

## 026 Adjustment

Sometimes it is determined that a taxpayer has overpaid their real, personal or public utility property taxes and is awarded refunds from a school district and other taxing districts. RC3317.026 provides for the Department of Taxation to certify to the Ohio Department of Education by June 1<sup>st</sup>, valuation reductions that resulted in tax refunds in the preceding tax year if these refunds exceeded 3% of the preceding tax year's operating tax levies' receipts. Refunds may be for any tax year or combination of tax years, as long as the refund was obligated in the preceding tax year; the actual repayment can occur over a period of years. In the case of refunds that are scheduled to be paid in multiple years, for purposes of this calculation the entire refund is assumed to have been paid in the year of the initial payment or when the obligation to repay is incurred.

In a sense, to compensate school districts for having to make refunds and to make their charge offs more representative of their actual ability to pay their local share, and based on certifications received from the Department of Taxation, the Department of Education is required under 3317.026 to pay the school district an adjustment (the 026 adjustment) based on the following calculation:

- 1) All state aid included in "SF-3 payment" as defined in ORC 3317.02(W) based on current fiscal year valuations is calculated using originally certified valuations. These calculations include calculations under:

3317.022

- A. Basecost Aid (includes building blocks and formula guarantee)
- C.(1) Special Ed. Weighted Aid
- C.(4) Speech Allowance
- D. Transportation
- E. Career Tech Weighted Aid
- F. Excess Cost Supplement

3317.029 Poverty Based Assistance

3317.024

- (J) Special Ed. Transportation
- (P) Gifted Aid
- (R) GRADS

3317.0216 Charge-off Supplement Aid

3317.0217 Parity Aid

3317.04 Reappraisal Guarantee

3317.05 Gifted Aid

3317.052 Pre-school Special Ed.

3317.053 Supplemental Unit Allowances

After Adjustments under

3313.981 Open Enrollment

3313.979 Cleveland Scholarship Program

3317.023

(B) Teacher Pupil Ratio

(C) Teacher Training and Experience

- (D) ESP – Pupil Ratio
- (E) ESC deduction
- (K) Contracts, Compacts and Co-Op agreements
- (L) Lead District Adjustment
- (M) JVS Excess Cost
- (N) Regular District Excess Cost
- (O) Deduction for reimbursement of Medicaid services

3317.20 (C)MRDD deduction

All of the above calculations translate into the following lines on the FY07 SF-3:  
Line 17 + line 18 +line 19 + line 21A +line 21B plus the adjustments in lines 23 A, C and D.

- 2) All calculations in #1 are summed
- 3) All state aid under 3317.02(W) that was calculated in #1 above is recalculated using a valuation that has been reduced by the amount of valuation certified as the valuation reduction upon which the previous calendar year's tax refund was based
- 4) The results of the recalculations in #3 are summed.
- 5) The sum from #2 is subtracted from the sum in #4 and the difference is paid to the district as the 026 adjustment on or before the 31<sup>st</sup> of July following the end of the fiscal year for which the calculations are made.
- 6) Payment will be reduced by the amount of any catastrophic grant received under 3316.20 if such grant was received on the basis of the same circumstances for which the 026 adjustment was calculated.