

School Finance and Credit Flexibility Audio Transcription

**Friday, April 9, 2010
2:00 – 3:00 p.m. EST**

Jennifer: Good afternoon everyone. My name is Jennifer Reed with the Great Lakes East Comprehensive Center at Learning Point Associates. I'd like to welcome you to today's web conference, School Finance and Credit Flexibility, hosted by the Ohio Department of Education and Great Lakes East. This web conference is the third in a series designed to provide information related to the local implementation of the Ohio Credit Flexibility Policy. The series will discuss the recently released guidance and will connect participants with Ohio schools, districts, and organizations that are currently working through the policy implementation. An archive is currently available on the Ohio Department of Education's website for the March 17 Credit Flexibility and Highly Qualified Teacher Requirements web conference, as well as the March 24 Ohio Credit Flexibility Gifted and Special Education web conference. Today's web conference, as well as future events, will also be available there as well. During today's web conference you'll be hearing from Sarah Luchs, Associate Director for Student Success and Jeff Jordan, Office of Finance Program Services with the Ohio Department of Education. We also have Thomas Gumpf, Area Coordinator for Region 16. I'd now like to turn this over to Sarah Luchs.

Sarah: Thank you Jennifer. I want to welcome everybody to this afternoon's web conference on school finance. This is a very hot topic. We've received several advance calls and this is probably one of the priority areas that you all have questions about. So, today we're going to do just that. We're going to give the overview of the guidance document that is listed on the website. We're going to recommend a few approaches for those of you in leadership roles in the school and district and we're also going to take your individual questions and address those as best we can with the information we have available today. As Jennifer already shared and as many of you saw in the opening slides, because this is part of a series, we have Credit Flex updates and resources that are listed on our website and those include guidance documents in areas such as school finance as well as other areas. You can see those listed here. The assessment document is now up, so if you haven't visited the website lately, please note that the assessment guidance document is now up and that will be a future conference topic. In addition to that we have case studies and many of you have familiarized yourself with those. Issues of school finance are embedded within the case studies and most often appear in terms of collaboration and tapping community resources, certainly we can address that today if that's of interest to you. So to get started I'd like to go ahead and turn it over to Jeff Jordan. The overview of today's call is we're going to cover some information first from Jeff and Tom who is an area coordinator, take your questions, and address a couple more things, and then take another set of questions. Go ahead Jeff.

Jeff: Thank you and it's a pleasure to be with everybody today. Hopefully you'll find this is a beneficial use of your time and will answer some of the questions that some of you have about this. My contact information is in the slide show that you're seeing today and so I don't think there's anybody in the state at this point who doesn't have a way to contact me for Credit Flexibility questions. I get lots of questions on email, or lots of questions by phone. So I don't think there's a shy person out there about asking me questions. Tom Gumpf is also online today and he is available to answer questions as well. He helped write the guidance and gave us a lot of information from the area coordinator and local perspective. He works out of the Athens office and his phone number and information is also on the screen, and I'm sure he will also be welcoming any of the questions you might have. The things to keep in mind, and what we've gotten the most questions about from the school finance part of this is, really what are some things to keep in mind when we get started and the first thing to know is, this is really not anything different from what we've done over the last thirty plus years in educational options. This is really exactly the same, it just has a little bit of twist where you have to have a policy now and it has to allow certain things in accordance with the law. So I think that's probably where the twist and some of the angst has come in. The basic knowledge that everybody has to understand is that a student is entitled to a free education where they reside, where their parents reside, based on the tuition statute and that's in Revised Code (ORC) 3313.64 and you're available to look at that anytime you want to. That's the first basic level of understanding that everybody has to understand. The fundamentals of counting students and where they're funded and how they are counted for enrolled and attending has not changed. That is still present in [section] 3317.03 of the Revised Code for ADM [average daily membership]. All of that has not changed, just because there's a Credit Flex policy in place now. The funding allocations, I think where the rub in this is, is that the funding allocations are still based on that traditional knowledge of what a school day is, the 5 ½ hour state minimum school day, number of days in a year, all of those things. I think that's where maybe some of the questions are: How does that now interact with the finance process? What are some things to make sure that you know how funding works? The very first thing everyone should know is that student funding is determined during the October count week, the first full week in October. Students enrolled and attending that full week are the ones who determine what funding is available for your school district. That has not changed, regardless of whether they're Credit Flex or not. Those enrolled and in attendance again are in the ADM statutes. So we're talking about a Monday through Friday model. There are times; the Delaware case study really sets it out as well as any, when students are getting activities that are educational outside the regular classroom. In fact we've been doing those for many years in the form of field trips. Kids are able to go to the zoo. My son is going to go to the zoo in the next month or so. He's getting educated while he's at the zoo and so that's engagement for that student and there's evidence that that student has been educated and engaged that way. So that's one of the things to just keep in mind. It's really not anything different

