repayments (JV87).
- STRS and SERS Retirement deductions reflect the same amounts as were included in the July #1 payment.

Education Service Centers (ESC)

- The state per-pupil amount of \$37.00 for single-county and \$40.52 for multi-county ESCs is paid at 100% for local, city and exempted village school districts as well as community schools.



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- The ESC's calculated annual amount was reduced by 18.534097% to stay within the appropriations.
- Preschool funding was paid at 99.072984% of the calculated amount.
- Special education transportation reflected in this payment continues to be the amount extracted from the FY 2011 payment file.

Boards of Developmental Disabilities (BDD)

- Preschool handicapped funding is prorated to 99.072984% of the calculated amount.
- Special Education Transportation part of the funding is also based on FY 2011 amounts.

Questions should be directed to Daria Shams at daria.shams@ode.state.oh.us or your area coordinator.