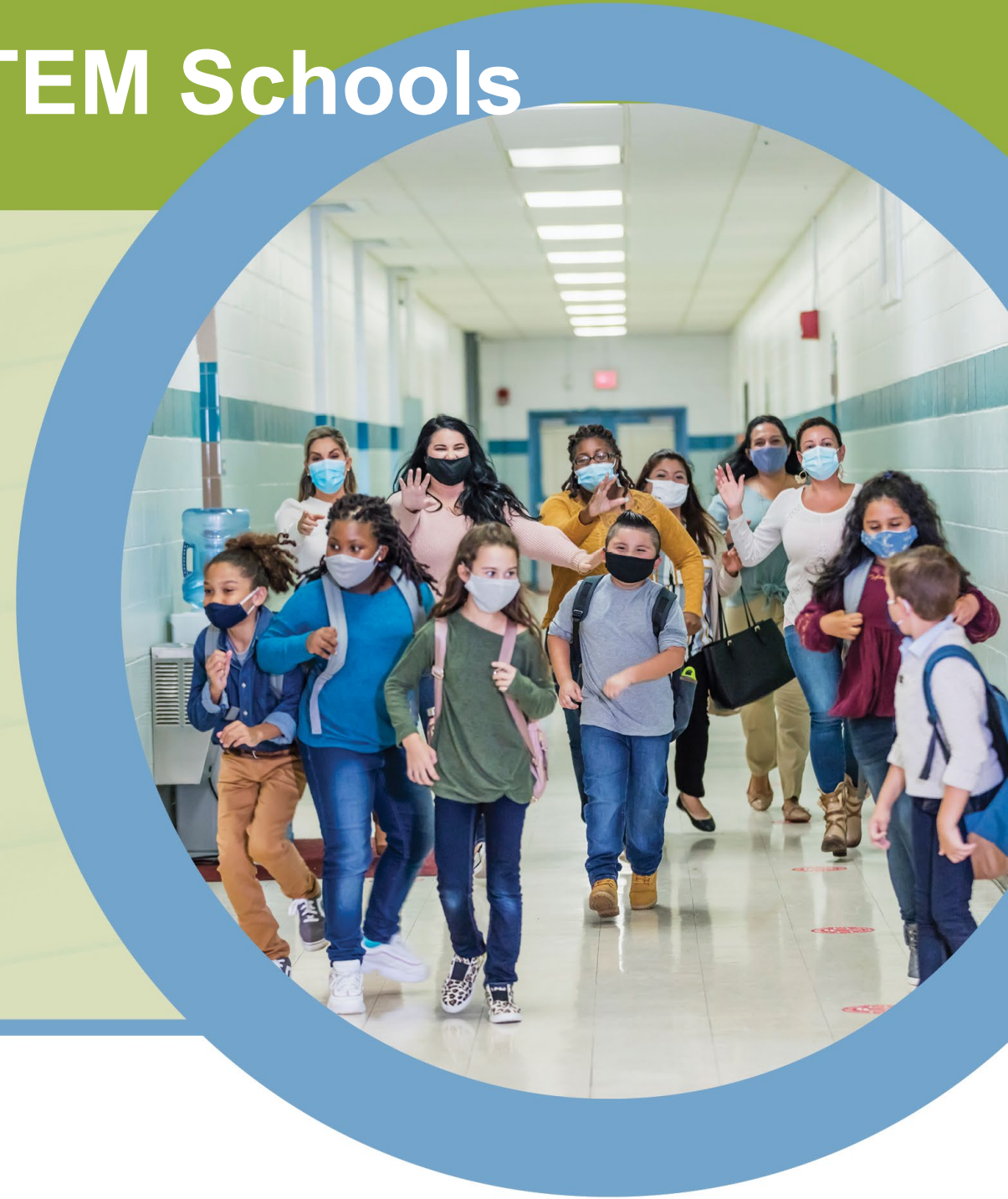


# HB 110 – Funding for Community/STEM Schools



Elena Sanders and James Lansden  
Office of Budget and School Funding - 5/4/2022

# HB 110 – Key Changes for Community/STEM Schools

- Implements the Fair School Funding Plan for FY22 and FY23.
- Direct funding for Community Schools, STEM Schools, Scholarship Programs, and Open Enrollment (fund students where they are educated).
- Establishes a base cost methodology based on student teacher ratios.
- Revises categorical aid and restricts funds for subgroups.