from what you've already done before. We probably get 90% of our phone calls about - Can I charge a fee? Am I allowed to charge a fee on a kid who wants to participate in Credit Flex, because I need to cover some sort of cost? The general blanket answer to that is no, you can't charge a fee. Once the kid has established that they are eligible to participate in the school district tuition free, under the tuition-free statute, that's an entitlement that they're allowed to participate in that district and that doesn't change. I think some of us have seen over the course of several years, we had an AG's [Attorney General] opinion about all-day kindergarten. We've had AG's opinion about whether students can be required to have their parents perform certain tasks as a condition of enrollment in a community school. And, in both those situations, they were talked about as tuition. So let's be very careful that fees do not become and look like tuition. So that's the semblance we have to think about. However, knowing that there are costs that are potentially outside the school day, and extraordinary, and when I use extraordinary I use it in the accounting sense of unusual in nature, and infrequent in occurrence. Those extraordinary costs that will be outside the normal realm of what you get paid for through the funding formula. It is possible potentially to charge a fee; however, you have to put some fences around what that is. So, we'll try to give you as best of an idea as when that might be appropriate. They have to have a basis in reality. People have to say and do some sort of cost study that says, I have my teacher doing X activities and it has this amount of time associated with it. That costs the district this, that's over and above the amount of money that the state provides through the funding formula. There's certainly probably going to be a cost of materials at some point. That's not different from any of this materials and information that you already have for workbooks and those kinds of things in your school districts. But speaking very clearly, it's not a general fee. It's not, I think I'm going to charge \$75 for a student to participate in Credit Flexibility and there's no basis in reality and it's encompassed within the school day of what has already been paid for. So we recommend to you, if you determine that there is a fee for those extraordinary circumstances, it would be very, very important...as a former auditor I will tell you that this is what we look for...to document the costs and make sure that you have a very clear basis in reality for any fee that you charge to any student for any Credit Flexibility option. You have to be very careful about not having a perception that you're trying to profit and gain money as a profit center on an entitlement of education. That's a very important point. It will get people and districts and people and ODE, it will get all of us in deep trouble at some point when a fee is charged to the wrong student. Then it becomes a difficulty that we all have to deal with. The other thing I will point out to you is [section] 3313.64, and [section] 3313.642 says very specifically, no charges for students for students who qualify for school lunch. So that's over and above anything. So even if you have a fee that's based in reality, if they're qualified for free lunch, you're not going to be able to charge that fee. That's a lot of information to summarize. Tom, do you have anything you'd like to add?

Tom: I think you've covered it very well Jeff. The documentation, I would see it as being standard as what we do now for the collection of tuition on the SF14 (the document used by ODE to collect tuition billing information between two school districts) and also the documentation as required for excess costs on the SF6 (the document used by ODE to collect information on costs for special education students that are beyond the costs paid by transferring tuition dollars between an educating district and the district of residence). So I believe those similar types of documentation would also be prudent for any type of billing for Credit Flex.

Jeff: Okay. I think that's a great point. We did have a question - Does that mean the basis in reality means helping to pay teacher salary or material costs and would be what that would really go for? You have an amount of money that we pay for through the funding formula. That goes for the educational costs of those students. We're talking about things that would be extraordinary things above and beyond and outside of what the normal and regular school day would be. Those are the things that a fee potentially, if it's structured correctly, could be dealt with.

Sarah: So Jeff, in addition to the question about how to really calculate and document appropriate fees. There's a question about, at the high school level, students aren't always filling out the paperwork that indicates that they're eligible for free lunch. So that's reported with less frequency and less consistency at the high school level. Do you have any recommendation around how folks should address that, given that House Bill 1 is the one that says you can't charge students who classify under that?

Jeff: Right. I think that's a very good point. How do we encourage students that are qualified for free lunch to participate in this program? It's just like you would normally do now. There's a lot of things, and a lot of funding streams that are related to how many students participate in that free lunch program. I also can tell you that things like different parts of the state with different community types will adhere and want to be part of that school lunch program. So we do know that's an issue and always the Office of Safety, Health and Nutrition is out there trying to encourage school districts in different ways of how do they get people to participate in that program. So it is a problem. I know that's going to be something that over the course of time, that's something sociological we're just going to have to work through.

Sarah: Related to that earlier question, this notion of supervision of a student that might be beyond the regular teaching mode. Do we have any recommendation for how to account for that extra cost in a case where it might be an extra cost and would that cost be recovered if it was determined to be an extra cost?

