



## Indiana Department of Education

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Dr. Katie Jenner, Secretary of Education

To: Superintendents, Business Managers, Treasurers, and Charter School Directors

From: Melissa K. Ambre, Director, Office of School Finance

Date: February 26, 2021

Subject: FY 2022 and FY 2023 State Tuition Support Projections

This memorandum provides information about the location of projections of school funding formula variables for the FY 2022 and FY 2023 state tuition support formula simulations. The data projections have been prepared by staff at the Legislative Services Agency (LSA) and may be used by the General Assembly to forecast the costs of potential funding formulas.

***Between Wednesday, March 4 and Wednesday, March 25, school officials can review and/or update LSA FY 2022 and FY 2023 formula data. If you believe the LSA data projections are not representative of data for your school corporation, please input the appropriate estimate for both FY 2022 and FY 2023 projections. IDOE will forward a file containing all the estimated components to LSA on or before Saturday, April 10.***

Before Thursday, April 1, each school corporation shall provide to IDOE an estimate of the average daily membership (ADM) count that may result from the September count (I.C. 20-43-4-2). If appropriate, IDOE may adjust and update the estimate. IDOE will determine the final estimates used to calculate the FY 2022 Basic Grant beginning in July.

You can access LSA data in the School Finance Application Center at <https://stateaid.doe.in.gov/>. The Application Center is a secure site and requires a User ID and Password to submit data. The User ID is the four-digit school corporation or charter school number, and the password is the four-digit PIN. To review estimates for your school corporation or charter school, please click on Corporation Information and then Estimate Formula Components. The link is on the left-hand side of the page.

There are two columns that should be reviewed. One column reflects 2022 estimates and another column reflects 2023 estimates. Each estimated component appears in the columns titled 2021-2022 LSA Forecasted Data and 2022-2023 LSA Forecasted Data. If you choose to make changes, you will use the columns labeled "Corp Forecasted Data." If no changes are made to the LSA forecasted data, the value in the "Corp Forecasted Data" will default to the LSA forecast. After all changes are made, click the Save All Changes button on the lower right-hand side of the screen. You may revisit your selections until the window closes on Wednesday, March 24.



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LSA staff have provided an explanation of their forecasting methods as follows:

## **Average Daily Membership (ADM)**

Given that COVID-19 impacted ADM, LSA used an estimate of what ADM would have been if the pandemic had not occurred in FY 2021 in the ADM calculations below.

There are two ADM counts: September ADM and February ADM.

### **FY 2022:**

September ADM = 2021 September ADM + Average annual growth (or decline) in September ADM from FY 2015 to FY 2020.

February ADM = 2021 September ADM \* Average Ratio of February ADM: September ADM in the following fiscal years: FY 2014, FY 2015, FY 2016, FY 2017, and FY 2020.

### **FY 2023:**

September ADM = 2022 September ADM + 2022 September ADM - 2021 September ADM

February ADM = 2022 September ADM \* Average Ratio of February ADM: September ADM in the following fiscal years: FY 2014, FY 2015, FY 2016, FY 2017, and FY 2020.

Once the September and February ADM are calculated, the portion of the ADM that is virtual and nonvirtual is calculated. The calculation works the same for both September and February and in both FY 2022 and FY 2023.

Virtual ADM = Total ADM \* % of ADM in FY 2020 that was virtual

Non-Virtual ADM = Total ADM – Virtual ADM

## **Special Education**

Given that COVID-19 likely impacted special education participation, LSA used an estimate of what ADM would have been if the pandemic had not occurred in FY 2021 in the ADM calculations below.

Special Education Category = Previous Year's Special Education Category + the average growth (or decline) in the special education category over the previous three years. Any increase is limited to 10% of the previous year's special education category. Any decrease is limited to 5% of the previous year's special education category.



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## Career and Technical Education (CTE)

For FY 2022, CTE categories are calculated by multiplying the FY 2021 numbers by the following:

- High Value Level 1: 1.173
- High Value Level 2: 0.921
- Moderate Value Level 1: 1.252
- Moderate Value Level 2: 1.02
- Less Than Moderate Value Level 1: 1.005
- Less Than Moderate Value Level 2: 1.007
- Introductory: 0.925
- Apprenticeship: 1.1
- Work based learning: 1.02
- Area Participation: 1.12
- Planning for College or Career CTE Course: 1.0522
- Pilot: 1

For FY 2023, CTE categories are calculated by multiplying the FY 2022 numbers by the following:

- High Value Level 1: 1.049
- High Value Level 2: 1.047
- Moderate Value Level 1: 1.066
- Moderate Value Level 2: 1.024
- Less Than Moderate Value Level 1: 1.005
- Less Than Moderate Value Level 2: 1.007
- Introductory: 1.115
- Apprenticeship: 1.091
- Work Based Learning: 1.02
- Area Participation: 1.12
- Planning for College or Career CTE course: 1.05
- Pilot: 1

## Honors Designation

The count of Total Honors Students is made up of Honors students who qualify for SNAP, TANF, or Foster Care plus the number who do not qualify. Each group is subdivided into students who are in the Academic Honors program and those who are in the Technical Honors program.



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### **FY 2022:**

Total Honors Students = FY 2021 Total Honors students + average annual growth (or decline) in Total Honors Students from FY 2018 through FY 2021. The FY 2022 estimate may only increase or decrease by 7.5% of the FY 2021 estimate.

### **FY 2023:**

Total Honors Students = FY 2022 Total Honors Students \* the percentage increase (or decrease) in Total Honors Students from FY 2021 to FY 2022. The FY 2023 estimate may only increase or decrease by 7.5% of the FY 2022 estimate.

Once the total count is established, the total number of students who qualify for SNAP, TANF, and foster care (STF) and the total number who do not qualify for SNAP, TANF, and Foster Care (NSTF) are computed.

STF Honors Graduates = Total Honors Graduates \* the percentage of Honors Students who qualified for STF in the previous year.

NSTF Honors Graduates = Total Honors Graduates - STF Honors Graduates.

Once the STF Total and NSTF Total are computed, the number of students in the Academic Honors program and Technical Honors program in each group can be computed.

STF Academic Honors Students = Total STF Honors Students \* the percentage of STF Honors Graduates that received an Academic Honors Diploma in the previous year.

STF Technical Honors Students = Total STF Honors Students - STF Academic Honors Students.

### **Similarly:**

NSTF Academic Honors Students = Total NSTF Honors Students \* the percentage of NSTF Honors Graduates that received an Academic Honors Diploma in the previous year.

NSTF Technical Honors Students = Total NSTF Honors Students - NSTF Academic Honors Students.