



## State Foundation Payment Letter

Fiscal Year 2024 August #2 Traditional School District, ESC and CBDD Payment on August 25, 2023

### General Information on State Foundation Payments

Foundation payments to traditional school districts, educational service centers and boards of developmental disabilities are calculated twice a month. This letter, generated with each foundation payment, provides details about updated payments to these entities including deductions, adjustments, and transfers.

The recently enacted state budget (Amended Substitute House Bill 33 of the 135<sup>th</sup> General Assembly) included several changes to the calculation of state foundation funding. The implementation of the budget changes is going to be done in two phases:

- Phase One was implemented with the August #1 payment and includes updates to the
  - Phase-in percentage – 50%;
  - Appropriations.
- Phase Two will be implemented with October #1 payment and includes updates to the
  - Inputs for salaries, insurance and expenditures based on FY2022 for base cost calculations;
  - Various statewide per-pupil amounts;
  - Minimum State Share Percentage increase from 5% to 10%;
  - Minimum State Share for transportation – 37.50%.

### Traditional School Districts

#### Information Relevant to the July #1 Payment

- ADM data used in the calculation of Base Cost Enrolled ADM are based on FY 2022, FY 2021, and FY 2020 data.
- FY 2023 ADM, all categorical data as well as other adjustments used in this payment are based on compilations as of 8/14/23.
- FY 2023 Preschool data used in this payment are based on compilations as of 8/14/23. The calculated amount is paid at 100%.
- FY 2022 T- 2 data used in Special Education Transportation funding calculation is based on compilations as of 8/14/23. 100% of the calculated funding amount is distributed.
- Regular Transportation funding calculation is based on FY 2020 statewide average per rider and per mile amounts applied to FY 2023 T-1 mileage and ridership data as of 8/14/23 and distributed based on 100% of the calculated amount.

### Statement of Settlement

The Statement of Settlement shows the amount of funding by component paid monthly from SFPR and non-SFPR sources. Typically, the bi-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](#).



The adjustments below are applied to the FY 2024 August #1 payment. These items are reflected on the statement of settlement with their respective journal voucher codes for proper accounting. This payment includes:

- **(JV01) FY2023 Final #1 Payment Adjustments.** These adjustments are applied with the FY2024 August #2 payment for the first time this fiscal year. All positive adjustments are distributed with the payment and any negative adjustments will be applied through the remaining payments of the fiscal year.
- **(JV09) College Credit Plus Deductions.**
- **(JV50) & (JV51) Tuition Adjustments.** These adjustments for non-special education students reflect the FY 2023 period 1 and 2 amounts. Positive adjustments are paid out as they occur, and negative adjustments are distributed among the remaining payments of the year.
- **(JV52) & (JV53) Tuition Adjustments.** These adjustments for special education students reflect the FY 2023 period 1 and 2 amounts. Positive adjustments are paid out as they occur, and negative adjustments are distributed among the remaining payments of the year.

### Known Issues and Updates in this Payment

- Final #1 Payment Adjustments are included with this payment. This adjustment represents the changes that resulted from the update of the June #2 calculation to the Final #1 calculation. Since restricted funds can be a part of the Final - gifted, EL, CTE, ED, the districts will need to look at FY23 Final #1 payment comparison report to identify proper coding breakdown.

### Education Service Centers (ESC)

ESC funding comes from 2 sources:

1. **State** – Funds are distributed as follows:
  - a. State Operating Subsidy –Each ESC receives a base amount of \$356,250 plus \$24.72 times the number of students in excess of 5,000 up to 35,000 and an additional \$30.90 times the number of students in excess of 35,000. 50% of the difference between this calculation and the Funding Base (FY 2020 funding) is added to the Funding Base to get to the State Operating Subsidy.
  - b. Gifted Unit Funding – Each ESC with a state approved gifted unit for FY 2023 as of 8/14/23 receives this funding. This payment is distributed based on 97.45% of the calculated amount to stay within the statewide appropriation.
  - c. Special Education Transportation Funding – Each ESC that provides transportation for students with special needs receives this funding on a reimbursement basis. The calculation of this funding is based on the actual expenditures reported for prior year on the T-2 report multiplied by the state minimum share of 33.33%. Service providers receive 100% of the calculated amount.
2. **Local** – Funds are transferred from school districts to ESCs for the following purposes:
  - a. Per-Pupil Transfer – Each ESC receives \$6.50 per-pupil or an alternative amount per-pupil based on the enrollment of client school districts. The enrollment figure is extracted from the FY 2022 Report Card.
  - b. Preschool special education funding is based on the parameters for the calculation of preschool funding for client districts and the count of preschool children for FY 2023. For this payment, the count of children is based on data as of 8/14/23 and ESCs receive 100% of the calculated funding amount.



- c. ORC Section 3313.845 contracts are based on FY 2024 data as of 8/14/23.

## County Boards of Developmental Disabilities (CBDD)

CBDD funding comes from 2 sources:

1. **State** – Funds are distributed as follows:
  - a. School Age Special Education Funding –Each CBDD receives this funding based on FY 2023 parameters and FY 2023 data as of 8/14/23.
  - b. Special Education Transportation Funding – Each CBDD that provides transportation for students with special needs receives this funding on a reimbursement basis. The calculation of this funding is based on the actual expenditures reported for prior year on the T-2 report multiplied by the state minimum share of 33.33%. Service providers receive 100% of the calculated amount.
2. **Local** – Preschool Special Education Funding – Funds for preschool special education funding are transferred from client districts based on the parameters for the calculation of preschool funding for client districts and the count of preschool children for FY 2023. For this payment, the count of children is based on data as of 8/14/23 and CBDDs receive 100% of the calculated funding amount.

## Additional Resources

- [A complete list and description of JV codes](#)
- [Archive of the twice-monthly letters](#)
- [College Credit Plus Deduction Reports](#)
- [Foundation Legacy Payment Reports \(2002-2021\)](#)
- [Foundation Payment Reports](#)
- [Line-by-Line explanation - FY 2023 Foundation Formula](#)
- [Payment Data Calendar](#)
- [Payment Schedule](#)
- [Property Tax Rollback](#)
- [Statewide Payment Reports in Excel Format](#)
- [Set-aside calculations](#)
- [Tuition Rates calculations](#)
- [TPP Reimbursements](#)

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