Jeff: I think there is certainly some ways to do that. I would not be surprised to see that some people would probably, potentially go down the road of issuing a supplemental contract for those kinds of things. Those would be pretty easy to

look at and see what's the amount of dollars, how much time is related to that amount of dollars and it's a very structured sort of thing with deliverables that those teachers and students have to work through. Those kind of formal type arrangements seem to be a pretty good way to document those things. But certainly having a situation where I think it's going to be an extra couple hours and so we're just going to charge a kid a couple hours for that, that's probably not where a district should want to go to.

Sarah: Great. Thank you. Jennifer, we've been able to take a couple of questions out of the chat box. Do you have any callers that have questions for us?

Jennifer: We do. Rich I see that you have raised your hand. If you could press STAR [*] 7 for me on your phone to open your phone line.

Rich: My question is, if there is a student who is wanting to take an online course after school hours, let's say for a foreign language credit, would the cost of that course be able to be charged to that student or would the district need to pick that up or would that be up to the district policy?

Jeff: For after hours course work like that; really it would be how you would arrange that payment arrangement between your school district, the service provider and that parent. It would seem to me, that in most of the situations where it's an outside the hours and that student is already doing a full day's worth of work inside the regular school day, that we're paying for, that paying for that by the parent or by charging the parent through some sort of fee to cover just the actual and true costs of that course, that would seem something that would be reasonable. But it's situations that ... Last week I heard of a place that was; school was an eight period day. Six periods of the day the student was in the classroom. Two periods a day they want to do an online learning course and they had an FTE that they wanted to be funded on of one FTE. In that situation the school has been paid for that portion of that student's academic learning and that is very, very true and actual that that student shouldn't have to pay an extra fee because the state and the local district, that's within their educational parameters that have traditionally been done. So I think the real question is, how you look at when that activity occurs and how do you make sure that it is, what has been paid for already through the funding formula. But that's a very good question Rich, thank you.

Sarah: Jeff, this is sort of a related notion about private lessons. If, in a student's Credit Flex Plan, the parent and the student want to access maybe a level of expertise or something in the community that really is above and beyond what the regular costs of instruction or even maybe typical materials fees associated with instruction might be, whose responsibility would it be then to cover those costs?

Jeff: So maybe something along those lines would be the student lives in the Columbus area and wants to go do a violin lesson with a member of the Columbus Symphony. Typically speaking that would be outside the school day, which is over and above and beyond the regular general music instruction that might be occurring. Those are things that I think appropriately and probably have been in the past, paid for by those students' parents. Now, then it's a question of how that school accepts that credit. But that has really no financial implication.

Sarah: Tom, we haven't forgotten about you. Did you have anything that you wanted to add to any of those questions?

Tom: No, I'm fine. I think everything is being addressed very well. Good questions by the way, from the audience.

Sarah: Great. Then this is related to the earlier question about charging for online coursework. Coursework is offered in lieu of the seat time course in the school, so it's not necessarily an add on, but a replacement notion, how would that work Jeff?

Jeff: Let me make sure I understand, the concept would be, instead of learning Spanish in the regular seat time model, I'm going to do an online Spanish course.

Sarah: That's how we're understanding the question.

Jeff: If it is done during the regular school day, same rules apply. It really doesn't matter that it is delivered differently; it's really a question that the state's funding format pays for these hours of the day, those are the things then we would pay for, for that student. And carefully not losing sight of the fact that, being very cautious of having anything that looks like a tuition charge for any student that is a resident or otherwise entitled through open enrollment or any of those other programs to participate, certainly charging something that looks like a tuition fee certainly will get people in a world of hurt I think.

Sarah: So to condense these notions, what if you have the scenario where you know you have a student who is a free lunch student, but they're wanting to do something that looks like extra. What's our recommendation for how to address that?

Jeff: That's one that I've discussed with a couple of people, just because a student is a free lunch eligible student, that doesn't give them *carte blanche* to go to the Harvard Kennedy School of Management because that's where they want to go and oh by the way it's free because I'm a free lunch student. That's not how this works. It would be the normal and every day, what they would normally get within the structure of what their students get in that school district, that's what would be entitled to do. So if that kid wants to do a course online through the Kennedy School of Management in Harvard, then certainly there's a portion that

we would pay for, but then there's an over and above and beyond cost that the student should pay for, if they can, all by themselves.

Sarah: So the first kind of rung of Credit Flexibility does allow students to exercise the more choice here around modality (how instruction is delivered), still within the traditional finance structures. In cases where they're well above and beyond and parents are able to pay for them, they can pay for them. But that shouldn't look like a random, arbitrary fee or tuition on the school district side because that is in violation of the spirit of our laws in Ohio that say public education is an entitlement, a free right of students.

Jeff: That's right.

Sarah: And based on other web conferences and the case study work, it's clear that some school districts are partnering with community resources to deliberately and intentionally create new kinds of opportunities that would tap a wealth of resources. Those kinds of opportunities could benefit any number of free lunch eligible students, because it would engage a whole group or a whole class or a whole course in a new kind of learning condition.

