



Glenda Ritz, NBCT
Indiana Superintendent of Public Instruction

To: Business Managers, Business Officers, Treasurers and Charter School Sponsors

From: Melissa K. Ambre, Director, Office of School Finance

Date: June 18, 2014

Subject: Overview of FY2015 State Tuition Support Grants

This memorandum provides an update of the count information used to determine state tuition support funding for FY2015. The monthly state tuition support payment will include funding for the following grants: Tuition support, Full-day Kindergarten (FDK), Complexity, Special Education, Honors, and Career and Technical Education (CTE).

The Basic Tuition Support, Complexity, and Full-day Kindergarten (FDK) grants use two actual counts, Fall ADM and Spring ADM, to determine FY2015 grant amounts. Special Education, Honors, and CTE grants use only one actual count to determine FY2015 grant amounts.

MAY ESTIMATE

In May, school corporations and charter schools provided the Department with an estimate of the school corporation's average daily membership (ADM) and FDK counts that should closely reflect the count of students in September 2014. The Department could choose to update and adjust the estimates. The ADM and FDK counts will determine estimated funding for Basic Tuition Support, Complexity and Full-day Kindergarten for the months of July through October 2014.

SEPTEMBER COUNT

July 1, 2014 to December 31, 2014

The September 12, 2014 ADM and FDK counts will determine Basic Tuition Support, Complexity, and FDK funding for the period of July 1, 2014 to December 31, 2014. Because the September counts will not be available on July 1, the Department will use May estimated ADM and FDK counts for the July to October payments. In November, the Department will recalculate and adjust the remaining months' payments during the period of July to December to effect the change in the Basic Tuition Support, Complexity, and FDK grants.

Recap: The Department will use the September 2014 ADM and FDK counts to determine Basic Tuition Support, Complexity, and Full-day Kindergarten grant amounts for the period of July 1, 2014 to December 31, 2014.

Reconciliation: When the September 2014 counts are final, the Department will reconcile the November and December payments within the first six-month period to reflect any over or under payment of Basic Tuition Support, Complexity and FDK grants. An overpayment of grants results when the July to October payments used an ADM or FDK count that was higher than the September 2014 actual ADM or FDK count. Reconciliation of the September 2014 ADM and FDK counts will negatively impact the November and December basic tuition support, complexity and FDK payments. For example, if the recalculation results in a school corporation or charter school having been overpaid by \$50,000, the last two payments of the six-month period will be reduced by \$25,000 each month to reconcile the overpayment.

An underpayment results when the July to October payments used an estimated ADM or FDK count that was lower than the actual September 2014 counts. Reconciliation of the September 2014 counts will positively impact the November and December Basic Tuition Support, Complexity and FDK payments. For example, if the recalculation results in a school corporation or charter school having been underpaid by \$50,000, the last two payments of the six month period will be increased by \$25,000 each month to reconcile the underpayment.

School corporations and charter schools have the ability to go into the Finance Application Center and recalculate the grants when the September ADM and FDK counts are final. Doing so will provide the school corporation and charter school the opportunity to determine in advance of the adjustments whether an increase/decrease is likely in the November and December payments.

January 1, 2015 to June 30, 2015

The Department will continue to use the September 2014 ADM and FDK counts for Basic Tuition Support, Complexity and FDK funding through the March 2015 payment. When the February 2015 ADM and FDK counts are final, the Department will recalculate and adjust the April through June payments during the second half (January to June 2015) of the fiscal year to effect the change in the grant amounts.

Recap: The Department will use the February 2015 ADM and FDK counts to determine Basic Tuition Support, Complexity, and FDK grants for the period of January 1 to June 30, 2015.

Reconciliation: When the February counts are final, the Department will reconcile the April through June 2015 payments within the second six-month period to reflect any over or under payment of Basic Tuition Support, Complexity and FDK grants. An overpayment of grants would result when the January to March payments used an ADM or FDK count that was higher than the February 2015 actual ADM or FDK count. Reconciliation of the February 2015 ADM and FDK counts will negatively impact the April to June Basic Tuition Support, Complexity and FDK payments. For example, if the recalculation results in a school corporation or charter school having been overpaid by \$60,000, the last three payments of the six-month period will be reduced by \$20,000 each month to reconcile the overpayment.

An underpayment results when the January to March payments used the September ADM or FDK count that was lower than the February 2015 actual counts. Reconciliation of the February 2015 counts will positively impact the April to June Basic Tuition Support, Complexity and FDK payments. For example, if the recalculation results in a school corporation or charter school having been underpaid by \$60,000, the last three payments of the six month period will be increased by \$20,000 each month to reconcile the underpayment.

SPECIAL EDUCATION GRANT

July 1, 2014 to June 30, 2015

The Department will continue to use the December 1, 2013 Special Education counts for Special Education funding from July 2014 through January 2015 until the December 1, 2014 Special Education counts are final.

The December 1, 2014 Special Education counts will be used to determine Special Education grant funding for the period of July 1, 2014 to June 30, 2015. When the December 1, 2014 Special Education counts are final, the Department will recalculate the Special Education grant to determine if an overpayment or underpayment occurred during the period of July 1, 2014 through January 31, 2015.

Recap: The December 1, 2014, Special Education counts will be to determine the fiscal year 2014-2015 Special Education grant amount.

Reconciliation: If an overpayment occurred, the Department will proportionately reduce the February through May Special Education payments to effect the change. If an underpayment occurred, the Department will upwardly adjust the February Special Education payment to effect the change in the Special Education grant.

HONORS GRANT

July 1, 2014 to June 30, 2015

The October 2013 Graduate Report counts will be used for the Honors grant for the period of July 1, 2013 to June 30, 2014. Because the actual October 2014 Graduate Report counts will not be available until later in the fall, the Department will continue to use the October 2013 Academic Honors and Core 40 with Technical Honors counts until updated counts are available.

Recap: The October 2014 Academic Honors and Core 40 with Technical Honors counts will be used to determine the fiscal year 2014-2015 Honors grant amount.

Reconciliation: When the Honors counts are final, the Department will recalculate the Honors grant to determine if an overpayment or underpayment occurred during the period of July 2014 to November 2014 and reconcile the over/underpayment during December and the period of January to June 2015.

CAREER AND TECHNICAL EDUCATION (CTE)

July 1, 2014 to June 30, 2015

The September 2014 Career and Technical Education counts will be used for Career and Technical Education funding for the period of July 1, 2014 to June 30, 2015. Because the September CTE counts will not be available until later in the fall, the Department will continue to use the September 2013 CTE counts until updated counts are available.

Recap: The September 2014 CTE counts will determine fiscal year 2014-2015 Career and Technical Education grant amount.

Reconciliation: When the CTE counts are final, the Department will recalculate the career and technical education grant to determine if an overpayment or underpayment occurred during the period of July to November 2014 and reconcile the over/underpayment in December.

For questions regarding this memorandum, please contact Melissa Ambre at mambre@doe.in.gov or Kaitlin Boldt at kboldt@doe.in.gov or by calling 317-232-0840.