

- 1. What are the enrollment reporting requirements for traditional public schools and community schools for funding?** Traditional districts are required to report enrollment at least three times annually and community schools report annually. However, ODE guidelines require community schools to report data much more frequently because they are funded on a monthly basis, and because traditional public schools verify the enrollment of resident students in a community school.

Community schools are funded on an annualized full-time equivalent (FTE) enrollment; that is, the amount of time a student is enrolled at a community school compared to the entire school year. Community schools are paid monthly. Beginning with October in each fiscal year, the department begins to pay on current year enrollment. (Current year enrollment data is not typically available until school resumes in August and data is pulled in September for the October payment.) Each month through the end of the year, the department pulls the most current enrollment data submitted by the community school, which is verified by the school district of residence.

Pursuant to EMIS guidelines, a community school has 30 days to report a new student being enrolled in its school. This results in more frequent reporting. Following a student reported by a community school, the resident district has 75 days to review the enrollment record and contest the student's residency. If there is a question by the resident district, the record is flagged and funding is suspended for that student until the record is approved. Because of this review process, it is in the community school's best interest to report enrollment frequently. Similarly, if a student leaves a community school mid-year, the school will report an updated enrollment record for the student in order to true up funding.

For traditional districts, the annualized FTE enrollment was new beginning in Fiscal Year 2015. Districts were required to report during three collection windows, but the department encouraged school districts to report student enrollment more frequently than three times for the same reasons it is beneficial for community schools to report enrollment more frequently. While the traditional district reporting is not subject to review in the same way community school enrollment records are, one part of the data review system examines overlapping enrollment. Districts reporting a student with the same dates as either another school district or a community school must resolve overlapping enrollment or neither entity is paid for the time in question.

- 2. Are charter schools funded on a once per year enrollment count?** Community schools are funded on an annualized FTE enrollment. Community schools have been funded on this annualized FTE enrollment long before traditional districts were (traditional districts moved from an October count week to an annualized FTE enrollment in FY15). The implementation of enrollment reporting and the interrelated nature between community school students and their resident districts discussed above makes more frequent reporting necessary in practice.
- 3. Does ODE collect attendance data for any type of school?** Districts and community schools report attendance information in total for an entire year. Districts and community schools report in EMIS the count of hours a student is present; the count of hours for excused absences; and the count of hours for unexcused absences. Data is not reported by specific school day a

student is present or absent and data is not reported regarding why a student may not be in attendance.

- 4. Does state law or rule require teachers to take attendance before each class or at the beginning of the day or at all?** No. Attendance policies and procedures are adopted and implemented by the school/district at the local level.

Community schools are required by law to have in place attendance policies. HB 2 (effective Feb. 1, 2016) requires that each contract between a community school and its sponsor specify:

- (1) That the school's attendance and participation policies will be available for public inspection (Section 3314.03(A)(27) of the Revised Code);
- (2) That the school's attendance and participation records will be made available to the department of education, auditor of state, and school's sponsor to the extent permitted under state and federal student privacy laws (Section 3314.03(A)(28) of the Revised Code); and
- (3) If a school operates using the blended learning model, the school's attendance requirements, including how the school will document participation in learning opportunities (Section 3314.03(A)(29) of the Revised Code).

- 5. Are there instances when ODE would conduct an FTE review more frequently than every five years?** Yes. The FTE Review Handbook outlines a number of reasons why a community school is selected for an FTE review. The department conducted 84 FTE reviews in FY15 and is conducting 104 FTE reviews in FY16. The priority order for the selection of annual FTE reviews is as follows:

1. New community schools (new sponsor and new IRN);
2. Community schools that were new in the second one-half of the previous school year;
3. Schools that have not been reviewed for the previous five years;
4. Community schools overpaid by 10 percent or more in the previous school year;
5. Area coordinator recommendations (may include community schools that have changed locations or added additional grades in a different location or schools that have faced local issues);
6. Office of Quality School Choice recommendations;
7. Community schools with a significant number of fatal reporting errors at the end of the previous school year.

- 6. How did ODE determine that Provost Academy misreported their FTE numbers?** In 2015, the department conducted a scheduled FTE review of Provost Academy. The review included an examination of the school's attendance policy. The policy allowed that 60 minutes of computer log-on time was the equivalent to one day (five hours) of attendance. The department found this policy to be non-compliant with law because it created a situation where the student may participate in far fewer than the minimum 920 hours of learning opportunities required. As a result, the reviewer requested a more detailed accounting of computer logs to validate the FTEs claimed by Provost. Included in this request was any documentation of non-classroom, non-computer-based learning opportunities that students participated in (such as reading a book or completing an assignment offline). Based on the information that Provost provided, documentation and log-in records could not support the FTEs originally claimed by the school.