Jeff: I think that's one of the benefits about Credit Flex so far is, it enables students to engage in a whole wealth of new opportunities and discussions that they would have otherwise not had. It also allows school districts to partner and engage with places in their own communities or just outside their communities that can provide new experiences for their students. I think that's a very important point. In fact, a local entity in Northeast Ohio called two days ago, went down that very road. There was a nonprofit arts foundation that called me and asked about grants programs available, because they wanted to go meet with their school district about doing some sort of partnership. We talked through this financial piece of it and it was really geared toward looking at how does the school district, how can they benefit using the limited dollars that they have and how can the nonprofit entity work together and provide those kind of things. So it's exactly what it is.

Sarah: So I'm hearing you encourage schools and districts not to miss an opportunity to create enrichment kind of learning environments and experiences for all of their students and not just look at this as a provision for an individual student on an individual request basis.

Jeff: Absolutely right.

Sarah: Okay. We're going to move on in our presentation. There are, of course, other opportunities to come back to questions and you can continue to submit those in the chat box or raise your hand using the highlighter at any time, and we will turn to you. So back to you, Jeff.

Jeff: All right. The next slide that is up on the screen now, I'm an accountant. I'm a pretty linear kind of guy and if people have heard me speak before they know that I'm a pretty boring linear kind of guy. But all that being said, I like flow charts. They make my mind work a little better. So we did put together a flow chart that walks through what we've talked about for the last fifteen or twenty minutes, about how fees work and hopefully you'll find it will be helpful to you. We start with the students enrolled and attending in your school district. First question is, are they eligible for free lunch? If they are, then they're not charged any fees. Very simple, we've kind of talked through that. As you progress down the chart, then the question is - are they participation in activities during the regular scheduled day? If they are, and I think we've covered this very well, then the fees are really not something that you can charge, because you've already been paid for those functions already through the funding formula, through tax revenues. If you follow down to the NO of that response, then the question is, are they a resident of the district or not a resident of the district. If they're a resident, then you have to ask the question about special education, because there's an interaction with the IEP on this and how fees can be charged for those students that are eligible through IEPs, making sure that students who have certain requirements in their IEPs, those still have to be fulfilled, those are still required under federal law. That hasn't changed. If they're a non-special education student and they're a resident, then it is just like we've talked about. The only fees could be outside the normal and customary circumstances that you have, they're extraordinary circumstances of outside the school day and that explains that as well. If they're a non-resident, then I think Tom talked about, that's the SF14H and 14 processes (see previous discussion about the billing process used by ODE for tuition), where there's potentially tuition pieces of this or excess costs. So if the student is a special education student, but they're not a resident, they enter in through maybe a court placement or an open enrollment situation, those fees could be potentially and required by the IEP, then those could be potential excess cost things and billed back to the resident district that sent that student to you. If they're not a special education student, then those would be included within the tuition billing that you're already getting through the SF14, if that billing process happens. Hopefully you'll find this chart is a useful thing. It's a one pager. I like one-page things I can stick on my wall and walk through as things go. So hopefully you'll find that very helpful. As we look at the next part of that, certainly you're going to have parent requests. People are going to ask you, because each child is unique and those children's parents want to have the absolute best educational process for their own student, for different things for you to do. So, how do you arrive at that meeting of the minds about how a Credit Flex agreement is structured? Parents can initiate and request to have enhanced learning. That's a possibility and that's one of those negotiable avenues that you're going to have to work through on an individual basis. But there's not that equivalency based on the example that I used earlier about the Kennedy School of Management at Harvard, certainly that's not an everyday kind of program. It's not anything that they request; it is a free and appropriate education in the district that they reside. I think that's always something that has to be grounded in. We

