

# FY21 School Finance Payment Report (SFPR) Line by Line Explanation

BASED ON PROVISIONS OF AM. SUB. H. B. 166 OF THE 133<sup>rd</sup> GENERAL ASSEMBLY



**OHIO DEPARTMENT OF EDUCATION  
OFFICE OF BUDGET AND SCHOOL FUNDING**

## INTRODUCTION

The funding of K-12 public schools in Ohio is a joint effort between the state and local school districts. In FY2019, Ohio distributed \$8,239,909,578<sup>1</sup> in state foundation funding to its 612 school districts through the foundation formula. Of this amount, a total of \$847,127,987<sup>2</sup> was transferred to approximately 350 community and STEM schools in the form of funding deductions from resident school districts. A total of \$282,499,751<sup>2</sup> was transferred to nonpublic and alternative educational entities through school vouchers tied to various scholarship programs. School districts also provided \$251,812,746<sup>2</sup> to educational service centers (ESCs) from their foundation funding as partial support for services they receive from these ESCs. \$499 million of the foundation money was transferred between school districts to pay for the education of students who participate in inter-district open enrollment.

Am. Sub. HB 166 of the 133<sup>rd</sup> Ohio General Assembly establishes procedures for calculating the state foundation formula funding of public elementary and secondary education in fiscal years 2020 and 2021. This document contains a detailed explanation of the calculation of each component of the funding formula as reflected on the annual foundation payment report: School Finance Payment Report (SFPR) for fiscal year 2021.

The SFPR provides the user with the various funding components of the foundation formula. The calculation methodologies for these funding components are provided in the accompanying worksheets. The foundation formula in FY20 and FY21 is comprised of two new funding streams plus a number of other funding elements and transfers and adjustments that have traditionally been included on the SFPR. Three documents are referenced here: The SFPR; the Student Wellness and Success Funding Worksheet and the Enrollment Growth Supplement Worksheet. The following is a sample School Finance Payment Report of a hypothetical school district with the accompanying worksheets provided here as reference points.

### *Foundation Funding Components Reflected on the SFPR*

- A. Foundation Formula Funding
- B. Student Wellness and Success Funding
- C. Enrollment Growth Supplement Funding
- D. Preschool Special Education Funding
- E. Special Education Transportation Funding
- F. Total Additional Aid Items (B+C+D+E)
- G. Total Foundation Formula Funding Plus Additional Aid Items (A+F)
- H. Education Service Center Transfer
- I. Open Enrollment Adjustment
- J. Community School Transfer
- K. STEM School Transfer
- L. Scholarship Transfer
- M. Other Adjustments
- N. Total Transfers and Adjustments (H+I+J+K+L+M)
- O. Total Calculated Funding Plus Total Transfers and Adjustments (G+N)
- P. Career-Technical Funding Component of Line 'A'
- Q. Economic Disadvantaged Funding Component of Line 'A'
- R. Special Education Additional Funding Component of Line 'A'

<sup>1</sup> As of the FY19 Final #1 School Finance Payment Report, reflecting \$8,074,780,356 in formula funding calculation plus \$109,999,999 and \$55,129,222 in preschool education and special education transportation funding respectively.

<sup>2</sup> FY19 Final #1 School Finance Payment Report.

OHIO DEPARTMENT OF EDUCATION  
OFFICE OF BUDGET AND SCHOOL FUNDING  
**FY21 SUMMARY SCHOOL FUNDING REPORT FOR CITY, EXEMPTED VILLAGE AND LOCAL SCHOOL DISTRICTS**  
(FY2021 October #1 Payment, [FY2020])

IRN: 0XXXXX

District: Any S.D.

County: Any

	STATE FUNDING
A STATE FUNDING Foundation Formula Funding:	4,295,800.55
ADDITIONAL AID ITEMS:	
B Student Wellness and Success Funding:	320,691.40
C Enrollment Growth Supplement Funding:	49,614.45
D Preschool Special Education Funding:	51,380.33
E Special Education Transportation Funding:	42,593.31
F Total Additional Aid Items:	464,279.49
TOTAL STATE FUNDING:	
G Total Foundation Formula Funding Plus Additional Aid Items (A+F):	4,760,080.04
TRANSFERS AND ADJUSTMENTS:	
H Education Service Center Transfer:	-8,450.00
I Open Enrollment Adjustment:	529,342.75
J Community School Transfer:	-250,188.58
K STEM School Transfer:	-76,138.73
L Scholarship Transfer:	-144,185.02
M Other Adjustments:	-59,114.79
N Total Transfers and Adjustments:	-8,734.37
NET STATE FUNDING:	
O Total Calculated Funding Plus Total Transfers and Adjustments:	4,751,345.67
Disclosure Items:	
P Career-Technical Education Component of Line A (equal to FY19 funding):	4,993.87
Q Economic Disadvantaged Component of Line A (equal to FY19 funding):	15,498.38
R Special Education Additional Component of Line A (equal to FY19 funding):	228,143.23

