



Indiana Department of Education

Glenda Ritz, NBCT

Indiana Superintendent of Public Instruction

TO: Indiana State Board of Education

FROM: Melissa Ambre, Director of School Finance

DATE: November 28, 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. 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 estimated amounts be withheld from the **state tuition support grant** to be distributed to IPS from January 1, 2017 through June 30, 2017, to be used for operation of the turnaround academies:

Emman Donnan MS	\$1,503,320.32
Thomas Howe	\$2,046,854.82
Emmerich Manual	\$2,786,714.54

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; September 16, 2016 average daily membership (ADM) count multiplied by the applicable amount for complexity grant and basic tuition support funding;



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the October 2016 actual graduation report counts for the honors grant multiplied by \$1,000 or \$1,400 for honors funding; and the September 2016 actual career and technical education counts for career and technical education multiplied by the applicable amounts for career and technical education funding.

Reconciliation: For complexity and basic tuition support, the Department will use the actual fall (September 2016) and an actual 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 the grant amount. For honors funding, the Department used the October 2016 Graduate Report counts to determine the grant amount. For career and technical education funding, the Department used 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.

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 the Honors and Career and Technical Education grants, February 2017 for the Special Education grant, and April 2017 for the Basic Tuition Support and Complexity grants. During each reconciliation period, the Department will recalculate grant amounts 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 the IPS Superintendent.

The estimated FY2017 state tuition support and the January – June 2017 amount to be withheld from Indianapolis Public Schools is as follows:

School	Est ADM	FY2017 Est. Basic Tuition Support	FY2017 Est. Complexity Index	FY2017 Actual Honors Grant	FY2017 Est. Special Ed Grant	FY2017 Actual CTE Grant	FY2017 Est. Totals	Est. Jan to June 2017 withholding
Howe	534	\$2,716,992.00	\$1,005,767.64	\$5,200.00	\$317,200.00	\$48,550.00	\$4,093,709.64	\$2,046,854.82
Manual	698	\$3,551,424.00	\$1,314,655.08	\$9,200.00	\$569,300.00	\$128,850.00	\$5,573,429.08	\$2,786,714.54
Donnan	384	\$1,953,792.00	\$723,248.64	\$0.00	\$329,600.00	\$0	\$3,006,640.64	\$1,503,320.32
Total	1616	\$8,222,208.00	\$3,043,671.36	\$14,400.00	\$1,216,100.00	\$177,400.00	\$12,673,779.36	\$6,336,889.68

CERTIFICATION

I, Lewis Ferebee, Superintendent of Indianapolis Public Schools, have reviewed the Turnaround Academy payment and withholding amounts for fiscal year 2017 state tuition support calculations. The state tuition support calculations reflect the actual counts for September membership, honors and career and technical education. I agree with the January to June 2017 estimated funding amount below. The information will be presented to the Indiana State Board of Education at their December meeting.

School	Est ADM	FY2017 Est. Basic Tuition Support	FY2017 Est. Complexity Index	FY2017 Actual Honors Grant	FY2017 Est. Special Ed Grant	FY2017 Actual CTE Grant	FY2017 Est. Totals	Est. Jan to June 2017 Withholding
Howe	534	\$2,716,992.00	\$1,005,767.64	\$5,200.00	\$317,200.00	\$48,550.00	\$4,093,709.64	\$2,046,854.82
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Total	1616	\$8,222,208.00	\$3,043,671.36	\$14,400.00	\$1,216,100.00	\$177,400.00	\$12,673,779.36	\$6,336,889.68

The information is based on the following variables:

1. Actual September 2016 and an estimated February Membership count used in the calculation of the Complexity and Basic Tuition Support grants.
2. Actual September 2016 Career and Technical Education counts used in the calculation of the Career and Tech Education grant.
3. Actual October 2016 Graduate Report counts used in the calculation of the Honors grant.
4. Estimated December 1, 2015 Special Education counts used in the calculation of the Special Education grant.

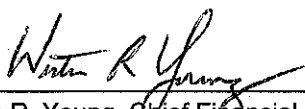
The information reflects all state tuition support grants available for fiscal year 2017 for the turnaround academies. Additionally, the Department will reconcile any over or underpayments in withholding and payments resulting from the use of the final February 2016 membership count and other applicable counts used in the state tuition support formula calculations for the period of January 1, 2017, through June 30, 2017. The reconciliation and adjustments will take effect in the December 2016, February 2017, and April 2017 state tuition support payments.

Dated this 28th of November, 2016.



Dr. Lewis Ferebee, Superintendent, Indianapolis Public Schools

Attest:



Weston R. Young, Chief Financial Manager, Indianapolis Public Schools