would recommend that you document any of those parent requests and obligations and make sure that you have a clear and concise understanding between the district, the parents and the student as to what is expected from all parties and how each person and each group is expected to interact in that. Certainly, any time that you can document those things, and make it very clear, that makes less bad feelings if something doesn't happen and it makes less constraints and difficulties at future points down the road. As we look at transportation, I encourage you to look at the guidance document that's on our Web site, because as I started writing it, I thought this might be a very simple one-page document. Nothing in school finance is that easy, so now it's an eight-page document. Those eight pages are out there and are a wealth of information for you. It's certainly not the end all be all. We constantly are updating it. In fact, if you have printed one out, you'll find that it was updated yesterday for a typo that we found yesterday. So I'd encourage you to go out and look at it. In the corner, there's a last updated piece so you can always make sure you have the most updated information. The current one that's out there is updated 4/6. I encourage you to look at that if you have something other than April 6 as your last updated time. Transportation is included within that guidance document. The fundamentals, the requirements of doing student transportation, pupil transportation, absolutely still apply. Those fundamentals are no different from what they are today, just because it's a Credit Flexibility situation. We're not awarding any additional funds for targeting or generating additional transportation costs that you may have or you may work with a parent to deal with, but we would encourage you to work collaboratively with students and your non public school communities, your community schools. If you do those buses, we would look at you to say, think about it creatively and innovative and make sure that you have partnerships in place that allow those students when necessary to have the educational options they need to unimpeded. The basic problem is, just like we all have, is in a world of finite resources - How am I supposed to afford this? Isn't this just another unfunded mandate that you guys sit and tell us to do? One thing I will point out is, there are some enrichment support components through the EBM funding, albeit, it is a phased in amount at 20% for 2010 and 30% for 2011, but that is available to you. So yes, I get that \$20 per student isn't going to go very far on that; however, it is there and you should be aware that it's there. I'd encourage you to rethink operations. That means, those partnerships that you incur with other places or outside entities, there are ways to make your operation smoother and more efficient. This is an opportunity to take that. So those dual enrollment agreements, online providers that you can work, those are opportunities to make your operations more efficient and look at it holistically. If you're able to determine that there's a lot of kids who are no longer taking Spanish in your school and they would rather take the online version of Russian or some other thing, then maybe it's a chance and an opportunity for you to look at your course offerings and decide, is this really what we should be doing. Because this is a customer-driven operation, you have to think about those operations. The last thing is, when there is the potential to have partnerships, you really have to think about what new funding could be obtained through partnerships, both nonprofit and for profit. I think there's a number of

businesses and number of foundations that are very interested in making partnerships with public entities to encourage educational options. I know of one, Stark County Education Partnership in Stark County, does a lot of things with the Timken Foundation and some of those places. They're able to make partnerships in ways that are brand new and more effective for the students. So I would encourage you to find those kinds of things. Granville, that example is out there for you to look at. So please look at the case studies and determine whether that's the best fit. Perhaps you have some new ideas that you'd like to share with us, that could help other students and school districts as well.

Sarah: Great. So this is another opportunity to ask questions. We have already received a few through the chat box. I'm going to go ahead and ask a couple that we've received already. Jeff, apparently we need some clarification about the normal school day again. So if a student is a free lunch student and they're accessing services beyond the normal school day, what is our guidance on who might pay for that and how to think about that?

Jeff: A free lunch student?

Sarah: A free lunch student.

Jeff: This is a particularly sticky wicket. I won't deny that. This is one of those where I think the clear intent of the General Assembly and the clear intent of what the law is, is to not charge a fee for any of those things for that free lunch student. I don't think there's any question that's what that means. However, I think that you do have to balance that within the beyond the normal school day issues. So that's one of those things where you're going to have to look at and work with the parent and say, this is what we can do and this is what we can't do. Yes, we recognize that free lunch is something that your students are eligible for; however, that does not mean a blank check that can be done with an unlimited resource amount, that's simply not practical and it's simply not what the intent of the legislature is. It's to provide access to those students that are economically disadvantaged. While it is a tough one, I think it's something we're just going to have to work through and work on, on an individual basis where students can benefit.

Sarah: I do think this is a challenging one, and I just want to reiterate what you said earlier because I thought it was really brilliant; this notion of the individual request of the student. Educators and community members want those students to be successful and really the spirit behind the Ohio Core and especially this Credit Flex provision was positioning students to be successful and breaking down some of our traditional notions. So when House Bill One said you can't charge free lunch students, certainly the intention was thinking about the in-classroom model and we offer differentiation, we offer intervention, and lots of different supports within the building and with some of our extended community. But this seems like an additional opportunity to get creative and to structure really whole course

work or whole groups of students around learning opportunities maybe and community resources, or again with an online provider. You said, be creative about this, go find some partners, this is the perfect opportunity to rethink how you do business and to collaborate and tap new resources. I think that the case studies illustrate that and of course there's going to be more opportunities to illustrate. I just want to reinforce that point, because I think it's a true opportunity in a way that we haven't talked about previously, trying to keep everything in a contained system. So another clarification is needed, the notion of beyond course equivalency and the base costs. Is there something that specifically defines what those base costs are and how people should think about it? How would you interpret what's beyond that?

Jeff: I think the issues are, you have to be fairly familiar with the funding formula to see really what the funding formula is providing to a school district is based on instructional time, are there sufficient operations and materials available. Are the maintenance things, all the components within the EBM [evidence-based model] funding formula are what has been defined by the General Assembly as constituting a thorough and efficient school system in the State of Ohio? So those kind of things are exactly what is being paid for. So, just like we have done before, we're providing those dollars to you with the ultimate flexibility of providing educational opportunity to the students. Those dollars, when we give them to you and you put them into your general funds, those churn around in the general fund, along with your local tax dollars, with the idea that those are going to be to the benefit of those students. So ultimately, as a local control state, there is no one big giant solution that is going to effect and make everybody exactly the same. However, those are the things you kind of have to consider. What makes a good educational system in your school district, what will affect the report card that you have most beneficially, and ultimately what will affect the students in a positive way, those are the keys.