## STATE FUNDING

### A. Foundation Formula Funding [Section 265.220]

Am. Sub. H. B. 166 provides that in FY20 and FY21, each school district will receive Foundation Formula Funding equal to the sum of the state payments the district received in FY19 under:

- a. Section 3317.022 of the Revised Code and section 265.220 of Am. Sub. H.B. 49 of the 132<sup>nd</sup> General Assembly and,
- b. Section 3317.0212 and division (D)(2) of section 3314.091 of the Revised Code.

The combination of these FY19 funding elements add up to the total FY19 calculated funding that appears on line 'N' of the FY19 SFPR as shown below:

OHIO DEPARTMENT OF EDUCATION  
OFFICE OF BUDGET AND SCHOOL FUNDING  
FY19 SUMMARY SCHOOL FUNDING REPORT FOR CITY, EXEMPTED VILLAGE AND LOCAL SCHOOL DISTRICTS  
(FY2019 Final #2 Payment, Data as of 12/13/2019)

IRN: OXXXXX

District: Any S.D.

County: Any

	CALCULATED FUNDING	STATE FUNDING
FOUNDATION FUNDING COMPONENTS:		
A Opportunity Grant:	1,612,256.91	1,612,256.91
B Targeted Assistance:	446,179.27	446,179.27
C K-3 Literacy Funding:	59,228.99	59,228.99
D Economic Disadvantaged Funding:	15,498.38	15,498.38
E Limited English Proficiency Funding:	1,978.80	1,978.80
F Gifted Education Funding:	67,090.16	67,090.16
G Transportation Funding:	569,474.23	569,474.23
H Special Education Additional Funding:	228,143.23	228,143.23
I Capacity Aid:	0.00	0.00
J Graduation Bonus:	8,874.26	8,874.26
K Third Grade Reading Bonus:	4,735.05	4,735.05
L Transitional Aid Guarantee:	1,620,635.13	1,620,635.13
M Career Tech Education Funding:	4,993.87	4,993.87
N Total Formula Funding:		<b>4,639,088.28</b>

The law provides for the FY20 and FY21 Foundation Formula Funding under this section to come directly from the most recent FY19 payment file, regardless of changes in enrollment, property values, and other data factors during the course of the fiscal years.<sup>3</sup> Therefore the amount that appears on line 'N' of the FY19 report as shown above, should match the number shown on line 'A' of the FY21 summary report, however as can be seen, the FY21 amount is smaller than the FY19 amount. This is due to the funding cuts that the governor introduced in FY20 in response to the COVID-19 pandemic emergency which materialized after the passage of Am. Sub. H. B. 166. The FY20 cuts were reflected in the FY20 payment reports starting with the second distribution in May 2020. Consequently, the FY21 Foundation Formula Funding on line 'A' of the FY21 summary payment report should match the FY20 Foundation Formula Funding amount that appears on line 'A' of the most recent run of the FY20 payment calculation. The details and the methodology of the calculation of these funding cuts are provided at this [link](#).

## ADDITIONAL AID ITEMS

### B. Student Wellness and Success Funding [Section 3317.0219]

Am. Sub. H.B. 166 introduced a new funding element in FY20 and FY21. Student Wellness and Success Funding is restricted state funding designed to help schools address the non-academic barriers to learning that students face every day. This includes student physical and mental wellbeing. Funding is restricted to 11 service categories:

<sup>3</sup> Note: There are two exceptions made to Section 265.220: 1.) Section 265.227 requires the Department to shift the career-tech education funding from a school district to a joint vocational school district, when the school district joins a JVSD in FY20 or FY21. This provision applies to Hamilton City SD and Butler-Tech Joint Vocational School District. 2) A provision included in Sec 18 of Am. Sub S. B. 51 of the 132<sup>nd</sup> General Assembly included language to adjust a school's state funding in specific situations. The provision only applied to Deer Park Community SD in which the Taxation Department adjusted the TY16 certified values.

