

TO: Indiana State Board of Education

FROM: Melissa Ambre, Director of School Finance

DATE: June 14, 2019

RE: Recommendation for Indianapolis Public Schools 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 at least once 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 contract to which IDOE and Turnaround School Operator (“TSO”) are parties requires payment to the TSO be made 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 the IDOE recommendations based on the methodology below.

Recommendation for State Tuition Support Withholding – IPS

Pursuant to I.C. 20-31-9.5-3(c) and 511 IAC 6.2-9-4(b), IDOE recommends the following estimated amounts be withheld from the State Tuition Support payment to be distributed to IPS 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 academies:

Thomas Howe	\$2,254,785.82 (6 months)
Emmerich Manual	\$2,816,649.92 (6 months)
Emman Donnan	\$1,200,417.00 (6 months)

The recommended amounts are based on the following estimated counts for each 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 report 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 Honor Designation Grant and Career and Technical Education Grant in December 2019, and the Special Education Grant in February 2020. IPS turnaround academies will also have an updated Basic Grant calculation in January 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 IPS 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 IPS are as follows:

Indianapolis Public Schools FY 2020 State Tuition								
Corp	School	Estimated ADM	Estimated FY 2020 Basic Grant	Estimated FY 2020 Honors Grant	Estimated FY 2020 Special Education Grant	Estimated FY 2020 Career and Tech Educ. Grant	Estimated FY 2020 State Tuition Support	Six month estimate for each reporting period-fall and spring
8810	Howe	566	\$4,061,355.64	\$4,800.00	\$420,976.00	\$22,440.00	\$4,509,571.64	\$2,254,785.82
8815	Manual	696	\$4,994,175.84	\$11,800.00	\$514,044.00	\$113,280.00	\$5,633,299.84	\$2,816,649.92
8825	Donnan	300	\$2,152,662.00	\$0.00	\$239,472.00	\$8,700.00	\$2,400,834.00	\$1,200,417.00
	Total	1562	\$11,208,193.48	\$16,600.00	\$1,174,492.00	\$144,420.00	\$12,543,705.48	\$6,271,852.74



DEPARTMENT OF EDUCATION

Dr. Jennifer McCormick
Superintendent of Public Instruction

Working Together for Student Success

CERTIFICATION

I, Aleesia Johnson, Superintendent of Indianapolis Public Schools (IPS), have reviewed the Turnaround School Operator (TSO) payment and estimated withholding amounts for FY 2020 State Tuition Support calculations. I agree with the FY 2020 estimates which include July to December 2019 and January to June 2020 estimated funding amounts for the turnaround academies listed below. The information will be presented to the Indiana State Board of Education at their July meeting.

Indianapolis Public Schools FY 2020 State Tuition								
Corp	School	Estimated ADM	Estimated FY 2020 Basic Grant	Estimated FY 2020 Honors Grant	Estimated FY 2020 Special Education Grant	Estimated FY 2020 Career and Tech Educ. Grant	Estimated FY 2020 State Tuition Support	Six month estimate for each reporting period- fall and spring
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	Total	1562	\$11,208,193.48	\$16,600.00	\$1,174,492.00	\$144,420.00	\$12,543,705.48	\$6,271,852.74

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 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 academies. 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 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. Reconciliation for the second six months will take place as part of the January, February and April 2020 State Tuition Support payments.

Dated this 2 of July, 2019.


Aleesia Johnson, Superintendent, Indianapolis Public Schools

Attest:


Weston R. Young, Chief Financial Manager