Sarah: This is sort of related, but on the other end, right? Is there a maximum amount of fiscal obligation, say \$500 in algebra or something?

Jeff: Each school district has a different per pupil expenditure amount. Each one kind of looks at those kind of things a little differently. It's based on the community standards that you have. It's based on what each person is willing to spend, not only in your community, but based on what we would provide through the funding formula. So, it's a very individualized thing. I've said probably for the last ten years that I've been here; the key to this is just like any other program that you use. It is the superintendent and the program people that run the academic affairs in the school district have to be engaged with the treasurer and the financial part of this, where the superintendent has to be knowledgeable and that group has to be knowledgeable about the financial affairs enough to be dangerous, the treasurer's office has to be knowledgeable about what kind of operations need to happen in the academic world. They need to understand the academic process enough to be dangerous and most importantly it's a happy marriage between two

groups that have to do things together. If you don't have a happy marriage and you have a shotgun wedding between those two, it will not work well and effectively. Over and over ODE has seen where we have districts that have shotgun weddings that does not work as nice and easy as it does when we have a happy marriage between those two.

Sarah: So related to IEP, and this did come up in our special ed web conference last time. Can you speak a little to how fees are associated with IEPs? We discussed in that web conference, with experts from the special ed office, this notion that the team would be looking at the student Credit Flex Plan and the IEP team could reconsider the terms of it and what it included. They indicated that federal law still is binding here. So obligations are still in place. But how should folks think about the fees then?

Jeff: The IEP meeting may not always have a financial component person sitting there as part of that discussion. So while if they are not a part of that discussion initially during the IEP creation, certainly someone should be interacting with, from that IEP team with the treasurer's office and saying all right, this is what we've agreed to as the accommodations that need to happen within the IEP. Now, how do we make sure that either we're able to bill back those excess costs to school districts that have placed those students there or they have come from, if they're not a resident of the district, or is it even financially sustainable for a resident district to provide that. Certainly you have to look at, and just like you do now, you have to balance the idea of what is financially sustainable with what is the free and appropriate and least restrictive environment situations for those students that are in that situation. It's a very tough thing, but it's not different from what is already being handled right now with districts. Just because there's Credit Flex involved, that might be a slight extra nuance and layer on top of this, but those kinds of conversations are happening every day in school districts where they have to figure out exactly how do we pay for this accommodation for this IEP student.

Sarah: I know from the last web conference, this is an area where Tom Lather and Chrissy Kline agreed with you about the creativity and what resources can you tap in the community or otherwise, to meet student accommodations in meaningful and affordable ways. They definitely agreed with that notion.

Jeff: Right.

Sarah: Related to what can be counted or what could be considered as additional costs, again, the notion of teacher time and compensation has come up along with materials. But essentially time for assessing, time for mentoring, time for overseeing the student's Credit Flex Plan, possibly materials being associated with that learning experience. Are there any helpful hints for how a school or district could think about that?

Jeff: I guess I've kind of thought about it in terms of when I have a teacher who is also the basketball coach, I don't ask them to be the basketball coach just as part of their regular teaching duties. There's a supplemental contract because they have additional duties that they have to provide. If we're talking about things that are within the normal course of what they are doing as teachers, and it's within the normal course of their business during the school day, then I don't think there's any question that we have paid and you have paid as school districts, what it is that is going to be paid. That is the end of that. However, if there are things that are beyond the classroom day, just like there are now today with you have teachers that are tutors after school, I'm certain that they are paid for with supplemental contracts. I see them in board minutes all the time. I see there are issues where teachers are doing things outside the classroom for clubs and those kind of things, they have additional compensation. So just as it is now, where you have to define at a local school district level, what are those extra compensation levels and what is appropriate to be done. I don't think that has changed just because we're injecting the words Credit Flexibility into the conversation. It's really just like it has been before and I think that's one of the take aways that I hope everybody will take away from this is, just because we say the words Credit Flexibility doesn't add on to the fact that this is not that much different from those critical decisions you have to make about students every day you're in operation.

Sarah: I know we're all out speaking to different groups at different times, but I have heard a number of different iterations on this. I've hear iterations where the working teams in schools have decided that they would be assessing students work anyway, so it's part of regular operations that they would be responsible for students. I have heard situations where they've essentially selected department leads or put counselors in with teacher leads and those folks are doing a lot of the individual planning with students or reviewing requests, some of that kind of work. At least in this first year, while they figure out how many requests they're going to get and what kind of courses and the flavor of the requests so they can plan into the future. A number of schools and districts have done surveys with their teachers, with their communities, with their students, to get a better handle on that. In some cases, districts are in fact putting in place supplemental contracts for specific elements of the work. And I should probably offer a disclaimer here; you know ODE does not weigh in on any of these contract kind of issues. So those are all local control sorts of issues. But there is I think a number of good ways to approach this and we've explored a few of them here at least on a precursory level. So what about application fees, this notion that an individual student is going to make a request, it's going to be reviewed by somebody, do we have any thoughts on whether that's an allowable fee?