1. Mental health services;
2. Services for homeless youth;
3. Services for child welfare involved youth;
4. Community liaisons;
5. Physical health care services;
6. Mentoring programs;
7. Family engagement and support services;
8. City Connects programming;
9. Professional development regarding the provision of trauma-informed care;
10. Professional development regarding cultural competence; or
11. Student services provided prior to or after the regularly scheduled school day or any time school is not in session.

Prior to spending these funds, school districts are required to develop implementation plans detailing how they plan to use the funds within the 11 restricted categories. The implementation plan must be developed in coordination with at least one of the following community partners:

1. Board of alcohol, drug and mental health services;
2. Educational service center;
3. County board of developmental disabilities;
4. Community-based mental health treatment provider;
5. Board of health of a city or general health district;
6. County department of job and family services;
7. Nonprofit organization with experience serving children; or
8. A public hospital agency.

Funding is distributed to school districts based on the most recent five-year estimates of federal census poverty data (2014 to FY18 for the FY21 calculation). Specifically, the measure provides the total number of resident students under the age of 18 who live in families with income below 185% of the federal poverty guidelines published by the United States Census Bureau in the American Community Survey. The distribution uses a quintile analysis based on the five-year estimates of poverty percent with the fund distribution directly related to the level of poverty reflected in each quintile, with the first quintile containing the highest poverty districts, the second quintile the second highest poverty districts, and so forth. The law also provides for the use of a number of measures applied to the funding calculation for each quintile. These measures include:

- a. Base percent of designated quintile which is the poverty percent of the lowest district in the designated quintile
- b. Base per pupil amount which is a per-pupil amount provided in law for each year of the biennium for each quintile
- c. Enrolled ADM for FY19 used in the calculation of the fund in FY20 and the enrolled ADM for FY20 used in the calculation of the fund in FY21. The enrolled ADM for each district is comprised of Total ADM including Entering Open Enrollment ADM, excluding Community School and STEM School ADM, excluding Exiting Open Enrollment ADM, excluding EdChoice Scholarship ADM, excluding the first year Cleveland Scholarship ADM, excluding Autism Scholarship ADM, excluding Jon Peterson Scholarship ADM, excluding JVS ADM, and excluding Contract Vocational ADM. If the Enrolled ADM for a year is less than 5, the district is not eligible for funding.

The following table provides a summary of the poverty percent and the calculation factors by quintile:

Quintile	Poverty Percent Range	Base Percent for Quintile	FY21 Base Per Pupil Amount
1	>=0.50080	0.50080	\$360
2	0.37753 - 0.50080	0.37753	\$290
3	0.30584 - 0.37753	0.30584	\$155
4	0.21269 - 0.30584	0.21269	\$70
5	<0.21269	0.00000	\$30

The calculation methodology for the FY21 Student Wellness and Success funding involves a number of steps that are explained below. To facilitate a better understanding of the calculation methodology, references are made to the actual Student Wellness and Success funding worksheet of our hypothetical district posted online and the above table that contains the calculation factors.

**OHIO DEPARTMENT OF EDUCATION**  
**OFFICE OF BUDGET AND SCHOOL FUNDING**  
**CALCULATION OF STUDENT WELLNESS AND SUCCESS FUNDING IN FY21**  
**(FY2021 October #1 Payment)**

IRN: 0XXXXX

District: Any S.D.

County: Any

**FACTORS AND PARAMETERS:**

a - Census Data Poverty %:	0.32255
b - District Quintile Designation:	3
c - Base % of Designated Quintile [Lowest % for Districts in Quintile]:	0.30584
d - Base Per Pupil Amount of Designated Quintile:	155.00
e - Base % of Quintile Higher than Designated Quintile [if b=1 then c]:	0.37753
f - Base Per Pupil Amount of Quintile Higher than Designated Quintile [if b=1 then d]:	290.00
g - Enrolled ADM FY20 [(g1+g2)-(g3+g4+g5+g6+g7+g8+g9)]:	1,300.03
g1 - Total ADM:	1,315.47
g2 - Entering Open Enrollment ADM:	240.03
g3 - Community and STEM School ADM:	46.57
g4 - Exiting Open Enrollment ADM:	152.43
g5 - EdChoice & Cleveland Scholarship K-12 ADM:	0.00
g6 - Autism Scholarship K-12 ADM:	1.69
g7 - Jon Peterson Total ADM:	7.99
g8 - JVS Jointure ADM:	44.32
g9 - Contract Vocational ADM:	2.47

