

State Foundation Payment Letter

Fiscal Year 2023 December JVSD Payment on December 15, 2022

GENERAL INFORMATION ON SCHOOL FINANCE PAYMENT REPORT

Foundation payments to Joint Vocational School Districts (JVSD) are calculated once a month. This letter, generated with each foundation payment, provides details about updated payments to these entities including fund deductions, adjustments and transfers. The Department strongly encourages the reading of this letter as it answers many questions regarding foundation payments and provides links to important reports. The December payment is based on FY2023 EMIS data as of December 5, 2022. The scheduled payment dates for FY 2023 are below:

July 15, 2022	January 13, 2023
August 15, 2022	February 15, 2023
September 15, 2022	March 15, 2023
October 14, 2022	April 14, 2023
November 15, 2022	May 15, 2023
December 15, 2022	June 15, 2023

AMENDED SUBSTITUTE HOUSE BILL 110 AND HOUSE BILL 583

This is the second year of the new state foundation formula with direct funding of students where they are educated, rather than where they reside based on a variable base cost per pupil amount. For JVSDs, this formula begins to count all students as jointure students and eliminates the transfers associated with open enrollment.

SUMMARY SCHOOL FINANCE PAYMENT REPORT

Provisions of Am. Sub. H. B. 110 are applied to the calculation and distribution of state foundation funding in FY 2023. The School Finance Payment Report (SFPR) displays information on each funding element of the foundation formula with all relevant data elements and calculation parameters for each educational entity. [All FY 2023 payment reports can be accessed through this link.](#)

The Summary SFPR provides the calculation of funding components in the foundation formula. Under the title State Support the five funding elements of Core Foundation Funding are listed on lines A through E. In addition to the Core Foundation Funding, the report also includes other funding elements of the formula on lines G and H. Next, the report includes Transfers, with line O giving the Net State Funding. Finally, the report includes a Disclosure item and information on the phase-in percentages of Core Foundation Funding elements.

For Core Foundation Funding, four columns of numbers are shown on the Summary SFPR:

- Base State Funding (column [a])
- Calculated State Funding (column [b])
- Phase-in Funding (column [c])
- State Funding (column [d])

The Summary Report is comprised of the following lines:

State Support

A. Base Cost - This comprises the largest part of total funding that school districts receive in FY 2023 and includes four sub-components:

- a. Teachers
- b. Student Support
- c. Leadership and Accountability
- d. Building Leadership

The sum of these amounts represents the aggregate base cost of the district and the state portion is reflected in column [b].

- B. Special Education
- C. Disadvantaged Pupil Impact Aid (DPIA)
- D. English Learners
- E. Career Technical Education
- F. Core Foundation Funding - Sum of lines A through E.
- G. Temporary Transitional Aid Guarantee
- H. Formula Transition Supplement
- I. Total State Support – Sum of lines F, G and H.

Transfers

- J. Educational Service Center
- K. CTE Associated Services
- L. Career Awareness and Exploration
- M. Other Adjustments
- N. Total Transfers – Sum of lines J through M.
- O. **Net State Funding** – Sum of lines I and N.

Under Am. Sub. H. B. 110, the calculated elements of Core Foundation Funding in FY 2023 except DPIA are phased in at 33.33% relative to the amounts for these elements in Base State Funding in column [a]. Districts receive 33.33% of the difference between the Base State Funding amounts in column [a] and the FY 2023 Calculated State Funding in column [b] added to amounts in column [a]. DPIA is distributing on the same approach with the phase-in percentage 14.00%.

There are two types of Guarantees [Line G -Temporary Transitional Aid and Line H - Formula Transition Supplement] that ensure no JVSD receive total funding less than FY 2021 funding.

The Summary SFPR provides a disclosure amount for Student Wellness and Success funding. While this funding is included in the Student Support component of the Base Cost, it is restricted for specific purposes. The disclosure amount is separately identified on the Statement of Settlement with a restricted receipt code. The restricted portion of the Base Cost is calculated by applying the ratio of the Student Wellness and Success component of the Base Cost to the Aggregate Base Cost to the Base Cost in column [d]. [Guidance on the use of student wellness and success funds are available here.](#)

The Career Awareness and Exploration Funds (Line L) is based on member districts' ADM. This funding increased from \$2.50 in FY22 to \$5.00 in FY23 per-pupil. [Guidance on the use of funds is available here.](#)

DETAILED SFPR AND OTHER REPORTS

Accompanying the Summary SFPR is a report illustrating the calculation of many lines of the SFPR in greater detail. The Detailed SFPR included with this payment provides important enrollment data, statewide factors and calculations for special education, DPIA, English Learners and Career-Technical Education elements of Core Foundation Funding. The Detailed SFPR also provides the calculation for the formula transition supplement.

For this payment the following payment reports are posted online:

1. **Base Cost** – provides the details of the calculation of the Base Cost component of the foundation funding in detail. It gives the statewide and district factors with calculation formulae of the Base Cost funding elements.
2. **Career Technical Education Restricted Funding** – This report provides the breakdown of the 75% and 25% of CTE restricted funding amounts as directed by ORC 3317.014(C).
3. **Career Technical Planning District** – This report shows funding transfer from member districts and community/STEM schools for Associated Services and Career Awareness and Exploration.
4. **Detailed SFPR** – illustrates the calculation of the SFPR lines in detail.
5. **Other Adjustments** shows the transfer of funds for Associated Services and the Catastrophic Cost set-aside.
6. **Payment Comparison** – shows the difference in funding and underlying factors between current payment and a prior payment.
7. **Statement of Settlement** – provides the details of fund distributions from SFPR and non-SFPR sources. It shows the actual payment calculation for this payment derived from annual calculation of various funding elements of the SFPR and all the transfers and adjustments with information on staff and teachers' retirement fund distribution.
8. **Summary SFPR** – provides the annual funding amounts for various funding elements of the foundation formula.

STATEMENT OF SETTLEMENT

The Statement of Settlement shows the amount of funding by component paid monthly from SFPR and non-SFPR sources. Typically, the monthly amounts fluctuate based on data updates that occur during each payment period. On the statement of settlement, funds are generally paid out on a percentage basis or the remaining payments of the year basis. Fund recovery is typically based on the remaining payments of the year approach.

The funding formula includes several restricted funding elements. At the Department's request, the Auditor of State confirmed or added the following restricted receipt codes to accommodate these changes. The links will take you to the guidance on the use of funds. These are as follows:

- 3211 – [Disadvantaged Pupil Impact Aid \(DPIA\)](#) (formerly known as Economically Disadvantaged funding)
- 3215 – Career Technical Education Funding (previously receipted with 3219)
- 3217 – [English Learner Funding](#)
- 3218 – [Student Wellness and Success Funding](#) (previously receipted with 3219)

The adjustments below are applied to the FY 2023 December payment. these items are reflected on the statement of settlement with their respective journal voucher codes for proper accounting. For a complete list and description of JV codes, click [here](#). This payment includes:

- JV09 College Credit Plus Deduction
- JV11 Bus Driver Training
- JV91 College Credit Plus Prior Year

Questions should be directed to Prabir Sarkar at prabir.sarkar@education.ohio.gov or your [area coordinator](#).