



**Education Finance/ODE Advisory Committee
Committee Meeting -January 13, 2021
10:00 a.m. - 11:00 a.m.**

Committee Purpose

The purpose of the Education Finance/ODE Advisory Committee is to promote efficient school reporting and accounting procedures and to make recommendations for possible state policy changes related to school finance. This Committee works collaboratively with other organizations and state agencies to resolve finance issues. In addition, the Committee often prepares and distributes guidance on reporting and fiscal accountability issues.

Committee work includes:

- Preparing and distributing guidance on reporting and fiscal accountability issues;
- Acting as a liaison with the Ohio Department of Education (ODE); and
- Inviting guests from other organizations and agencies such as Auditor of State (AOS) and Ohio Department of Taxation (ODT) to committee meetings to discuss policy changes related to school finance.

AGENDA

1. Welcome & Housekeeping (Jeff Dornbush, Chair; Tom Siloy, Vice Chair; Katie Johnson)

A. Committee Leadership - Vice Chair Application

- i. Effective July 1, 2021, all Committee Vice-Chairs will automatically advance to Chairperson.
- ii. Vice-Chair Application - click [here](#)
- iii. Application deadline - January 15, 2021

B. Reminder - Self-report Committee Time

- i. Be sure that your IPDP is broad enough to cover time dedicated to committee meetings and related work.
- ii. Self Reporting Video:
<https://www.loom.com/share/6b892eb62ed64593a1c0788e45ab4753>

C. Treasurer & Business Manager Licenses

- i. Due to your advocacy efforts, treasurer and business manager licenses were removed from the amendment to House Bill 442.
 1. Testimony and contacting members of the Senate Transportation Commerce and Workforce Committee made a difference -- thank you!
- ii. Senate Bill 255 - LSC Analysis click [here](#)
 1. See [Occupational Licensing Reform in Ohio After Senate Bill 255](#), The Buckeye Institute, 2019.
 2. Licenses to be reviewed every 6 years.

D. Certificate of Transition - H.B. 450 - More details to come

E. STRS Foundation Payment - Schedule Change - In past years, the STRS Foundation Payment would adjust the first foundation payment of the Calendar Year. The adjustment now takes place on the first payment of July.

F. SERS & OASBO Annual Meeting - First Quarter - Details to come

2. ODE Update (Aaron Rausch, Director, Office of Budget and School Funding)

A. State revenue trends - State revenues continue to exceed expectations. The state has collected close to \$500 million more than initial (pre-pandemic) estimates. This is good news for the state. OBM will update their FY21 revenue projections simultaneous to the Governor's executive budget proposal, which is required to be released by February 1, 2021.

https://archives.obm.ohio.gov/Files/Budget_and_Planning/Monthly_Financial_Report/2021-01_mfr.pdf

B. State funding update - SB310 included a provision that allows ODE to use the remainder of Student Wellness and Success Funds in FY21 in consultation with OBM. The February SWSF payments will include a new guarantee, which will provide additional funding to schools and districts that are receiving significantly less SWS funding than projected. More information will be included in the February payment reports.

C. Federal funding update - The period of availability for both the BroadbandOhio Connectivity Grant and Coronavirus Relief Fund was extended through 12/31/2021. The FER for both grants was disabled to ensure schools and districts were aware of the extension. ODE plans to resume the FER process in February. In late December, Congress appropriated a substantial amount of federal funds for K-12 schools. ESSER II will provide \$1.99 billion in federal relief funding to Ohio. Schools and districts will receive 90% of the amount using Title I allocations from the current year. This latest round of federal funding is approximately 4x the amount received in ESSER I last spring and are available through September 30, 2023. Additionally, these funds do not include the requirement for nonpublic equitable services. Allocations and an applications will be available in the coming weeks. More information can be found here:

<https://ccip.ode.state.oh.us/documentlibrary/ViewDocument.aspx?DocumentKey=85890>

3. Issues Raised by Members

A. 5-Year Forecast

- i. Reminder - The five-year forecast rule is up for a five-year rule review.
 1. AOS office is currently reviewing.
 2. When it's ready – it might be helpful to schedule this group and legislative to review and solicit feedback before we post for public comment and state the state board process.
- ii. *Note from member:* "There is a new link on the ODE website that allows the user to pull up historical forecasts from prior years. While this might be helpful for researchers, the reason this was not on the ODE website in the past is because we worked with the ODE to make sure it wasn't in the past. Let me explain. Back in the late 90's when 5 year forecasting became law Treasurers were rightly concerned that folks could go back and dig up projections (think those working against a levy or a BOE member out to get the administration) from prior forecast

say 3 years ago and compare it to the current forecast for the same years projected 3 years prior. That is why the ODE agreed to carry the warning (see below) that we all click right passed when we go to the website.