# Payment Report – Community Schools

[If F(b) < F(a+c), d=b,

else d=a+c]

[a]  
Base State  
Funding

[b]  
Calculated State  
Funding

[c=(b-a)\*%]  
Phase-in  
Funding<sup>1</sup>

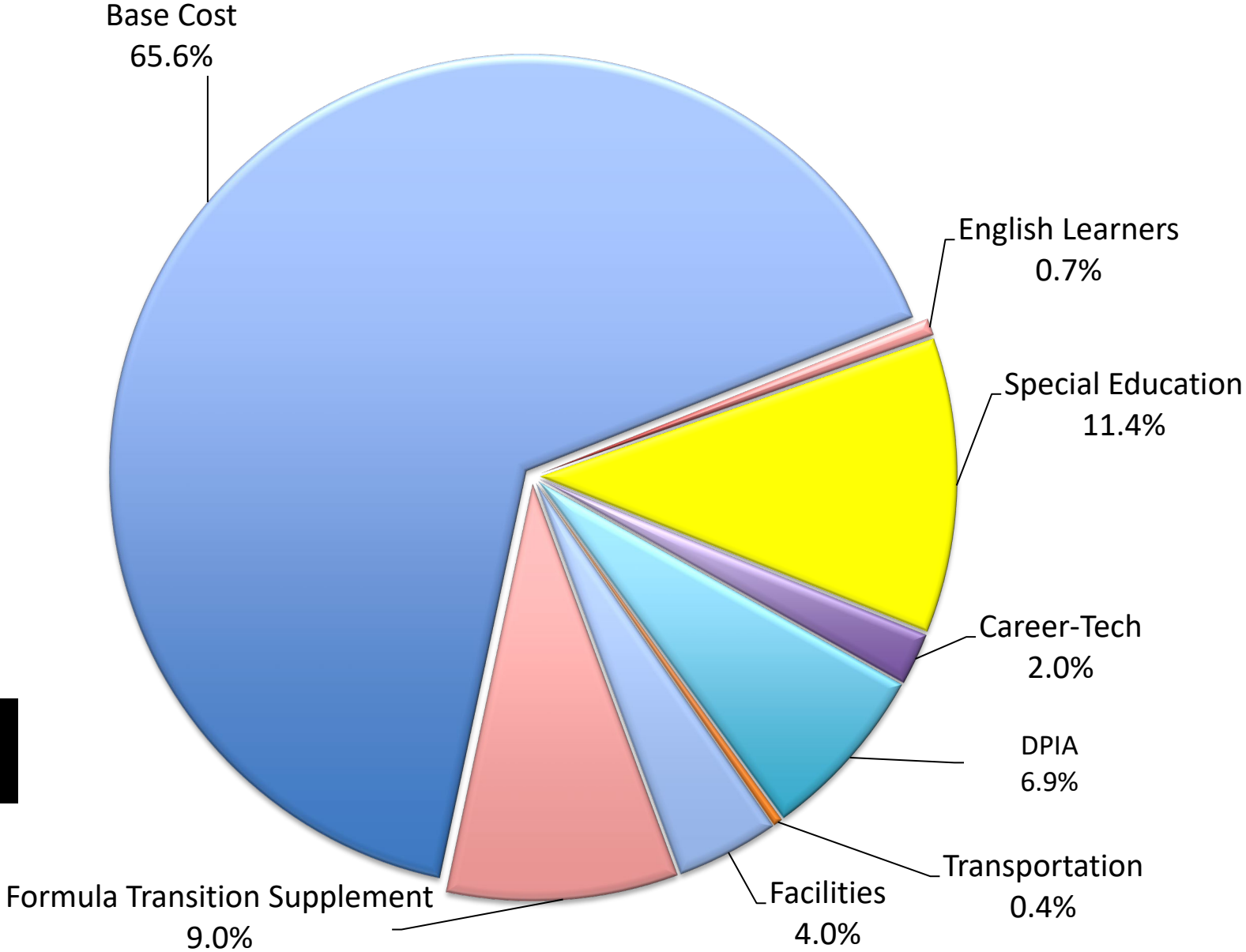
State  
Funding

	[a] Base State Funding	[b] Calculated State Funding	[c=(b-a)*%] Phase-in Funding <sup>1</sup>	[If F(b) < F(a+c), d=b, else d=a+c] State Funding
<b>State Support</b>				
A Base Cost	\$670,500,768.43	\$845,382,643.25	\$29,152,808.55	\$689,327,919.59
B Special Education	\$123,325,931.76	\$137,778,642.96	\$2,409,266.93	\$120,168,981.71
C Disadvantaged Pupil Impact Aid (DPIA)	\$59,238,133.96	\$124,470,405.46	\$10,874,219.69	\$72,340,236.08
D English Learners	\$6,908,060.33	\$7,131,099.59	\$37,180.67	\$6,875,991.70
E Career Technical Education	\$18,092,859.75	\$35,966,244.03	\$2,979,493.12	\$21,285,851.48
F Core Foundation Funding [A + B + C + D + E]	\$878,065,754.23	\$1,150,729,035.29	\$45,452,968.96	\$909,998,980.56
G Transportation				\$3,835,521.18
H Formula Transition Supplement				\$94,282,710.41
I Facilities				\$41,999,999.04
J Total State Support [F + G + H + I]				\$1,050,117,211.19

