

There have been a few different versions of recaps that have been published by the House Fiscal Agency and Senate Fiscal Agency that estimated the financial impact to each district of the FY '23 School Aid Act (PA 144 of 2022) that was passed. The changes made in special education reimbursement were significant and complicated, varying based on many factors outlined below, causing the estimated impact of these changes to be different in each version that was released. The attached Excel spreadsheet is a template that can be used to help understand & recap the changes in S.E. funding that occurred in the FY '23 School Aid Act (PA 144 of 2022) by doing 2 things:

1. Reconcile your district's data to the estimated impact shown on the most recent version that was released by HFA on 8/12/22.
2. Allow you to personalize some of the factors included in that calculation to help you estimate the financial impact you will see on your FY '23 State Aid based on your own assumptions/data.

This template couldn't have been completed without a lot of help from the staff at the HFA, SFA and State Budget Office who helped in applying the legislative changes into a usable formula. Following is some background information to walk you through these changes and the information included in this template.

Outline of S.E. Revenue that will be received in FY '23 (as shown on p. 2 of your State Aid Status Report in the "Other Current Year Calculation Information")

- **Sec. 51e(2)** - Every district will receive 75% of their S.E. Foundation for Sec. 52 blended count here
- **Sec. 51a(2)(b)** - Every district will receive 25% of their S.E. Foundation for Sec. 52 blended count here.
- **Sec. 51a(2)(c)** - Districts will receive the amount of Durant funding (28.6138% of 4096 costs & 70.4165% of 4094 costs) that is in excess of the 25% Foundation received in Sec. 51a(2)(b) here.
- **Sec. 51a(3)** - A small number of districts will continue to receive S.E. Hold Harmless funding here. This occurs for those districts where the amount of Durant revenue received under Sec. 51a(2)(c) is still less than the amount of Hold Harmless revenue earned under this section. This hold harmless funding will go away in future years if they pay 100% of the S.E. Foundation, as anticipated under the current "intent" language.
- **Sec. 51e(3)** - A small number of districts will continue to receive some Hold Harmless funding here. This occurs for those districts where the amount of funds they are receiving under Sec. 51e(2) for 75% of their S.E. Foundation is less than the amount received in FY '22 under Sec. 51f.

How much more revenue will I be receiving for S.E. in FY '23?

- If you were a district receiving the Durant % reimbursement under Sec. 51a, with no S.E. Hold Harmless funding under Sec. 51a.3, then your formula will look like this:

75% Foundation Allowance for Sec. 52 blended count

Less: Sec. 51f funding received in FY '22

Plus: 51f Hold Harmless funding received under Sec. 51e(3) (**Small # of districts**)

- If you were a district receiving the S.E. Foundation under Sec. 51a.2, with additional S.E. Hold Harmless funding under Sec. 51a.3, then your formula will look like this:

Durant Funding (28% of your 4096 costs and 70% of your 4094 costs)

Less: Sec. 51f funding received in FY '22

Less: 25% Foundation Allowance for Sec. 52 blended count

Less: S.E. Hold Harmless received in FY '22 under Sec. 51a(3)

Plus: S.E. Hold Harmless recaptured under Sec. 51e(3) in FY '23 (**Small # of districts**)

Items to Note when Reconciling to HFA recap

- The S.E. Foundation funding estimated for FY '23 was based on updated/estimated Sec. 52 blend counts that are different than the current year blended count
- The SE-4096 costs for the FY '23 calculation were estimated by increasing the FY '21 costs currently shown on the August Status Report by 3.3% as an estimate for what those costs will be for FY '22 and then another 3.3% to estimate what they will be in FY '23. In short, the estimated reimbursement was based on an estimated 6.7% increase in your SE-4096 costs (3.3% x 3.3%).
- The SE-4094 costs for the FY '23 calculation were estimated by increasing the FY '21 costs currently shown on the August Status Report by 7.3% as an estimate for what those costs will be for FY '22 and then another 4.7% to estimate what they will be in FY '23. In short, the estimated reimbursement was based on an estimated 12.3% increase in your SE-4096 costs (7.3% x 4.7%).
- The HFA estimate is only showing the “year over year” change in S.E. funding. In addition, there will be the page 2 adjustment to reconcile/update the Durant reimbursement owed for FY '22 costs (only applicable to those districts that were receiving the Durant % reimbursement under Sec. 51a in FY '22)