

TO: Indiana State Board of Education

FROM: Melissa Ambre, Director of School Finance

DATE: June 25, 2019

**RE: Recommendation for Gary CSC Funding – FY 2020
Turnaround School Operator 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 State Tuition Support and federal funds that are necessary to fund each turnaround academy. However, the timing of State 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 Indiana Department of Education (IDOE) 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 State Tuition Support payment schedule. For the month of July, the schedule requires State Tuition Support be paid on July 15, 2019. With respect to withholdings, the Innovative Network and Education Services Agreement between the Gary Community School Corporation (GCSC) and Edison Learning, Inc., the Turnaround School Operator (“TSO”), requires IDOE to make payment to the TSO in accordance with the schedule established by the State Budget Director.

Below is the methodology for payments made to the TSO. IDOE respectfully asks the Board to adopt IDOE’s recommendations based on the methodology below.

Recommendation for State Tuition Support Withholding – GCSC

Pursuant to I.C. 20-31-9.5-3(c) and 511 IAC 6.2-9-4(b), IDOE recommends the following amounts be withheld from the State Tuition Support payment to be distributed to GCSC from July 1 through December 31, 2019, and the same estimated amounts for the period of January 1, 2020, through June 30, 2020, to be used for operation of the turnaround academy:

Theodore Roosevelt Career and Technical Academy \$1,988,244.24 (6 months)

The recommended amounts are based on the following counts for the turnaround academy: December 1, 2018, special education child count multiplied by the applicable categorical amount for special education funding; April 2019 average daily membership (ADM) estimated count multiplied by the applicable amount for Basic Tuition Support funding; the October 2018

graduation counts multiplied by the applicable amount for Honors funding; the December 1, 2018 special education counts for special education funding; and the September 2018 career and technical education counts multiplied by the applicable amounts for Career and Technical Education funding.

Reconciliation: For the State Tuition Support Grants, IDOE will use the following counts to finalize all grant payments:

- September 2019 and February 2020 ADM counts to determine funding for the Basic Grant;
- December 1, 2019 special education counts to determine funding for the Special Education Grant;
- October 2019 graduate counts to determine funding for the Honors Grant; and
- September 2019 career and technical education counts to determine funding for the Career and Technical Education Grant.

All grant totals will be added together to determine state fiscal year funding to the TSO. IDOE will reconcile any over or underpayments in withholding and payments when actual counts are available for each grant type within the state fiscal year.

IDOE will reconcile the Basic Grant in November 2019 and April 2020; the Honors and Career and Technical Education Grants in December 2018, and the Special Education Grant in February 2020. During each reconciliation period, IDOE will recalculate and update grant amounts to reflect actual counts and adjust distributions to account for any over or under payment of the State Tuition Support funds. When changes occur, IDOE will notify the TSO and the GCSC Superintendent.

The estimated FY 2020 State Tuition Support and the July through December 2019 and January through June 2020 estimated amounts to be withheld from GCSC are as follows:

FY 2020 Gary Community School Corporation FY 2020 State Tuition Support								
Corp	School	Estimated ADM	Estimated FY 2020 Basic Grant	Estimated FY 2020 Honors Grant	Estimated FY20 Special Educ. Grant	Estimated FY 2020 Career and Tech Ed Grant	Estimated FY 2020 State Tuition Support	Six month estimate for each reporting period- fall and spring
8820	Roosevelt	472	\$3,637,864.48	\$0.00	\$274,904.00	\$63,720.00	\$3,976,488.48	\$1,988,244.24



DEPARTMENT OF EDUCATION

Dr. Jennifer McCormick
Superintendent of Public Instruction

Working Together for Student Success

CERTIFICATION

I, Dr. Peter Morikis, Emergency Manager of Gary Community School Corporation (GCSC), have reviewed the Turnaround School Operator (TSO) payment and withholding amounts for FY 2020 State Tuition Support calculations. I agree with the FY 2020 calculations, which reflect the July through December 2019 and January through June 2020 tuition support funding estimates for the turnaround academy listed below. The information will be presented to the Indiana State Board of Education at their July meeting.

Gary Community School Corporation FY 2020 State Tuition Support								
Corp	School	Estimated ADM	Estimated FY 2020 Basic Grant	Estimated FY 2020 Honors Grant	Estimated FY20 Special Educ. Grant	Estimated FY 2020 Career and Tech Ed Grant	Estimated FY 2020 State Tuition Support	Six month estimate for each reporting period- fall and spring
8820	Roosevelt	472	\$3,637,864.48	\$0.00	\$274,904.00	\$63,720.00	\$3,976,488.48	\$1,988,244.24

The information is based on the following variables:

1. April 2019 estimated Membership count used in the calculation of the Basic Tuition Support Grant.
2. September 2018 career and technical education counts used in calculation of the Career and Technical Education Grant.
3. October 2018 graduate report counts used in the calculation of the Honors Grant.
4. December 1, 2018 special education counts used in the calculation of the Special Education Grant.

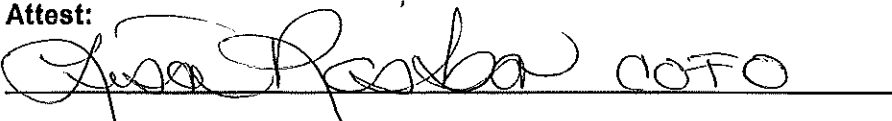
The information reflects all State Tuition Support Grants available for FY 2020 for the turnaround academy. Additionally, the Indiana Department of Education will reconcile any over or underpayments in withholding and payments resulting from the use of the final counts for membership, career and technical education, special education and honors used in the State Tuition Support formula calculations for the period of July 1, 2019 through December 31, 2019, and for January 1, 2020 through June 30, 2020. The reconciliation and adjustments for the first six month period will take effect as part of the November 2019 and December 2019 State Tuition Support payments. The reconciliation for the second six months will take effect as part of the February 2020 and April 2020 State Tuition Support payments.

Dated this 28th of June, 2019.



Dr. Peter Morikis, Emergency Manager, Gary Community School Corp.

Attest:

 COFO

Lisa Rosinko, Chief Operation and Financial Officer, Gary Community School Corp.