# Community/STEM School Funding – FY22

**\$9,048  
per pupil**

**\$1.05 Billion**

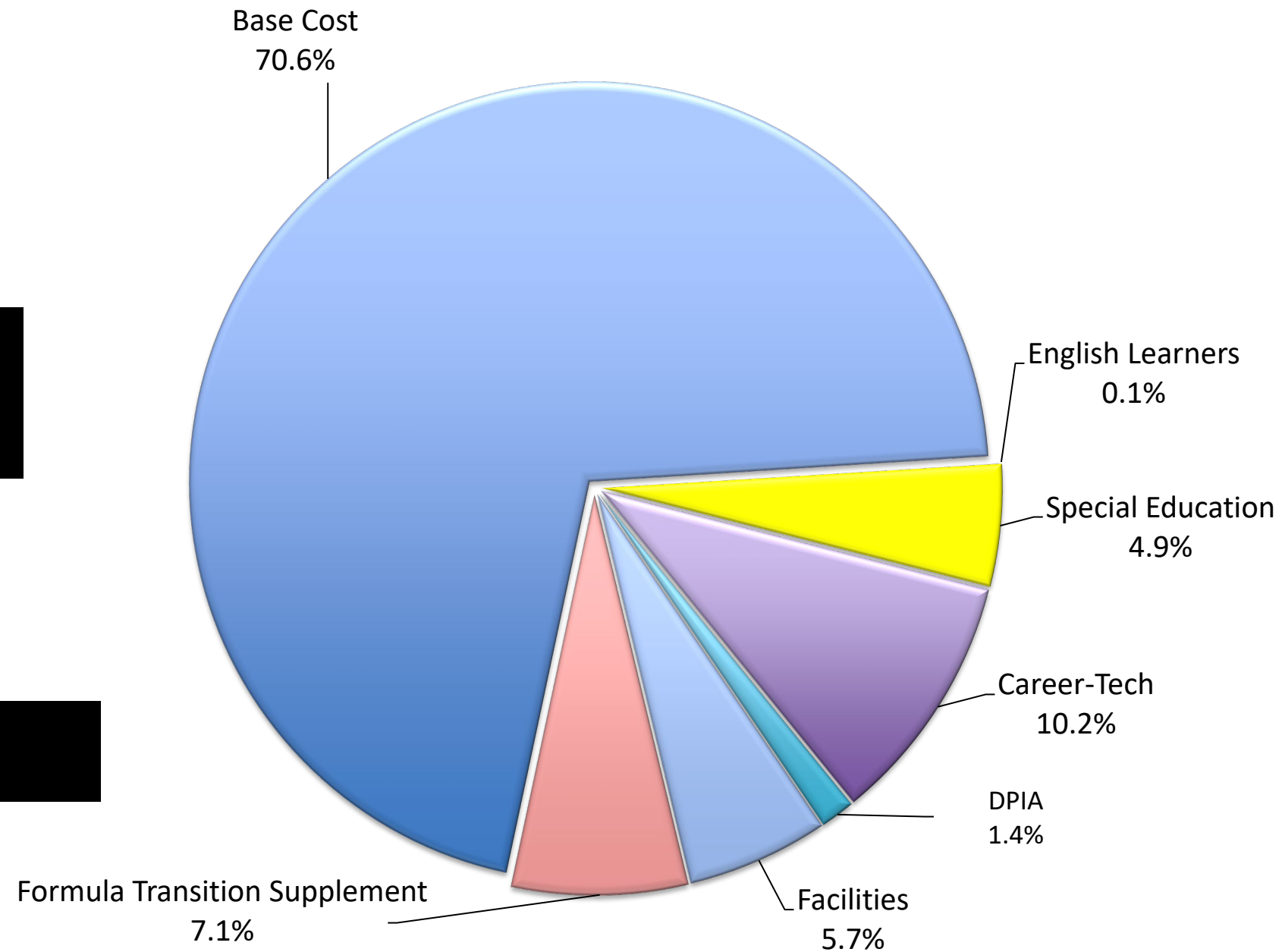


\*FY22 March Payment

# STEM School Funding – FY22

**\$8,660  
per pupil**

**\$32.1 Million**



\*FY22 April Payment

# Base Cost

## Prior Law

- Since the 2013-14 school year, this element of the formula is referred to the **opportunity grant** or **formula amount**.
- In FY19, the per-pupil amount was \$6,020.
- The per-pupil amount has received criticism because it is not connected to the actual cost of educating a student.

## As Passed in HB 110

- Using an input-based and professional judgement approach to a **base cost**.
- Statewide average per-pupil amounts calculated on the traditional districts side are used for community/STEM schools.
- Each community school will generate a **different base cost amount**.
- The statewide average base cost per pupil is **\$7,349.22 (if fully phased-in)**.



# Base Cost (cont.)

- Base cost funding includes five areas:
  1. Teacher Base Cost (4 subcomponents)
  2. Student Support Base
  3. Leadership & Accountability
  4. Building Leadership & Operations
  5. Athletic Co-Curricular (contingent on eligibility)
- Statewide Average Base Cost Per-pupil for #2-5 are calculated on the traditional district side using districts' FY18 expenditure data

# Categorical Aid

- Provides additional funding beyond base cost for:
  - Economically disadvantaged students (increased per pupil amount - \$272 to \$422 and renamed disadvantaged pupil impact aid)
  - English learners – funds are **restricted** to English learners. Funding levels converted to **weights**.
  - Students with disabilities – increased per pupil amounts. Funding levels converted to **weights**.
  - Career-Technical Education – Funding levels converted to **weights**.



# Categorical Aid Weights

Special Education and English Learners Weights are multiplied by Statewide Average Base Cost Per-Pupil

Category	Description	FY22 - FY23 Weight
1	Speech and Language Impairments	0.2435