Jeff: So you're talking about: You want to participate in Credit Flexibility so as a condition of participating in Credit Flexibility; you have to pay me \$75. I don't think there's any question that that is not a fee that any school district should be charging. There's no basis in reality to come up with that number. It's really very clear that that can be easily looked at as a tuition issue where students, as a

condition of them being able to get credits at your district, have to pay an extra fee over and above and beyond what the state formula is, plus the local property taxes, I don't think that's a place where districts ought to go. That's a pretty precarious spot.

Sarah: Okay. This is similar. For developing assessments at the local level that might be used in a test out or a test in to the next level as we sometimes like to call it, but essentially demonstrating proficiency. Is that something you could see there being a charge for?

Jeff: I think the one thing to think about with those test situations is how many students are you able to amortize and spread that cost over. Certainly those test assessments are going to be used for, potentially a number of years, a number of students, so how do you determine what that is. I don't deny that there's probably costs to be done with that, and I think you would want to look at extraordinary as the standard, but I will say, the devil's advocate in me will say, how much different is that from designing a test in the course itself by that school teacher, for just the regular testing. So I think that's a pretty tough spot to be in. I think I can make an argument either way, but the conservative side of me, the accountant in me says that's probably not – unless it's a significant kind of thing, it's probably not where I would want to go.

Sarah: Okay. Somebody picked up on your notion of having treasurers and school finance expertise at the table and they're wondering what other kinds of roles or activities do you see those folks participating in?

Jeff: I always think it's a good idea any time you can get people together where they're building relationships in a school district and they're becoming more trustworthy as a team between each other. The development of the school's budget or the appropriations you have to have those conversations certainly. Any of the programs, any time there's a federal grant implication, any of those things that you can see, and we can all see times when we would like to have that kind of input, we should take every opportunity we can and put those people in the room together and find out - Are there differences of opinion? How do we make sure that those are ironed out well before we get to the implementation stage? If we haven't had those conversations before implementation of a program or a process, then we're certainly going to run into plenty of bumps by the time we get to the end of it.

Sarah: Okay. There was a question related to these different configurations and one of the configurations that's coming from one of our listeners is a Local Professional Development Committee (LPDC). So if an LPDC is reviewing these kinds of requests that might come in and they get paid an hourly basis, would that be something where a charge for the application might be appropriate?

Jeff: I guess I would have to think about that a little bit. Tom, you can weigh in on this one if you want to, because you have been a superintendent, this might be a good time to talk about this. But it would seem to me that an LPDC, they're doing this activity anyway, so trying to figure out and split hairs about which parts of this actually relate to Credit Flex would take some serious cost allocation analysis by someone to figure out what that rational basis is. I think when we can avoid doing that kind of stuff, why we would go down the road of extra work, to maybe pick up a few pennies on the dollar? I'm not sure maybe that's the best use of everybody's time.

Tom: I would like to weigh in on that one. Although that might be the work of the LPDC, I actually see that committee's role in a different venue, which is providing for guidance and for promoting the enhancement and learning of teachers. It could possibly become an offshoot of that. But I would caution that all of this good conversation has been based upon the premise of districts and the age in which we are now, having such limited resources, an opportunity to provide enhancement or more learning opportunity for a child. I don't know that we would want to get into those conversations of trying to maybe diminish that opportunity by charging a fee up front, which some families may not be able to pay. And when we speak to an application fee, we also have to remember that [section] 3313.642 I think would prohibit that, if it has anything to do with their coursework. Because it says we shall not charge any student eligible for free lunch, any fee or charges as part of their course of instruction for participating in Credit Flex. So I think as you said earlier, I think that would be something that school districts would definitely want to steer away from for many reasons. That's my weigh in on that.

Sarah: Thank you Tom. We got a couple of questions here- one is could you just revisit the attendance policy of October count week? If a student is off site, as in not in the building, but could demonstrate their learning or their engagement in learning, does that harm the school's overall count or is that allowable?