**FUNDING CALCULATION:**

A - District Total Per Pupil Amount [if b=1 then d else (A1+d)]:	\$186.47
A1 - Scaled Per Pupil Amount [((a-c)/(e-c)*(f-d))]:	\$31.47
B - SWS Funding [if g>=5 then larger of B1 or B2 else 0]:	\$242,416.59
B1 - Calculated Student Wellness and Success Funding [g*A]:	\$242,416.59
B2 - Minimum Student Wellness and Success Funding:	\$36,000.00
C - Enhanced Student Wellness and Success Funding [(C2*g)]:	\$78,274.81
C1 - Did District Receive Supplemental Targeted Assistance in FY19?:	Yes
C2 - Enhanced SWS Per Pupil [If C1=Yes then (\$75*((a/0.36)^2)) else 0]:	\$60.21
D - Total Student Wellness and Success Amount [B+C]:	\$320,691.40



Calculation Methodology

1. Establish each district's Total Per Pupil Wellness and Success Amount. Depending on the quintile the district is in, this could be a combination of the FY21 Base Per Pupil amount and a second per pupil variable amount referred to as the scaled amount. For each district, a scaled amount is calculated by:
  - i. Obtaining the difference between the district's Census Data Poverty % and the Base % of the quintile the district is in. In our example from the worksheet this is (a - c) or  $(0.32255 - 0.30584) = \underline{0.01671}$
  - ii. Obtaining the difference between the Base % of the quintile higher than the designated quintile and that of the designated quintile. In our example this is (e - c) or  $(0.37753 - 0.30584) = \underline{0.07169}$
  - iii. Calculating the ratio of the result of 'i' to 'ii'. For our district this is  $(0.01671 / 0.07169) = \underline{0.23309}$
  - iv. Multiplying the result of 'iii' by the difference between the base per pupil amount of the quintile higher than the designated quintile and the base per pupil amount of the designated quintile. In our example this is (iii X (f - d)) or  $(0.23309 \times (\$290.00 - \$155.00)) = \underline{\$31.47}$
2. Establish the district's Total Per Pupil Amount. If the designated quintile is the first, the District Total Per Pupil amount is the same as the quintile's Base Per Pupil amount (\$250 in FY20 and \$360 in FY21). Otherwise it is the sum of the designated quintile Base Per Pupil amount and the scaled amount. In our example this is (A1 + d) or  $(\$31.47 + \$155) = \underline{\$186.47}$
3. Calculate Wellness and Success fund by multiplying the result of '2' by the FY20 enrolled ADM (A X d), or  $(\$186.47 \times 1,300.03) = \underline{\$242,416.59}$ . Each district receives at least \$25,000 in FY20 and \$36,000 in FY21. However, no funding is provided to a school district with fewer than 5 enrolled ADM.
4. In addition to the calculation of the Student Wellness and Success fund explained above, the law also provides for an Enhanced Student Wellness and Success fund. The calculation of this additional funding targets rural school districts, and is provided to districts that have received Supplemental Targeted Assistance in FY19. The calculation of this fund for eligible districts in FY21 is based on a per pupil amount that applies \$75 to the ratio of the Census Data Poverty % to 0.36 raised to the power 2. In our example this is  $(\$75 \times (a / 0.36)^2)$  or  $(\$75 \times ((0.32255 / 0.36)^2)) = \underline{\$60.21}$ .
5. The per pupil amount calculated in '4' is then multiplied by enrolled ADM for FY20 to get the total Enhanced Student Wellness and Success amount. In our example:  $(C2 \times g)$  or  $(\$60.21 \times 1,300.03) = \underline{\$78,274.81}$ .
6. The sum total of the amount calculated in '3' and the amount calculated in '5' establish the total Student Wellness and Success fund  $(\$242,416.59 + \$78,274.81) = \underline{\$320,691.40}$

**C. Enrollment Growth Supplement [Section 265.220(B)(2)]**

Am. Sub. H.B. 166 introduces a second new funding element in FY20 and FY21. Enrollment Growth Supplement targets school districts with growing student enrollment. School districts with at least 50 students in FY19 Enrolled ADM and positive average Enrolled ADM percentage change from FY16 to FY19 are eligible for funding. The calculation of this funding is based on the calculation of Enrolled ADM for FY16, FY17, FY18 and FY19 in the same manner Enrolled ADM is calculated for the distribution of Student Wellness and Success funds. The Enrollment Growth Supplement funding calculation is explained below with references to our example district.

