**Description of the Formula**

Foundation program based on pupil ADM and district demographic characteristics. The evidence-based model (EBM) funding system identifies school-based programs and educational strategies and funds, by formula, resources for teachers, administrators, student services, etc. Local charge-off (or share of the state’s funding model) is 22 mills in FY 10-11, and state aid is subject to overall caps and floors related to previous years’ aid amounts. The current version of the FY2012-2013 budget bill eliminates the EBM and provides continuation funding for school districts. A replacement formula is expected to be proposed in 2012 and implemented in FY 2013.

**District-Based Components**

**Density/Sparsity of Small Schools**  
Exceptions and minimums in the evidence-based model (EBM) component calculations for small school districts (those with fewer than 418 students).

**Grade Level Differences**  
EBM breaks funding calculations in grade bands with students in K-3, 4-5, 6-8, and 9-12.

**Declining Enrollment or Growth**  
Formula uses prior year count for school districts unless the current year count shows growth of 2% or more.

**Capital Outlay and/or Debt Service**  
Permissible local bonded indebtedness is 9% of assessed property valuation unless a district is declared to be “special needs.”

State has a School Facilities Commission (separate from the Department of Education) that funds school facilities projects for school districts, with the percentage of state funding inversely
proportional to the relative wealth of the district, based on local property valuation. For more information, see [http://www.osfc.ohio.gov/](http://www.osfc.ohio.gov/)

**Transportation**
The state aid formula uses a base calculation for each district of the greater of either cost per mile or cost per rider, with subsequent adjustments to enhance efficiency and the level of service provided to students.

**Student-Based Components**

**Special Education**
Special education: included in the EBM using a weighted student count based on disability category.

**Compensatory Education**
An index is applied to several components to adjust the district amount based on demographic characteristics of resident population.

**English Language Learner/Bilingual Education**
Funding in the EBM is provided for limited English proficient students based on a 100:1 student:teacher ratio, adjusted for the wealth of the district.

**Gifted and Talented Education**
A component of the EBM contains funding for gifted education in the following four areas: coordinators, intervention specialists, identification and professional development.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
All voted fixed-rate levies on real property are subject to a tax reduction factor so that tax collections do not increase as a result of reassessment. However, a 20-mill floor limits the tax reduction factor so that at least 2% of property value is assessed for school operation.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**
The business tangible personal property tax is being phased-out by 2011 but taxes are still assessed on utility tangible property. The taxable base on real property is the assessed value of land and buildings. Assessed value on real property is 35% of true value. County auditors must reappraise all real estate once every six years.

**Measure of Local Ability To Support Schools**
Property valuation.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
613 school districts are fiscally independent. Districts can levy additional property tax mills or levy school district income taxes with simple majority approval by local electorate.

**State Support for Nonpublic Schools**
Chartered non-public schools receive funds for secular materials, equipment, computer software, textbooks, health, and remedial services as well as reimbursement for mandated administrative and clerical costs.

State does have two scholarship programs that provide funding to parents to use to support tuition at chartered nonpublic schools – the Cleveland Scholarship and Tutoring Program was instituted in 1995 and the EdChoice Scholarship Program was instituted in 2005.