

027 Adjustment – FY08 and Beyond

Under ORC 3317.027 the Department of Taxation certifies by May 15th to the Department of Education (ODE) a list of reductions in school district real property values and reductions in school district taxes charged for the second preceding tax year resulting from Board of Revision decisions, exemption applications and late CAUV applications. However, Section 3317.026(C) provides that a value reduction certified pursuant to this section that results in a reduction in a school district's state aid is not to be used to recompute the school's state aid under 3317.027. Therefore the Tax Department also certifies adjusted 027 value reductions to account for cases where the value reduction was used in an 026 adjustment.

Since the 027 reductions result in lower assessed valuations and less revenue being received by school districts, ORC 3317.027 also provides that ODE calculate "state education aid" as defined under ORC 5751.20(A) using the current fiscal year valuations and revenues and then recalculate this aid with the certified valuation reductions subtracted from the current fiscal year valuations and associated revenue reductions used in the gap aid calculation. The difference in the sum of the aid using the original valuations compared to the sum of the aid using the reduced valuations is paid to the school district as the "027 adjustment," on or before July 31st following the current fiscal year. The state education aid that is calculated and recalculated under ORC 3317.027 is the sum of the calculations of the SF-3 down through Line 19 Transitional Aid Guarantee. Specifically "state education aid" includes the following:

3317.022

- A. Basecost Aid (includes building blocks, Poverty Based Assistance (3317.029) and ParityAid (3317.0217))
- C(1) Special Ed. Weighted Aid
- C.(4) Speech Allowance
- D. Transportation (see note below)
- E. Career Tech Weighted Aid
- F. Excess Cost Supplement

3317.023

- B. Pupil/Teacher Adjustment
- C. Teacher Training & Experience Adjustment
- D. Pupil/ESP Adjustment

3317.024

- (L) Gifted Aid
- (N) GRADS

3317.0216 Charge-off Supplement Aid

3317.053 Supplemental Unit Allowance for Gifted Units

Section 269.30.80 of HB 119 Transitional Aid Guarantee

Note: Transportation is calculated according to Section 269.20.80 of HB 119 of the 127th General Assembly

All of the above calculations translate into the sum of the lines through line19 (Transitional Aid) of the FY08 SF-3.

The 027 payment is usually positive but may be negative and any positive adjustment 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 027 adjustment was calculated.