The calculation of the Enrollment Growth Supplement consists of:

1. Calculating the rate of change in Enrolled ADM from FY16 to FY17
2. Calculating the rate of change in Enrolled ADM from FY17 to FY18
3. Calculating the rate of change in Enrolled ADM from FY18 to FY19
4. Averaging these ratios to obtain the average rate of change for the period FY16 to FY19

Funding is calculated for school districts with at least 50 students in Enrolled ADM in FY19 and a positive average rate of change. The FY21 Enrollment Growth Supplement is \$30 per pupil in FY19 Enrolled ADM multiplied by the average rate of change in Enrolled ADM times 100 and the proration factor. In our example, as shown in the table below, this is  $(B \times 100 \times \text{FY19 A} \times \$30)$ , or  $(0.013711 \times 100 \times 1,240.54 \times \$30) = \underline{\$49,614.45}$

**OHIO DEPARTMENT OF EDUCATION**  
**OFFICE OF BUDGET AND SCHOOL FUNDING**  
**FY21 CALCULATION OF THE ENROLLMENT GROWTH SUPPLEMENT**  
**(FY2021 October #1 Payment)**

ENROLLED ADM AND 3-YEAR AVERAGE % CALCULATION:	FY16	FY17	FY18	FY19
A) Enrolled ADM [(A1+A2)-(A3+A4+A5+A6+A7+A8+A9)]:	1,190.95	1,207.93	1,214.91	1,240.54
A1) Total ADM:	1,388.19	1,400.24	1,347.00	1,326.41
A2) Entering Open Enrollment ADM:	123.83	141.48	166.62	194.03
A3) Community and STEM School ADM:	63.98	77.75	56.57	62.21
A4) Exiting Open Enrollment ADM:	214.39	218.42	200.39	168.96
A5) EdChoice & Cleveland Scholarship ADM:	0.00	0.00	0.00	0.00
A6) Jon Peterson Total ADM:	4.95	5.00	5.11	9.00
A7) Autism Scholarship K-12 ADM:	0.02	1.00	1.00	1.00
A8) JVS Jointure ADM:	35.90	28.99	33.51	36.73
A9) Contract Vocational ADM:	1.83	2.63	2.13	2.00
 B) 3-Year Average Enrolled ADM % Change [(B1+B2+B3)/3]:				0.013711
B1) Enrollment ADM % Change FY16 to FY17 [(FY17 A - FY16 A) / FY16 A]:				0.014258
B2) Enrollment ADM % Change FY17 to FY18 [(FY18 A - FY17 A) / FY17 A]:				0.005778
B3) Enrollment ADM % Change FY18 to FY19 [(FY19 A - FY18 A) / FY18 A]:				0.021096

**SUPPLEMENT CALCULATION:**

C) Supplement Amount [C1*C2]:	\$49,614.45
C1) Formula Calculation [if FY19 A >= 50 and B > 0 then (B*100*FY19 A*\$30) else 0]:	\$51,025.89
C2) Proration Factor to Stay within Appropriation:	0.9723150900

**D. Preschool Special Education Funding [Section 3317.0213]**

The calculation of preschool special education remains unchanged from FY19. The preschool special education funding uses a formula that is comprised of two per-pupil amounts applied to the count of the current year special education preschool children. One of the per-pupil amounts is used without being equalized, while the other is equalized by the State Share Index of the foundation formula in FY19. In this manner this funding is recalculated with every payment of the fiscal year based on the most recent data available.

The un-equalized per pupil amount is \$4,000. This is applied to the total count of preschool children in FY21, regardless of their disability. The second per pupil amount is adjusted to the disability condition and is equalized by the FY19 State Share Index. For preschool children, the law provides for the classification of the special needs children into 6 categories to each of which it applies a per pupil amount based on the severity of the handicapping condition of the students in the category.