- 7. What is the process to recapture overpayments?** The department regularly runs reconciliation payments for both traditional districts and community schools after the end of the fiscal year has closed. These “final” payments recalculate annual payments to schools and districts based on updated data. This is important and necessary because the data reporting window remains open after the end of the fiscal year. Statewide, these reconciliations do not represent significant changes in the total statewide calculation of total aid. However, changes can be significant for individual schools or districts. When a recalculation leads to a higher amount and a school is owed funds, those funds are provided in one lump sum in the next available foundation payment. Conversely, when a school owes funds back to the state, the payment system begins to recapture the overpayment by reducing current year foundation payments and recapturing the funds over a number of payments.

In the case of Provost Academy, the school’s enrollment records were updated to reflect a lower FTE based on the documentation provided by the school. This lowered the school’s calculated state aid and triggered a repayment. The update to the school’s enrollment occurred when the department ran a “FY15 Final #2” payment in December 2015 and a negative adjustment reduced payments made to the school for current year enrollment. The repayment, because of the size, will be recaptured in full by the end of FY17 (June 2017).

It is important to note that the reduction of FTEs reported by Provost also impacts the calculated state aid and the subsequent deduction and transfer for each student’s school district of residence. When this occurs, any funds due back to the traditional district are returned. The resident district is not dependent on the repayment of funds by the community school. As a result, it is the State of Ohio and the Ohio Department of Education that are due funds, not the resident district.

- 8. Does ODE conduct FTE reviews for traditional public school districts?** No. FTE reviews by the department are authorized under section 3314.08(K) of the Revised Code. The law makes permissive the ability for the department to review community school records. While the formalized FTE review process for community schools does not exist for traditional districts, section 3317.03(K) of the Revised Code allows the superintendent of public instruction to adjust enrollment data if it is determined to not be correct.
- 9. How does an FTE review conducted by ODE differ from the annual audit of a community school conducted by the Auditor of State?** The biggest differences between an FTE review and an annual audit is scope and timing. The department conducts a review of current year enrollment records during the course of the year and finalizes the review shortly after the end of the school year. In fact, section 3314.08(K) of the Revised Code requires that the department complete the review within 90 days of the end of the fiscal year. Conversely, an audit encompasses much more than just a review of enrollment and state funding, although a review of enrollment records is certainly permissible and likely a component of a state audit. Additionally, an annual audit takes place after the end of the fiscal year and reviews the previous year’s records. One benefit of the FTE review process means that data reporting errors identified can be addressed relatively quickly.

May 3, 2016

Responses for Senator Oelslager and Members of Senate Finance Committee

SB 298

- 10. Does the 105 hour rule apply to traditional public schools?** First, the 105 hour rule is a requirement in section 3314.03(A)(6)(b) of the Revised Code that a contract between a sponsor and a community school adopt an attendance policy where the student is required to be withdrawn from the school after the student fails to participate in 105 consecutive hours of learning opportunities without an excused absence. It is something that is reviewed as part of an FTE review. When the legislature revised the law in HB 59 that determined the manner in which traditional school districts were funded, replacing the October count week with an annualized FTE enrollment, it included a similar 105 hour rule. However, in HB 367 of the 130th General Assembly, this provision was removed. Traditional districts are not subject to a 105 hour rule, but rather a requirement to withdraw a student when that student ceases to participate in the learning opportunities provided by the school.
- 11. Are community schools subject to truancy laws?** Yes. Ohio's truancy laws and the obligation to enforce compulsory school attendance laws (sections 3321.14, .17, .18, .19 and .191 of the Revised Code) apply to both traditional districts and community schools.
- 12. When does a student's test results factor into a school/district report card?** Generally, a student's state test results factor into certain report card measures when the student has been enrolled in the school/district for a "full academic year." A full academic year counts when a student is continuously enrolled in the school/district from the Friday of the first full week of October through the last day of the spring administration of state tests.

For students attending a conversion community school, in addition to being included in the community school's report card, the students also will be included in the sponsoring school district's accountability calculations unless the school is a dropout recovery conversion community school. For students attending a start-up community school, the students will not be included in any traditional school district's accountability calculations unless the community school and traditional school district have exercised the option to complete a District Roll-Up of Affiliated New Start-Up Community School Performance Data form through the Office of Community Schools.