That was there for a reason and it was to help make sure folks had to or have the opportunity to read this Warning about this being a forecast and NOT A COST study essentially. I am worried that time has withered on by and folks no longer can recall the wisdom in not having those historic forecasts out there to hang a treasurer and their district.”

Five Year Forecasts - Traditional Districts & JVSDs

The five-year forecast serves as a tool to communicate and assess the financial health of a school district. City, local, exempted village and joint vocational school districts are required to submit five-year forecasts twice annually to the Ohio Department of Education (see [Ohio Revised Code 5705.391](#) and [Ohio Administrative Code 3301-92-04](#)) and may elect to submit additional updates at any time.

Each five-year forecast contains two components: 1) historical and projected financial data; 2) notes to explain any significant changes or "assumptions" the District used to develop the reported financial projections. For more detailed information about five-year forecast components, please visit the ["How to Read a Five-Year Forecast" webpage](#).

Five-Year Forecast Part 1: Financial Data

- » [Current Five-Year Forecasts \(Legacy Version\)](#)
- » [Current and Historical Five-Year Forecasts](#) (New in November 2020)

Five-Year Forecast Part 2: Notes and Assumptions

- » [Current Notes and Assumptions](#)

The warning we agreed to long ago:

Warning!

The following factors may affect conclusions drawn about a school district's fiscal condition:

- The **notes to the "Financial Forecast"** are crucial to understanding the meaning of the numbers contained in a financial forecast.
- Projections are based upon a school district's best knowledge of conditions at the time the forecast is transmitted to the state. Since the factors contained in the forecasts are subject to changing conditions.
- Only the district's General Fund and DPIA Fund are contained in this forecast. All other funds are excluded.

Please call the school District Treasurer/Chief Fiscal Officer with your questions since they are the best qualified to explain the information contained on the following financial forecast.

B. Grant Consortia

- Note from member:* "We have three consortia we are the fiscal agent/subrecipient for a number of our member districts - IDEA-part B, Early Childhood Special Education, and Title III-Learning Instruction for English Learners.
 - ODE's processes for submitting documentation for each consortium varies by grant and can be fairly cumbersome if not almost impossible. Two consortia used a fill-in PDF that would not function through our email system which is Gmail based. They added steps in the CCIP this

year for both us and the consortium member districts to ensure agreement between both parties.

2. ***My request to ODE would be to set up a process for these consortiums similar to the ESC Contract portal in the School Finance site that was set up three years ago.*** It would create consistency between consortium fiscal agents and the member districts while eliminating outdated technology processes.”

C. College Credit Plus

- i. College Credit Plus (CCP) - ODE Rule Review
- ii. College Credit Plus Deduction -- *Note from member*: “I was wondering if there is any way for the College Credit Plus deduction that was added to our Foundation payment could be reduced quicker. That amount is for the Fall semester and seems to be divided over the remaining payments in FY21; however, in January, the Spring semester amount will hit and will drastically increase the deduction for the remaining payments.

I would like to see the Fall semester deductions be taken out at a higher amount so it can be paid off before the Spring semester starts. Is this a possibility?”

D. Excess Costs

- i. Website approval process
 1. *Note from member*: “I think this would go a long way in improving the approval response time if the excess cost webpages were revised to create multiple checkboxes for approvals. Right now we can only approve one application at a time and each one takes a few points and clicks. I know this is not a major issue across the state, but when you have 400+ applications it makes a big difference.
- ii. Conflict resolution process for districts
 1. *Note from member*: “Even though there is significant improvement in the excess cost process over the past few years, there appears to still be a need for standardization of costs and best practices. When districts disagree, there is a long protracted process to resolve.”

4. Additional Items for Discussion

5. Next Meeting - Wednesday, February 17 at 10:00 a.m.