The law however multiplies the per-pupil dollar amounts by 0.5 to base this funding on half-day classes, which is typical for preschoolers. Here is the calculation:

$$\begin{aligned}
 & \text{[(Total Preschool Special Ed Counts) X \$4,000] +} \\
 & \text{[[Category 1 Preschool Special Ed Count) X \$1,578 X 0.5 X (FY19 State Share Index)] +} \\
 & \text{[[Category 2 Preschool Special Ed Count) X \$4,005 X 0.5 X (FY19 State Share Index)] +} \\
 & \text{[[Category 3 Preschool Special Ed Count) X \$9,622 X 0.5 X (FY19 State Share Index)] +} \\
 & \text{[[Category 4 Preschool Special Ed Count) X \$12,841 X 0.5 X (FY19 State Share Index)] +} \\
 & \text{[[Category 5 Preschool Special Ed Count) X \$17,390 X 0.5 X (FY19 State Share Index)] +} \\
 & \text{[[Category 6 Preschool Special Ed Count) X \$25,637 X 0.5 X (FY19 State Share Index)]}
 \end{aligned}$$



Category	Description of Condition	FY20 Per Pupil funding
1	Speech and Language Impairments	\$1,578.00
2	Intellectual Disabilities	\$4,005.00
	Specific Learning Disabilities	
	Other Health Impaired (Minor)	
	Developmental Delay (preschool only)	
3	Deafness (Hearing Impairment)	\$9,622.00
	Emotional Disturbance (SBH)	
4	Visual Impairments	\$12,841.00
	Other Health Impaired (Major)	
5	Multiple Disabilities (other than Deaf-Blind)	\$17,390.00
	Orthopedic Impairments	
6	Deaf-Blindness	\$25,637.00
	Autism	
	Traumatic Brain Injury (TBI)	

#### E. Special Education Transportation Funding [Administrative Rule 3301-83-01(D)]

This reflects the subsidy the state provides to school districts to reimburse a portion of the costs of transporting special needs students to school and the costs of the specialized equipment they need for that. Funding for special education transportation is based on the lesser of the cost or the sum of \$6 per pupil per day, plus half the amount by which the actual cost exceeds the \$6 per pupil per day component. The greater of the district's FY19 State Share Index or 25 percent, is applied to the amount of the calculated funding to establish the state contribution. The minimum state share was reduced from 60 percent in FY19 to 25 percent in FY20 and FY21 following revisions in the Administrative Rule that directs the calculation. As a reimbursement the special education transportation funding calculation is based on the number of students transported in the previous fiscal year.

#### F. Total Additional Aid Items (B+C+D+E)

This is the sub total of funding components 'B' through 'E' under the heading of Total Additional Items.

## STATE FUNDING

#### G. Total Foundation Formula Funding Plus Additional Aid Items (A+F)

This is the sum total of Foundation Formula Funding (item 'A') and Total Additional Aid Items (item 'F'). This shows the total funding that is appropriated and calculated for the district through the foundation formula in FY21.

## TRANSFERS AND ADJUSTMENTS

### H. Education Service Center Transfer [Section 3317.023(B)]

This reflects the funds deducted from the foundation funding of the school district and transferred to education service centers (ESCs) for services provided on behalf of the district. The deduction may only reflect the required \$6.50 per pupil transfer, or it may reflect a higher per pupil amount, funds transferred for preschool special education services provided by the ESC, and/or transfers for contracts made with the ESC under ORC 3313.845.

### I. Open Enrollment Adjustment [Section 3313.981(B)]

This reflects the net funding adjustment made for students who attend a school district other than their resident district through the Open Enrollment option. The adjustment is the net of all funds the district receives for nonresident students coming into the district and for resident students leaving the district to attend a neighboring district. Funding for open enrollment students in FY21 includes the formula amount of \$6,020 and additional funding for career tech education students, based on per pupil amounts listed in ORC Section 3317.014 for students participating in career tech programs. Here is the Open Enrollment Fund transfer calculation:

$$(\$6,020 \times \text{Total FTE of All Open Enrolled Students}) + \\ [(\$5,192 \times \text{Any Cat 1 CTE FTE}) + (\$4,921 \times \text{Any Cat 2 CTE FTE}) + (\$1,795 \times \text{Any Cat 3 CTE FTE}) + \\ (\$1,525 \times \text{Any Cat 4 CTE FTE}) + (\$1,308 \times \text{Any Cat 5 CTE FTE})]$$

In addition to the transfers referenced above, the law also provides for the transfer of special education Excess Cost for open enrollment students with an IEP, in accordance with ORC Section 3313.981(E). The Excess Cost adjustment, however, cannot be included on line 'I' transfers because of timing issues. Excess Cost transfers are made separately on the Statement of Settlement as SF6 (JV98 & JV99) transfers after the end of the fiscal year.