Tom: October count week, it is traditionally viewed that we count children... First of all, the law says enrolled and in attendance. So the typical picture that comes to mind is a child sitting in a classroom for the course of that day, for the duration of that day, having instruction taking place. Also during that week it might occur that the third grade or grade level might go on field trip that day. They're not sitting in that classroom seat all day long, but they are engaged in a school activity so therefore they are in attendance, they're just not actually in their seat. So I don't think that would affect their eligibility for funding for that child. I don't believe it would diminish it because as long as they're involved in a school activity during that day and enrolled, then they're going to get their funding for that child. Just as a note based on the new law, we are currently funding for school districts based on last year's October count. So this current October count would be the basis for next year's funding. But as far as within that window of

the count, if the child is enrolled, participating in a school activity, learning in whatever setting the school decides, they would be enrolled and in attendance.

Jeff: And that's true if your enrollment hasn't increased by 2% this year over last year.

Tom: That's correct. I think the question is if they're out of the classroom engaged in some kind of activity, would the funding be diminished? I believe the answer is no, because they're still engaged with teachers in some kind of activity. So that's considered a school day.

Jeff: On top of that, using the same attendance rules that are in the administrative code about what is required for, how to excuse pupils from attendance, that whole language plays into that. So it's not anything different from what you've always done.

Tom: That's correct.

Sarah: Great. Thank you both. We're getting close to the end of our time, so I just want to summarize some of the big ideas and ask for last comments from our two experts. Obviously, you heard quite a bit of discussion about a lot of these premises are not new and the foundations of school finance remain in place. A lot of those foundations were built on a seat time notion, and this isn't necessarily just about seat time. So credit flexibility brings in more customized options for students, more blended models. So what's being asked here and what the opportunity that presents itself is really about rethinking our operations and rethinking ways that students can be successful, maybe through partnerships, maybe not just organizing that on an individual basis, but on a whole course or whole student group or whole school wide basis. That seems to be a reoccurring theme in our conferences. As well, there are no targeted or specific Credit Flex dollars, so again, you could have an opportunity to think about how you use your SIG grant dollars, if Ohio gets the Race To The Top funds, that would be an opportunity, how we allocate dollars already through school improvement, through High Schools That Work, through any of the special ed kinds of mechanisms, these are all places you could use Credit Flexibility to help students be successful and you'd be doing it with how you allocate those dollars now. Jeff did a nice job I think of articulating, have your finance people at the table to help you think through those creative approaches and how you're connecting what we're paying for and learning to the actual strategic outcomes that you're trying to achieve. In every community, there are opportunities to find those collaborative partnerships and innovations. It might look different in a very large urban district than it does in some of our rural areas. But certainly there are many opportunities. Related to fees, the Department generally is discouraging fees in less and unusual circumstances and that is built on the philosophy that education is a free entitlement to students in Ohio. It really needs to be thought through and exercise caution when you're thinking through what kind of fees might be associated. Tom and Jeff both spoke to the premise for those fees, the accounting

and documentation of them if they're going to be in place and it seems like there's an opportunity with parents who are wanting some kind of enrichment or specific activity, to put that in an agreement and the agreement is not just a learning agreement, it's obviously then an agreement between the school and the parent. They're saying that they're willing to pay for certain things that the school wouldn't otherwise provide. But for students on free lunch, certainly that's not going to be the case, so figuring out workable solutions that are meaningful for students so that they can be successful is certainly a priority. I just want to turn to Jeff and Tom. Any last notions that you want to emphasize. I'll also mention we did get a question about career tech centers and voc ed centers and there is going to be a guidance document specifically targeting aspects to those centers. So we didn't field that question today because there's going to be a tailored document.

Jeff: We really appreciate the opportunity to get to talk to everyone that's on the conference call. I know it's spring break week and that has been an issue with maybe getting some people on to the call, but we appreciate the opportunity to get to talk to all of you today and interact with you, because this is a very important process and it's part of the evolution of education in Ohio that we've been doing for hundreds of years. So please, do not hesitate to ask us questions. There's always an opportunity to ask us a question before you get too far down a road. It's certainly very appreciated, because this is new for everyone. This is new, as we have worked through things, this is new for all of you and how you do your operations and so we're all learning together, which is the whole point of what we do in the education business.

Sarah: You can see here we do have our next conference already set up for April 22 and that is looking at two demonstration-based models, one out of Metro here in Columbus and one out of MC2, which is the Cleveland STEM site. Those two individuals will be talking about how they have a school wide basis for demonstrating proficiency or mastery based assessment. Some of you may have seen a date scheduled for next week and that one has been rescheduled for May. So we'll continue to post updated information through EdConnection and also online where the registration is. Here's a list of the current web conference series. The former topics of Highly Qualified and Special Ed and Gifted Populations are already posted for downloading and they do include a transcript and executive summary, a list of questions. You can use the PowerPoint and a whole host of resources. It takes us a little over a week or two to get these things posted, so please be patient with us. School Finance will certainly be the next one that comes along. Please again, visit the website as all the resources are there and we're happy to host your questions at any time. We certainly appreciate your time today and your thoughtful questions. So stay tuned for more. Thanks again.