2	Intellectual Disabilities	0.6179
	Specific Learning Disabilities	
	Other Health Impaired (minor)	
	Developmental Delay (preschool only)	
3	Deafness (Hearing Impairment)	1.4845
	Emotional Disturbance (SBH)	
4	Visual Impairments	1.9812
	Other Health Impaired (major)	
5	Multiple Disabilities (other than deaf-blind)	2.6830
	Orthopedic Impairments	
6	Deaf-Blindness	3.9554
	Autism	
	Traumatic Brain Injury (TBI)	

Category	Description	FY22 - FY23 Weight
1	Students identified as English learners and enrolled in schools in the U.S. for 180 days or less.	0.2104
2	Students identified as English learners and enrolled in schools in the U.S. for more than 180 days until the student achieves a proficient score on the spring administration of the state's English language proficiency assessments.	0.1577
3	Students who achieved the proficient score on the spring administration of the state's English language proficiency assessments (for two years after they initially earned the proficient score).	0.1053

# Categorical Aid Weights

Career Technical Education Weights are multiplied by Statewide Average Career Technical Base Cost Per-Pupil

Category	Description	FY22 -FY23 Weight
1	WFD in Agriculture and Environmental Systems, Construction Technologies, Engineering and Science Technologies, Finance, Health Science, Information Technology and Manufacturing Technologies.	0.6230
2	WFD in Business Administration, Hospitality and Tourism, Human Services, Law and Public Safety, Transportation Systems and Arts and Communications .	0.5905
3	Career-based Intervention Programs.	0.2154
4	WFD in Education and Training, Marketing, WFD in Academics, Public Administration and Career Development.	0.1830
5	Family and Consumer Science Programs.	0.1570

# Student Wellness and Success Funding

## Prior Law

- Student Wellness and Success Funding is a stand-alone item designed to serve all students.
  - May be used for certain designated initiatives, based on a plan developed with two community partners.
- Per-pupil funding scaled based on census poverty data.