### J. Community School Transfer [Section 3314.08(C)]

This reflects the amount of funding deducted from the district for resident students who choose to attend community schools. Each district must fund the community schools that educate its students. Community school deductions are based on a set of calculations for the current year. These include:

- Opportunity Grant,
- Targeted Assistance,
- K-3 Literacy Funding,
- Economic Disadvantaged Funding,
- English Learner Funding,
- Special Education Additional Funding, and
- Career Technical Education funding,
- Transportation Funding (the law allows community schools to provide transportation services if they choose to.)

Funding for community schools is calculated based on the parameters of the law for each student attending. The aggregate of the funding amounts is then deducted from the total funding of the school districts of residence and sent to community schools.

For a complete explanation of the community school funding calculation and deduction please visit [this](#) link.

### K. STEM School Transfer [Section 3326.33]

The law provides for the same funding calculations for STEM schools as it does for community schools. So, all of the above mentioned funding elements are also calculated for STEM schools based on the same methodology.

**L. Scholarship Transfer [Sections 3310.02, 3310.08, 3310.09, 3310.51 – 3310.64, 3313.974, 3313.975, and 3310.41]**

This reflects the amount of deduction from the state funding of school districts for resident students who choose to participate in one of the scholarship programs as follows:

1. **Education Choice** program, established by ORC Sections 3310.02 and 3310.09, provides for vouchers to be issued to the parents of children who attend nonpublic charter schools. Under the law, parents are entitled to receive scholarships for eligible students based on the lesser of the cost of tuition at the nonpublic school, or the maximum allowable amount under this section of the law. The maximum allowable voucher amounts under this program are:
  - a. **\$4,650** for kindergarten through grade 8 [ORC 3310.09(A)], and
  - b. **\$6,000** for grades 9-12 [ORC 3310.09(B)].
2. **Jon Peterson Scholarship** program, established by ORC Sections 3310.51 through 3310.64. The program directs the Ohio Department of Education to calculate scholarships for eligible students with disabilities for services provided by an alternative public provider or a registered private provider. The amount of the scholarship voucher is deducted from the state funding of the student's district of residence. The state makes three calculations for each special needs student. ORC Section 3310.56 bases the funding on the least of these:
  - a. The amount of the tuition charged by the alternative public or private provider;
  - b. The sum of the formula amount of \$6,020 and the per pupil amounts for the six categories of special needs students listed in ORC Section 3317.013(A) to (F). See these categories and their respective per pupil amounts listed in section 'D' above; or
  - c. The per pupil amount of \$27,000.
3. **Cleveland Scholarship** program, established by ORC Section 3313.974 and 3313.975, provides scholarships to a number of students living in the Cleveland Municipal School District to attend alternative schools, and for an equal number of students to receive grants for tutoring while attending public school in the district.
4. **Autism Scholarship** program, established by ORC Section 3310.41(A), authorizes the Ohio Department of Education under ORC Section 3310.41(B) to pay scholarship to the parents of qualified children with disabilities in an amount not to exceed the lesser of the tuition charged, *or* \$27,000 for the child to attend a special education program that implements the child's IEP and is operated by an alternative public provider or registered private provider.

