



OHIO

Description of the Formula

Passage of Am. Sub. H. B. 59 of the 130th Ohio General Assembly in July 2013, authorized the state foundation program for fiscal years 2014 and 2015, based on pupil ADM and district demographic characteristics. State aid is provided to 612 public school districts, 49 joint vocational school districts, and approximately 370 public community schools. In FY 2014, Ohio General Revenue Fund and Lottery Profit spending on primary and secondary education is approximately \$7.5 billion. In FY 2015, spending will increase to \$8.3 billion.

District-Based Components

Density/Sparsity of Small Schools

Does not apply

Grade Level Differences

Does not apply

Declining Enrollment or Growth

Total Average Daily Membership (ADM) is compiled during the first full week of October. The basis of this funding is the per-pupil figure of at least \$5,745 per year from state and local sources combined. The total ADM is adjusted to only include 20% of the count of resident students who attend joint vocational schools (JVS) and to include all of the preschool Autism Scholarship students who reside in the district.

Capital Outlay and/or Debt Service

The Ohio School Facilities Commission provides funds for school facilities projects based on the assessed property valuation per student. That property wealth factor determines the state and local share of the facilities project. The OSFC also reimburses public schools for the purchase of one radio communications unit and one entrance security system per eligible building.

Transportation

Funding for transportation is incorporated in the district formula funding utilizing a hybrid approach in which two sets of calculations are done for each school district with the calculation that results in the higher funding being utilized.. However, transportation funds cannot be used for general operating costs. The Ohio Department of Education calculates payment based on the average number of bus riders, as counted and reported during count week, and per annual mile expenditure in the previous year. The statutory provision for this aid program is found in ORC Section 3317.0212.

Charter Schools

According to the Ohio Department of Education, Ohio is one of the top three states in the nation in terms of the number of charter schools, serving about 7 percent of Ohio's public school students. The state will transfer existing funds to provide scholarships to Cleveland students who want to attend a charter or community school but have been denied because the program is over-subscribed.

Student-Based Components

Special Education

There are six categories of Special Education services, specifying a dollar amount per child rather than categorical weights: 1) Speech and Language Disability \$1,503 (2014) and \$1,517 (2015); 2) Learning Disability \$3,813 (2014) and \$3,849 (2015); 3) Hearing Disability or Severe Behavior Disability \$9,160 (2014) and \$9,248 (2015); 4) Vision or Major Health impairment \$12,225 (2014) and \$12,342 (2015); 5) Orthopedic Disability \$16,557 (2014) and \$16,715 (2015); 6) Autism, Brain Injury, or Hearing and Vision Impaired \$24,407 (2014) and \$24,641 (2015). The statutory provision for this aid program is found in ORC Section 3317.022(A)(3) and Section 3317.013(A) to (F).

Low Income / Comp Ed / At-Risk

Funding in support of the economic disadvantaged is provided to address poverty and its effects on educational outcomes. The statutory provision for this aid program is found in ORC Section 3317.022(A)(5). Its calculation is based on a per-pupil amount of \$269 equalized by the poverty index of the district. Poverty index is calculated by obtaining the square of the ratio of the individual district's poverty percentage to the statewide poverty percentage.

English Language Learner/Bilingual Education

ELL and Bilingual funding is determined by classifying limited English proficient (LEP) students into one of 3 categories. Category 1 students are those who have been enrolled in U.S. schools for 180 days or less. Funding for this category is calculated by multiplying The LEP ADM by \$1,500 and the State Share Index. The State Share Index is based on the property wealth and the income of the residents of the district. The statutory provision for this index is found in ORC Section 3317.017. Category 2 students are those who have been enrolled in U.S. schools for more than 180 days. Funding for this category is calculated by multiplying The LEP ADM by \$1,125 and the State Share Index. Category 3 students are those who are mainstreamed on trial basis and are not included in the first two categories. Funding for this category is

calculated by multiplying The LEP ADM by \$750 and the State Share Index. The statutory provision for this aid program is found in ORC Section 3317.022(A)(6).

Gifted and Talented Education

Funding for Gifted and Talented education is distributed in three ways. First, a per-pupil amount of \$5 applied to the formula ADM of the district. Second, Gifted Coordinator Services funding is provided based on a salary figure of \$37,000 for every coordinator serving 3,300 students in the formula ADM, reduced by community school students with a minimum of 0.5 and a maximum of 8 coordinators per district. Finally, Gifted Intervention Specialist funding of \$37,000 for every specialist serving 1,100 students in the formula ADM reduced by community school students with a minimum of 0.3 specialists per district. The statutory provision for this aid program is found in ORC Section 3317.022(A)(7).