## As Passed in HB 110

- Moves Student Wellness and Success Funding initiative into the DPIA funding.
- Allows funds to be spent on certain initiatives, including those previously designated under the Student Wellness and Success Funding.
- Requires that community schools develop implementations plans with a community partner as to how they plan to use these DPIA funds. This is like the requirement that existed under the stand-alone Student Wellness and Success.
- Unspent funds from FY20 and FY21 continue to be restricted for SWSF purposes.

# Base Cost – Student Wellness and Success

This restricted portion of the base cost is calculated in the following manner:

1. Using data from the Statewide Traditional District Base Cost report calculate the ratio of Student Wellness and Success Cost to Student Support Base Cost and then apply the resulting ratio to the Statewide Student Support per pupil amount. This results in the Student Wellness and Success per pupil amount.
2. Multiply the resulting Community School Student Wellness and Success per pupil amount from step #1 by the Community School Enrolled ADM. That results in an aggregate Student Wellness and Success funding before the phase-in.
3. Divide the aggregate amount calculated in #2 into the Community School Aggregate Base Cost.
4. Apply the ratio from #3 to the Base Cost State Funding amount of the Summary SFPR.
5. The amount calculated in #4 will be displayed on Base Cost – Student Wellness and Success line in the Annual Amount column of the Statement of Settlement and subtracted from the Base Cost line.

# Restricted Funds

- 3211 – Disadvantaged Pupil Impact Aid (DPIA) (formerly known as Economically Disadvantaged funding)
- 3218 – Student Wellness and Success Funding (previously receipted with 3219)
  - [DPIA and SWS Guidance](#)
- 3215 – Career Technical Education Funding (previously receipted with 3219)
- 3217 – English Learner Funding
  - [EL Guidance](#)

# Phase-In Approach\* (for most schools)

- Most schools will not see their full amount calculated by the formula in FY22. They will gradually get there through a phase-in.
  - Phase-in percentage of 16.67% in FY22 and 33.33% in FY23.
  - Transportation and Facilities funding not subject to phase-in.
  - Full phase-in period is over the course of 6 years.
- Some schools will receive the full amount in FY22 because it is less than their funding base and no phase-in necessary.

# Funding Base

- 3317.02 (P)(1-3) Community Schools
- 3317.02 (Q)(1-3) STEM Schools
  
- Schools operating in FY20
  - Amount paid to school in FY20
  - FY20 Final #2 – Sum of Lines I, L and M
- Schools not in operation in FY20 - opened in FY21 and FY22
  - Amount school would have been paid had it been opened in FY20



# Phase-In Approach (most schools)

	[a] Base State Funding	[b] Calculated State Funding	[c=(b-a)*%] Phase-in Funding <sup>1</sup>	[If F(b) < F(a+c), d=b, else d=a+c] State Funding
<b>State Support</b>				
A Base Cost	\$670,670,102.61	\$839,644,187.45	\$28,167,979.94	\$687,886,374.43
B Special Education	\$123,491,195.64	\$138,169,103.09	\$2,446,807.26	\$120,601,869.04
C Disadvantaged Pupil Impact Aid (DPIA)	\$59,057,216.30	\$124,577,992.17	\$10,922,313.38	\$72,166,372.15
D English Learners	\$6,909,575.33	\$7,187,350.90	\$46,305.14	\$6,886,162.17
E Career Technical Education	\$18,551,203.97	\$37,174,933.86	\$3,104,575.77	\$21,738,715.08
F Core Foundation Funding [A + B + C + D + E]	\$878,679,293.85	\$1,146,753,567.47	\$44,687,981.49	\$909,279,492.87

# Formula Transition Supplement

- Calculated on a per-pupil basis (new)
- FY21 funding components used to calculate the per-pupil amount:
  - Opportunity Grant (before the executive ordered reductions), Economically Disadvantaged, English Learners, Special Education, K-3 Literacy, Career-Tech, Transportation, Graduation Bonus, 3<sup>rd</sup> Grade Reading Bonus, and Student Wellness and Success

# Payment Reports

- Funding has been calculated based on the new funding formula starting with January 2022
- Payment Reports are available [here](#)
  - Base Cost Report
  - Detailed SFPR
  - Other Adjustments Report
  - Payment Comparison Report
  - Statement of Settlement
  - Summary SFPR

