



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 2015

Subject: Overview of FY2016 State Tuition Support Grants

This memorandum provides an update of the count information used to determine state tuition support funding for FY2016. The monthly state tuition support payment will include funding for the following grants: Basic tuition support, Complexity, Special Education, Honors, and Career and Technical Education (CTE).

The Basic Tuition Support and Complexity grants use two, fall and spring, average daily membership (ADM) counts to determine FY2016 grant amounts. Special Education, Honors, and CTE grants use only one actual count to determine FY2016 grant amounts.

MAY ADM ESTIMATE

In May, school corporations and charter schools provided the Department with an estimate of the school corporation's ADM count that should closely reflect the count of students in September 2015. The Department may choose to update and adjust the estimates. The ADM count will determine estimated funding for Basic Tuition Support and Complexity grant funding for the months of July through October 2015.

SEPTEMBER COUNT

July 1, 2015 to December 31, 2015

The September 18, 2015 ADM count will determine Basic Tuition Support and Complexity grant funding for the period of July 1, 2015 to December 31, 2015. Because the September count will not be available on July 1, the Department will use the May estimated ADM count 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 and Complexity grants.

Recap: The Department will use the September 2015 ADM and FDK counts to determine Basic Tuition Support and Complexity grant amounts for the period of July 1, 2015 to December 31, 2015.

Reconciliation: When the September 2015 count is final, the Department will reconcile the November and December payments within the first six-month period to reflect any over or under payment of the Basic Tuition Support and Complexity grant. An overpayment of grants results when the July to October payments used an ADM count that was higher than the September 2015 actual ADM count. Reconciliation of the September 2015 ADM count will negatively impact the November and December Basic Tuition Support and Complexity grant 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 count that was lower than the actual September 2015 count. Reconciliation of the September 2015 counts will positively impact the November and December Basic Tuition Support and Complexity grant 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 count is 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, 2016 to June 30, 2016

The Department will continue to use the September 2015 ADM count for Basic Tuition Support, and Complexity grant funding through the March 2016 payment. When the February 2016 ADM count is final, the Department will recalculate and adjust the April through June payments during the second half (January to June 2016) of the fiscal year to effect the change in the grant amounts.

Recap: The Department will use the February 2016 ADM count to determine Basic Tuition Support and Complexity grant funding for the period of January 1 to June 30, 2016.

Reconciliation: When the February count is final, the Department will reconcile the April through June 2016 payments within the second six-month period to reflect any over or under payment of the Basic Tuition Support and Complexity grants. An overpayment of grants would result when the January to March payments used an ADM count that was higher than the February 2016 actual ADM count. Reconciliation of the February 2016 ADM count will negatively impact the April to June Basic Tuition Support and Complexity grant 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 count that was lower than the February 2016 actual counts. Reconciliation of the February 2016 count will positively impact the April to June Basic Tuition Support and Complexity grant 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, 2015 to June 30, 2016

The Department will continue to use the December 1, 2014 Special Education counts for Special Education funding from July 2015 through January 2016 until the December 1, 2015 Special Education counts are final.

The December 1, 2015 Special Education counts will be used to determine Special Education grant funding for the period of July 1, 2015 to June 30, 2016. When the December 1, 2015 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, 2015 through January 31, 2016.

Recap: The December 1, 2015, Special Education counts will be to determine the fiscal year 2015-2016 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, 2015 to June 30, 2016

The October 2015 Graduate Report counts will be used for the Honors grant for the period of July 1, 2015 to June 30, 2016. Because the actual October 2015 Graduate Report counts will not be available until later in the fall, the Department will continue to use the October 2014 Academic Honors and Core 40 with Technical Honors counts until updated counts are available.

Recap: The October 2015 Academic Honors and Core 40 with Technical Honors counts will be used to determine the fiscal year 2015-2016 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 2015 to November 2015 and reconcile the over/underpayment during December and the period of January to June 2016.

CAREER AND TECHNICAL EDUCATION (CTE)

July 1, 2015 to June 30, 2016

The September 2015 Career and Technical Education counts will be used for Career and Technical Education funding for the period of July 1, 2015 to June 30, 2016. Because the September CTE counts will not be available until later in the fall, the Department will continue to use the September 2014 CTE counts until updated counts are available.

Recap: The September 2015 CTE counts will determine fiscal year 2015-2016 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 2015 and reconcile the over/underpayment during December and the period of January to June 2016.

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.