**M. Other Adjustments [Section 3317.023(H) and (I)]**

This section reflects some additional adjustments to the foundation calculation for funds transferred from a resident district to a contracted educating district for vocational or special education services. As part of this adjustment, the Department calculates transfers for contract vocational and special education services provided by ORC Section 3317.023(H), based on the foundation amount of \$6,020 plus the career tech and special education per pupil amounts specified in ORC 3317.013 and 3317.014. The law also outlines an adjustment for preschool services provided by Boards of Developmental Disabilities, as well as CTE Associated Services based on the per pupil figure of \$245 per career tech FTE. The result of this calculation is transferred to a JVS or a Career Tech Planning District that provides services to the district. Here are the calculations:

**Section 3317.023(H)**

$$\begin{aligned}
 & (\$6,020 \times \text{Total FTE}) + \\
 & [(\$5,192 \times \text{Any Cat 1 CTE FTE}) + (\$4,921 \times \text{Any Cat 2 CTE FTE}) + (\$1,795 \times \text{Any Cat 3 CTE FTE}) + \\
 & \quad (\$1,525 \times \text{Any Cat 4 CTE FTE}) + (\$1,308 \times \text{Any Cat 5 CTE FTE})] + \\
 & [(\$1,578 \times \text{Any Cat 1 SPC FTE}) + (\$4,005 \times \text{Any Cat 2 SPC FTE}) + (\$9,622 \times \text{Any Cat 3 SPC FTE}) + \\
 & \quad (\$12,841 \times \text{Any Cat 4 SPC FTE}) + (\$17,390 \times \text{Any Cat 5 SPC FTE}) + (\$25,637 \times \text{Any Cat 6 SPC FTE})]
 \end{aligned}$$

**Section 3317.023(I)**

$$(\text{Total CTE FTE}) \times \$245 \times (\text{District's FY19 State Share Index})$$

**N. Total Transfers and Adjustments (H+I+J+K+L+M)**

This line reflects the total of all transfers and adjustments that appear on line 'H' through 'M' of the SFPR (H+I+J+K+L+M).

**NET STATE FUNDING****O. Total Calculated Funding Plus Total Transfers and Adjustments (G+N)**

This line reflects the Net State Foundation Funding amount after the application of all transfers and adjustments.

**DISCLOSURE ITEMS**

These items of funding are part of the Foundation Funding that appears on line 'A' of the SFPR. They represent the distributions of these funds to school districts in FY19 as part of their total foundation formula funding. These funding elements have restricted uses and must be spent in accordance with the specifications in the law. These funds also satisfy federal maintenance of effort requirements. Consequently, their amounts are identified individually to assist school districts with proper coding. The three disclosure items on the FY21 SFPR are:

**P. Career-Technical Funding Component of Line 'A'**

The total the district received in FY19 in Career-Technical Funding.

**Q. Economic Disadvantaged Funding Component of Line 'A'**

The total the district received in FY19 in Economic Disadvantaged Funding.

**R. Special Education Additional Funding Component of Line 'A'**

The total the district received in FY19 in Special Education Additional Funding.

During a fiscal year, the Department runs the annual foundation formula funding reflected on the SFPR 24 times – twice each month. The updated annual calculations are divided into 24 payments and distributed to school districts on scheduled dates. Up to FY20 with each recalculation of the SFPR as the fiscal year progressed, the state used more updated data elements for the calculation of every funding or adjustment items on the SFPR including the formula funding.

In FY20 and FY21 however, provisions of Am. Sub. H. B. 166 direct the Department to establish the same total calculated formula funding the district has received in FY19 as Foundation Funding. This funding is not sensitive to changes in FY20 and FY21 factors and remain constant throughout the fiscal year. Since the calculation of the

new funding items: Student Wellness and Success funding and the Enrollment Growth Supplement is predicated on previous year data and parameters provided in law, we do not expect to see changes in these amounts through the year either.

All other funding components and adjustments and transfers that are shown on the FY21 SFPR are sensitive to factor changes during the course of the fiscal year as before. So, these calculated amounts potentially change as the year progresses and new relevant data elements are used in their calculations.

For each payment during the year, the Department generates a [Statement of Settlement](#) that shows the amount of each payment during the year. In addition to foundation funding of the SFPR for each payment, the Statement of Settlement reflects several other funding adjustments and recalculations that must be applied to the state payment of the district. The SFPR shows how each component of the foundation formula is calculated. The Statement of Settlement shows how annual calculations from the SFPR are paid out to the school districts in installments after the additional funding adjustments.

The Department's Office of Budget and School Funding strongly encourages your feedback on this document to help us improve its usefulness. Please direct your questions and comments to the staff of the Office of Budget and School Funding, Daria Shams at (614) 466-6253 or [daria.shams@education.ohio.gov](mailto:daria.shams@education.ohio.gov) or Elena Sanders at (614) 752-1561 or [elena.sanders@education.ohio.gov](mailto:elena.sanders@education.ohio.gov).