

## JVSD Foundation Payment Letter

### Fiscal Year 2022 February Payment on February 15, 2022

#### GENERAL INFORMATION ON SCHOOL FINANCE PAYMENT REPORT

Payments to Joint Vocational School Districts (JVSD) are made each 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 scheduled payment dates for FY2022 are below:

July 15, 2021	January 14, 2022
August 13, 2021	February 15, 2022
September 15, 2021	March 15, 2022
October 15, 2021	April 15, 2022
November 15, 2021	May 13, 2022
December 15, 2021	June 15, 2022

#### AMENDED SUBSTITUTE HOUSE BILL 110

The recently enacted state budget made significant changes to the calculation and payment of state foundation funding. One of the biggest changes is a move to fund students where they are educated, rather than where they reside. For JVSDs, the new formula begins to count all students as jointure students and eliminates the transfers associated with open enrollment.

#### SCHOOL FINANCE PAYMENT REPORT

Beginning with January payment, the provisions of Am. Sub. H. B. 110 are applied to the calculation and distribution of state foundation funding. The new School Finance Payment Report (SFPR) displays information on each funding element of the new foundation formula with all relevant data elements and calculation parameters for each educational entity. For this payment, a Summary and Detailed SFPR is provided. Future payments will include additional reports explaining all elements of the payment in greater detail including base cost and other adjustments. [All FY2022 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 2022 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]. Future payments will include a detailed base cost report to illustrate the calculation of this element of the formula.

B. Special Education - The state calculated portion is reflected in column [b].

C. Disadvantaged Pupil Impact Aid (DPIA) - The state calculated portion is reflected in column [b].

D. English Learners - The state calculated portion is reflected in column [b].

E. Career Technical Education - The state calculated portion is reflected in column [b].

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 2022 are phased in at 16.67% relative to the amounts for these elements in Base State Funding in column [a]. Districts receive 16.67% of the difference between the Base State Funding amounts in column [a] and the FY 2022 Calculated State Funding in column [b] added to amounts in column [a]. For DPIA, the phase-in percentage is 0%, which means districts receive the same amount of DPIA funding in FY 2022 as is identified as Base State funding in column [a].

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 FY21 funding.

The Career Awareness and Exploration Funds (Line L) represent a new funding stream for Career-Technical Planning Districts that is based on member districts' ADM. [Guidance on the use of funds is available here.](#)

While the February payment largely reflects the move to the new calculations in Am. Sub. H. B. 110, the Other Adjustments payments are still based on the previous year's data and methodologies. The new Other Adjustment calculation will be included in the March payment. It will reflect the Contract Education adjustments and Catastrophic Cost set-aside. The Catastrophic Cost Reimbursement set-aside is a new requirement that the Department withhold 10% of special education funding (line C) to support catastrophic cost reimbursement payments to school districts for high-cost students with disabilities. School districts can estimate the withholding amount by calculating 10% of special education funding.

The Summary SFPR also 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. [Guidance on the use of student wellness and success funds are available here.](#) 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] of the Summary page.

## 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 new funding formula includes more 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)

Please note that before the February payment, the Base Cost through Formula Transition Supplement funds were paid on a single line. In the new formula, the Department applied uniform percentages of the amount paid year-to-date prior to payments across all school districts. This payment mapping was a uniform allocation across both restricted and unrestricted funding streams for all districts. This was done to lower the monthly payment to a more manageable statewide amount. As a result, schools should reconcile year-to-date funds to ensure proper coding.

Also in this 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