



TO: Indiana State Board of Education

FROM: Melissa Ambre, Director of School Finance

DATE: June 22, 2016

RE: Recommendation for IPS Funding – TSO withholding

Pursuant to I.C. 20-31-9.5-3(c) and 511 IAC 6.2-9-4(b), the State Board of Education (“Board”) is charged with determining the amounts of tuition support and federal funds that are necessary to fund each turnaround academy. However, the timing of tuition support payments and withholdings are controlled by statute, and with respect to withholdings, by contract. Pursuant to I.C. 20-43-2-1, the Department must make state tuition support payments every 40 days. In furtherance of I.C. 20-43-2-1, The State Budget Director, each year, publishes a tuition support payment schedule. For the month of July, the schedule requires state tuition support be paid on July 15, 2016. With respect to withholdings, the contract to which Indiana Department of Education (“Department”) and the turnaround operators (“TSOs”) are parties requires payment to the TSOs be made in accordance with the schedule established by the State Budget Director.

Below is the methodology for payments made to the TSOs. The Department respectfully asks the Board to adopt the Department’s recommendations based on the methodology below.

Recommendation for State Tuition Support Withholding – Indianapolis Public Schools (IPS)

Pursuant to I.C. 20-31-9.5-3(c) and 511 IAC 6.2-9-4(b), the Department recommends the following amounts be withheld from the **state tuition support grant** to be distributed to IPS from July 1 through December 31, 2016, to be used for operation of the turnaround academies:

Emman Donnan MS	\$1,458,420.10
Thomas Howe	\$1,988,072.52
Emmerich Manual	\$2,707,721.29

The recommended amounts are based on the following counts for each turnaround academy: December 1, 2015, special education child count multiplied by the applicable categorical amount; May 2016 average daily membership (ADM) estimated count multiplied by the applicable amount for complexity grant and basic tuition support funding;



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the October 2015 graduation report counts for the honors grant multiplied by \$1,000 or \$1,400 for honors funding; and the September 18, 2015, career and technical education counts for career and technical education multiplied by the applicable amounts for career and technical education funding.

The initial basic tuition and complexity grant estimates for withholding are based on the May 2016 estimated ADM counts for basic tuition support and complexity funds.

Reconciliation: For complexity and basic tuition support, the Department will use a fall (September 2016) and spring (February 2017) count of ADM to determine funding for each six month period within the fiscal year. For special education funding, the Department will use the December 1, 2016, count to determine funding for the state fiscal year. For honors funding, the Department will use the October 2016 Graduate Report counts to determine state fiscal year funding. For career and technical education funding, the Department will use the fall (September 2016) count information to determine career and technical education funding. All grant totals will be added together to determine state fiscal year funding to the turnaround operator(s).

I.C. 20-43-4-9 requires the use of the fall count of ADM for the first six months of state fiscal year funding and the spring count of ADM for the second six months of the state fiscal year tuition support funding. Accordingly, the Department will reconcile any over or underpayments in withholding and payments resulting from the use of the fall and spring counts within the applicable six month period and state fiscal year.

Reconciliation periods will occur in December 2016 for Honors and Career and Technical Education funds, November 2016 and April 2017 for basic tuition support and complexity funds, and February 2017 for special education funds. During each reconciliation period, grants will be recalculated and updated to reflect actual counts. Payments will be adjusted to account for any over or under payment of the State Tuition Support funds. When changes occur, the Department will notify turnaround academy operators and IPS Superintendent.



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The estimated FY2017 state tuition support and the July – December 2016 amount to be withheld from Indianapolis Public Schools is as follows:

School	Est ADM	FY17 Tuition Support	FY17 Complexity Index	FY17 Honors Grant	FY17 Special Ed Grant	FY17 CTE Grant	FY17 Totals	Six month Est.
Howe	524	\$2,666,112.00	\$986,933.04	\$2,400.00	\$317,200.00	\$3,500.00	\$3,976,145.04	\$1,988,072.52
Manual	673	\$3,424,224.00	\$1,267,568.58	\$12,000.00	\$569,300.00	\$142,350.00	\$5,415,442.58	\$2,707,721.29
Donnan	370	\$1,882,560.00	\$696,880.20	\$0.00	\$329,600.00	\$7,800.00	\$2,916,840.20	\$1,458,420.10
Total	1567	\$7,972,896.00	\$2,951,381.82	\$14,400.00	\$1,216,100.00	\$153,650.00	\$12,308,427.82	\$6,154,213.91

CERTIFICATION

I, Lewis Ferebee, Superintendent of Indianapolis Public Schools, have reviewed the Turnaround Academy payment and withholding amounts for fiscal year 2016 state tuition support calculations. The state tuition support calculations reflect May estimated counts for basic tuition and complexity funds and I agree with the July to December 2016 estimated funding amount below. The information will be presented to the Indiana State Board of Education at their July meeting.

School	Est ADM	FY17 Tuition Support	FY17 Complexity Index	FY17 Honors Grant	FY17 Special Ed Grant	FY17 CTE Grant	FY17 Totals	Six month Est.
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Total	1567	\$7,972,896.00	\$2,951,381.82	\$14,400.00	\$1,216,100.00	\$153,650.00	\$12,308,427.82	\$6,154,213.91

The information is based on the following variables:

1. May 2016 estimated Membership counts used in calculation of the Complexity and Basic Tuition Support grants.
2. September 2015 Career and Technical Education counts used in calculation of the Career and Tech Education Grant.
3. October 2015 Graduates Report counts used in the calculation of the Honors Grant.
4. December 1, 2015 Special Education Counts used in the calculation of the Special Education Grant.

The information reflects all state tuition support grants available for fiscal year 2017 for the turnaround academies. Additionally, the Department will reconcile any over or underpayments in withholding and payments resulting from the use of the final September 2016 membership count and other applicable counts used in the state tuition support formula calculations for the period of July 1, 2016 through December 31, 2016. The reconciliation and adjustments for the first six month period will take effect in the November 2016 and December 2016 state tuition support payments.

Dated this 24th of June, 2016.


 Dr. Lewis Ferebee, Superintendent, Indianapolis Public Schools

Attest:


 Weston R. Young, Chief Financial Manager