State Foundation Payment Letter
Fiscal Year 2026 October #2 Traditional School District, ESC and CBDD Payment on October 24, 2025

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 (House Bill 96 of the 136th General Assembly) included several changes to the calculation of state foundation funding. In general, the changes do not significantly alter the structure of the foundation payments to traditional public school districts, Educational Service Centers, and County Boards of Developmental Disabilities. Some of the changes were reflected in the first payment of Fiscal Year 2026: the increase in the **phase-in percentage to 83.33%**, the per-pupil amount of $3.00 for Career Awareness and Exploration for CTPDs and appropriation limits increases.

Additionally, the remaining provisions of the new budget are now reflected starting with the FY26 October #2 payment.
- Disadvantaged Pupil Impact Aid uses weighted economically disadvantaged ADM.
- Increase in Minimum State Share for Transportation to 45.83%.
- Supplemental Targeted Assistance and Gifted PD elimination.
- New Base Cost Funding Supplement of $27 per student.
- New Enrollment Growth Supplement for traditional districts.
- New Performance-Based Supplement for traditional districts.

Traditional School Districts

Information Relevant to the October #2 Payment

- Base Cost Enrolled ADM is based on FY 2025, FY 2024, and FY 2023 data.
- The valuation index used to calculate the local capacity percentage incorporates the three most recent years of total taxable value (Tax Years 2022–2024).
- Similarly, the income index has been updated using Tax Years 2021–2023.
- Statewide Weighted Economically Disadvantaged Percentage is calculated using live data.
- FY 2026 ADM and categorical data for special education, English Learners, economically disadvantaged, gifted and CTE students are based on compilations as of 10/14/2025.
- FY 2025 Preschool data used in this payment are based on compilations as of 10/14/2025. The calculated amount is paid at 96.85% to remain within the appropriation.
- FY 2024 T- 2 data used in Special Education Transportation funding calculation is based on compilations as of 11/12/2024. The calculated funding is not prorated.
- Statewide average per rider and per mile amounts are based on data from FY 2024 T-1 and T-2 compiled as of 12/23/2024. Those statewide average per rider and per mile amounts are applied to FY 2025 mileage and ridership data as of 2/10/2025 and distributed based on 100% of the calculated amount.

Department of Education & Workforce

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 2026 October #2 payment. These items are reflected on the statement of settlement with their respective journal voucher codes for proper accounting. This payment includes:

- **(JV01) FY2025 Final #1.**
- **(JV06) Youth Services Tuition.**
- **(JV09) College Credit Plus Deduction.**
- **(JV13) FAFSA FAST Track Competition.**
- **(JV14) Tuition per Section 3323.091.**
- **(JV50) & (JV51) Tuition Adjustments**. These adjustments for non-special education students reflect the FY 2025 period 1 & period 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 2025 period 1 & period 2 amounts. Positive adjustments are paid out as they occur, and negative adjustments are distributed among the remaining payments of the year.
- **(JV61) Solvency Assistance Repayment.**
- **(JV62) Per Diem Tuition – Negative.**
- **(JV63) Per Diem Tuition – Positive.**
- **(JV84) Private Treatment Facility Tuition.**
- **(JV88) Private Treatment Facility Excess Cost.**
- **(JV90) Ohio Military Veteran Educator Incentive.**

Known Issues and Updates in this Payment

The October #2 payment is the first payment that utilizes FY2026 ADM data. Statewide, the reported Enrolled ADM shows a decline of approximately 25K FTEs (1.76%) compared to the FY2025 enrolled ADM. This decrease appears to be due to underreporting by a number of districts. Districts that have underreported their data may experience funding fluctuations until the issue is resolved. Conversely, districts that accurately reported their data may see temporary funding increases or decreases due to formula mechanisms, particularly in components sensitive to the statewide measures used in funding such as Targeted Assistance and DPIA. As underreporting is corrected in future payments, these fluctuations will be adjusted accordingly, as described at the link above.

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. 83.83% 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 2025 as of 10/14/2025 receives this funding. This payment is distributed based on 89.22% of the calculated amount to stay within the appropriation.

    c. FY 2024 T- 2 data used in Special Education Transportation funding calculation is based on compilations as of 11/12/2024. The calculated funding amount is not prorated.

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 2025 Report Card.
    b. Preschool special education funding is based on the calculation of preschool funding for client districts and the count of preschool children for FY 2025. This payment is distributed based on 96.85% of the calculated amount.
    c. ORC Section 3313.845 contracts are based on FY 2026 data as of 10/14/2025.

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 2026 data as of 10/14/2025.
    b. FY 2024 T- 2 data used in Special Education Transportation funding calculation is based on compilations as of 11/12/2024. The calculated funding amount is not prorated.

2. **Local** – Preschool Special Education Funding – Funds for preschool special education funding are transferred from client districts based on the calculation of preschool funding for client districts and the count of preschool children for FY 2025. This calculated funding amount is distributed based on 96.85% of the calculated amount.

Additional Resources
- A complete list and description of JV codes
- Archive of the twice-monthly letters
- College Credit Plus Deduction Reports
- District Profile Reports
- Foundation Legacy Payment Reports (2002-2021)
- Payment Data Calendar
- Payment Schedule
- Property Tax Rollback
- Statewide Payment Reports in Excel Format
- Set-aside calculations
- Tuition Rates calculations
- TPP Reimbursements

Questions should be directed to Jim Comeaux at James.Comeaux@education.ohio.gov or your area coordinator.