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 September 2011 Payment #2

DATE: September 23, 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.

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- FY 2011 total funding amount used in this calculation is extracted from the FY 2011 PASS calculation for the second payment in June 2011 (same as the September #1 payment).
- 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 (same as the September #1 payment).
- FY 2011 charge-off property valuation is extracted from the FY 2011 PASS calculation for the second payment in June 2011 (same as the September #1 payment).
- 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 these 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 (same as the September #1 payment).
- 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 factor changes as the ADM that is used in the FY 2012 funding calculation changes. This figure is reflected on line "J" of the Bridge form (same as the September #1 payment).
- Beginning with this 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 September #1 payment).
- 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 (same as the September #1 payment).
- Special education transportation funding is extracted from the FY 2011 PASS calculation for the second payment in June 2011 (same as the September #1 payment).
- ESC deduction is based on updated ADM and contract amounts for FY 2012 (updated since the September #1 payment).
- Open enrollment adjustment is based on FY 2011 most recent year-end EMIS data (same as the September #1 payment).
- Community school transfer amount is based on the FY 2012 calculations for September 2011 community school payments (updated since the September #1 payment).

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- STEM school transfer amount is based on FY 2012 calculations for September 2011 STEM school payments (same as the September #1 payment).
- EdChoice Scholarship transfer amount is extracted from the FY 2011 PASS calculation for the second payment in June 2011 (same as the September #1 payment).
- Other Adjustments amount is extracted from the FY 2011 PASS calculation for the second payment in June 2011 (same as the September #1 payment).
- The FY 2009 Gifted Education Allocation that appears on line "AA" under Disclosure Items now consists of unit and identification funding (updated since the September #1 payment).

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
- This payment continues to reflect the FY 2011 Post-Secondary Deductions which was initiated with the August #2 payment (JV09).
- 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 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 were 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 SB 140 SF14 Tuition Adjustments (JV51 and JV50).
- This payment also reflects SF14 Special Education Tuition Adjustments (JV52 and JV53).
- This payment reflects Youth Services Tuition Adjustments (JV06).
- This payment reflects HB 455 Tuition Adjustments pursuant to provisions of ORC Section 3323.091 (JV14).

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- This payment reflects the SF14 Per Diem Adjustments (JV62 and JV63).

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 for community schools. The calculated annual amount was however reduced by 18.639068% 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.

Important Additional Notes

- 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. Special and career technical education allocations are equal to the FY 2011 amounts whereas gifted education allocation equals the FY 2009 unit funding amount. Please note that at this time the gifted amount excludes funding for identification services although on the Bridge form it is claimed that the identification funding is included.
- In previous fiscal years reimbursements for the phase-out of tangible personal property (TPP) were distributed 3 times a year in August, October and May. Am. Sub. H. B. 153 has introduced major changes in the calculation of TPP reimbursement and also in the distribution schedule. Additionally, the new legislation requires an eligibility test to be performed to determine if school districts are still eligible to receive this reimbursement. Reimbursement to eligible districts will be paid in two equal installments in November 2011 and May 2012. Also, whereas previously a second reimbursement calculation (true-up) was performed at the end of each fiscal year to account for changes

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in data elements that occurred during the course of the fiscal year, no such recalculation will be done in FY 2012 for FY 2011.

- Another piece of important information that is not entirely foundation related but needs to be mentioned is that Am. Sub. H. B. 153 eliminated EMIS payments to districts and other educational entities. In the past, EMIS subsidies were deposited into Fund 432 at the local level but since these payments have now been eliminated it is not necessary to use this fund anymore and any funds remaining in Fund 432 must be expended by June 30, 2012.
- The FY 2012 Set-aside calculations based on provisions of H. B. 30 are posted. This information can be accessed by clicking here or following this path: ODE Homepage → Finance → State Funding for Schools → Set-asides → FY 2012 Set-asides (Based on FY 2011 Data).
- A simulation tool of FY 2012 Bridge funding is now available for your use. This tool enables the user to change certain data fields on the Bridge calculation form to evaluate the funding implications. This tool can be accessed by clicking here or following this path: ODE Homepage → Finance → State Funding for Schools → Bridge Form Simulation Tool – FY12.

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

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