

Foundation Program



The Foundation Program is the formula used to provide basic funding to each local school system (i.e. Local Education Agency (LEA)). The Foundation Program is a resource-based funding formula, which determines the cost of the resources needed (such as personnel). This is achieved by using the Average Daily Membership (ADM) and grade divisors set by the Legislature to determine the number of teacher units earned by each system, and using standards set by AdvancEd and adopted by the State Board of Education to determine the number of instructional support units earned by each system.



Key Terms

- **Average Daily Membership (ADM):** The average daily student enrollment for the first 20 days after Labor Day.
- **Classroom Instructional Support:** Allocations provided for student materials, technology, library enhancement, professional development, textbooks, and common purchase.
- **Divisor:** The number used to determine the earned teacher units each school will receive.
- **Student Growth:** Allocation provided to eligible LEAs based on the net year-over-year growth of average daily membership for the two preceding school years
- **Fringe Benefits:** Includes calculations for FICA, Medicare, TRS matching requirement, health care (PEEHIP), unemployment compensation and sick and personal leave.
- **Instructional Support Units:** Includes principals, assist. principals, counselors, etc. for each LEA
- **Other Current Expense (OCE):** Allocation provided to each local school system for maintenance and operating expenses.

$$\text{Teacher Units} = \frac{\text{ADM}}{\text{Divisors}}$$

FY2025 Divisors
(set by the Legislature):

K-3 - 14.25

4-6 - 20.06

7-8 - 19.70

9-12 - 17.95

Cost Calculation:

Salaries =

(Foundation Program Units) x (Actual Salaries)

Fringe Benefits =

(Teacher Average Salary) x (Rates determined by the Legislature)

Classroom Instructional Support =

(Teacher units or ADM) x (\$ amount set by Legislature)

OCE =

(Earned units) x (\$ amount set by Legislature)



Student Growth =

(Prior Year ADM Growth) x (Foundation Program Cost/Student)



Total Cost of the Foundation Program