Career and Technical Education

For funding purposes students are classified into 5 categories, with a per-pupil amount assigned to each category. The statutory provision for this aid program is found in ORC Sections 3317.022(A)(8) & (9) and Section 3317.014(A) to (E). Funding is equalized by FTE and State Share Index. The categories and their respective per-pupil amounts in FY14 are as follows:

1. Category 1 with the per-pupil amount of \$4,750 is comprised of WFD programs in:
 - Agricultural & Environmental Systems
 - Construction Technologies
 - Engineering and Science Technologies
 - Finance
 - Health Science
 - Information Technology
 - Manufacturing Technology
2. Category 2 with the per-pupil amount of \$4,500 is comprised of WFD programs in:
 - Business Administration
 - Hospitality and Tourism
 - Human Services
 - Law and Public Safety
 - Transportation Systems
 - Arts and Communications
3. Category 3 with the per-pupil amount of \$1,650 is comprised of:
 - Career Based Intervention Programs
4. Category 4 with the per-pupil amount of \$1,400 is comprised of WFD programs in:
 - Education and Training
 - Marketing
 - Academics
 - Public Administration
 - Career Development
5. Category 5 with the per-pupil amount of \$1,200 is comprised of:
 - Family and Consumer Science Programs

Preschool Education

The preschool funding is on a per-pupil basis. The statutory provision for this aid program is found in ORC Section 3317.0213. The funding is comprised of two per-pupil amounts applied to the count of special education preschool children. One amount is calculated without being equalized while the other is equalized utilizing the State Share Index. The un-equalized per-pupil amount is \$4,000 and is applied to the count of all preschool children. The second per-pupil amount is applied to those children with handicapping conditions, applying the specific dollar amounts in the 6 special education categories, multiplied by 0.5, equalized by the state share index.

Other

Straight A Fund competition encourages school districts to join forces on initiatives to improve student achievement, reduce costs and push a greater portion of education spending into classroom instruction. School consortiums may apply for a maximum of \$15 million in support of share services. Individual applicants or those partnering with a private entity can receive no more than \$1 million.

K-3 Literacy Funding targets K-3 students to provide early additional educational investment. The funding is based on 2 per-pupil amounts: A state-share-index equalized amount of \$125 and an un-equalized amount of \$86. K-3 students who attend e-schools are removed from the ADM base. The statutory provision for this aid program is found in ORC Section 3317.02(A)(4)]

A state subsidy is provided to school districts to cover the costs associated with transporting special needs students and for specialized equipment. This aid is lesser of the actual the sum of \$6 per pupil per day plus half of the amount by which actual cost exceeds \$6 per pupil per day. This calculation is then multiplied by the same percentage used for regular transportation funding which is 60% or the district's state share index, whichever is greater. The statutory provision for this aid program is found in Administrative Rule 3301-83-01(D).

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases

For school districts, total resources included total property tax receipts, school district income tax revenues, total TPP and public utility reimbursements, and state foundation funding. Districts whose fixed rate payments were 2% or less of the total resources were considered low reliance districts. If a district's fixed rate reimbursement was over 2% of total resources, then the annual reduction was limited to no more than 2% of base year total resources.

Property Assessment Ratios Used/Legal Standards For Property Assessment

In addition to state aid through the foundation program, many school districts receive reimbursements payments for lost property tax revenue as a result of the phase out of the general business tangible personal property tax (TPP) and the reduction of property tax assessments rates on utility property (KwH). Finally, the state pays 10% of locally levied property taxes for residential and agricultural real property owners and an additional 2.5% for homeowners and represents property tax relief to individual property taxpayers.

Measure of Local Ability to Support Schools

Targeted Assistance funding, formerly Parity Aid, targets school districts that do not raise much revenue beyond the local share of the foundation formula. The statutory provision for this aid program is found in ORC Section 3317.022(A)(2) and Sections 3317.0217(A) & (B). Targeted Assistance aids school districts that are below a certain threshold of wealth, based on property valuation and residents' income. School districts that fall below this threshold are eligible to receive funding based on 6 mills times the difference between the threshold local wealth measure per pupil and the individual school district's local wealth measure per pupil.

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. For the 2014-2015 school year, an additional 4,000 EdChoice Scholarships will be available to incoming kindergartner and first grade students whose family income is at or below 200% of the Federal Poverty Guidelines and who will attend low performing public school buildings. The pilot program can be used only by children who would otherwise have gone to public schools with low state test scores. The pilot program, which will be paid by the state and not impact school district finances, will expand to first grade students in FY 2015.

Note: Source information on this page is provided by the Ohio Department of Education (<https://education.ohio.gov>). Additional narrative description and specificity of calculations for Ohio school aid programs is available at:

<https://education.ohio.gov/getattachment/Topics/Finance-and-Funding/State-Funding-For-Schools/Traditional-Public-School-Funding/SFPR-Funding-Form-Line-by-Line-Explanation-FY2014-1.pdf.aspx>.

Source: Randall Vesely, University of Toledo