# How reports work together

- **Detailed SFPR** calculations are reflected in Calculated State Funding – column [b] on **Summary SFPR**
- **Summary SFPR** Column [d] amounts are reflected in Annual Amount Column on **Statement of Settlement**

# Other Adjustments

- **NEW** - Other Adjustments (Line L) on the SFPR
  - Career-Tech Associated Services – use **USAS 476**
  - Catastrophic Cost Reimbursement – use **USAS 3110**
    - 10% of Special Education funds are to be withheld for catastrophic cost reimbursement claims

# Transportation

- Transportation
  - FY22 T-1 Transportation Data was used for the first time in February.
    - The ridership amounts that were entered into the T-1 report were used to calculate transportation funding.
  - Prior to February, FY21 EMIS ridership data was used to calculate transportation.

# School Funding Resources

- Funding Bases (Excel File)
- Excel file of Summary SFPR
- Supplemental Reports
- CTE Guidance Letter/Spreadsheet



# Monthly Payment Letter

- Pertinent information about each monthly payment
- [Payment letters are available here](#)
  - Posted one week prior to the payment date

The screenshot shows a document titled "State Foundation Payment Letter" for the "Fiscal Year 2022 April Community School Payment on April 14, 2022". It includes a table of payment dates for FY2022, a section on "AMENDED SUBSTITUTE HOUSE BILL 110" explaining changes to state foundation funding, and a section on the "SCHOOL FINANCE PAYMENT REPORT" (SFPR) detailing the calculation and distribution of funding. The document is from the Ohio Department of Education.

#EachChildOurFuture

**State Foundation Payment Letter**  
Fiscal Year 2022 April Community School Payment on April 14, 2022

**GENERAL INFORMATION ON SCHOOL FOUNDATION PAYMENT REPORT**

Foundation payments for community schools are calculated once a month. The April payment represents the tenth payment for FY2022. This letter, generated with each foundation payment, provides details about updated payments to these entities including fund deductions, adjustments and transfers. The Department strongly encourages the reading of this letter as it answers many questions regarding foundation payments and provides links to important reports. The scheduled payment dates for FY2022 are below:

July 14, 2021	January 14, 2022
August 13, 2021	February 14, 2022
September 14, 2021	March 14, 2022
October 14, 2021	April 14, 2022
November 12, 2021	May 13, 2022
December 14, 2021	June 14, 2022

**AMENDED SUBSTITUTE HOUSE BILL 110**

The recently enacted state budget made significant changes to the calculation and payment of state foundation funding. One of the biggest changes is a move to fund students where they are educated, rather than where they reside. Another significant change in the new formula is a variable base cost per pupil amount. This means that the funding provided to each community school student will vary based on the base cost calculation for the community school where the student is enrolled. Additionally, community schools will be subject to a phase-in of the new funding formula but will benefit from a per-pupil guarantee (formula transition supplement). Community schools are now funded directly and the deductions and transfers from resident districts of students is no longer occurring.

**SCHOOL FINANCE PAYMENT REPORT**

Beginning with the January payment, the provisions of Am. Sub. H.B. 110 were applied to the calculation and distribution of state foundation funding. The new School Finance Payment Report (SFPR) displays information on each funding element of the new foundation formula with all relevant data elements and calculation parameters for each educational entity. For this payment, a Summary and Detailed SFPR is provided. Future payments will include additional reports explaining all elements of the payment in greater detail including base cost and other adjustments. [All FY2022 payment reports can be accessed through this link.](#)

The Summary SFPR provides the calculation of funding components in the foundation formula. Under the title State Support the five funding elements of Core Foundation Funding are listed on lines A through E. In addition to the Core Foundation Funding, the report also includes other funding elements of the formula on lines G, H and I. Next, the report includes Transfers, with line N giving the

Page 1 | State Foundation Payment Letter | FY22 April Community School Payment

Ohio Department of Education

# School Funding – FY23

- Detailed SFPR/Base Cost
  - Weights Remain Constant
  - Update to FY23 (Current Year) Enrolled ADM for Base Cost and Categorical Funding
- Funding Bases Remain Constant
- Phase-In - 33.33%



**@OHEducation**

**Questions???**



**@OHEducation**

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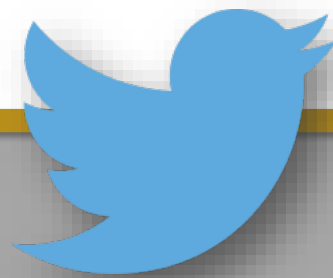
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