

028 Adjustment – FY07

To lessen the effect of sharp changes in tangible personal property values on school district aid, and to more closely align the charge off used in state aid calculations with actual changes in assessed valuation and tax collections, RC 3317.028 provides for certain adjustments to school foundation payments.

This adjustment only applies to changes in personal property (including public utility personal) that meet certain thresholds. Therefore, the Department of Taxation on or before May 15, certifies to the Ohio Department of Education (ODE) changes in taxable value of tangible personal property and the revenue changes from the second preceding tax year to the preceding tax year if either of the following conditions are met in a school district:

- If the value decrease exceeds 5% of the district's tangible personal property value for the second preceding tax year
- If the value increase exceeds 5% of the district's total taxable value for the second preceding tax year

(Note that beginning in May of 2007 the Department of Taxation will certify changes in public utility tangible personal property only and these changes will be used in the calculations for the 028 adjustment just as the changes in total tangible personal property have been used.)

ODE makes the 028 adjustment as follows:

- 1) All state aid called “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:

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 FY06 and FY07 SF-3s:
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/increased by the amount of valuation certified as the valuation reduction/increase and the tax revenue reduction/increase associated with these valuation changes is used in the gap aid calculation.
- 4) The results of the recalculations in #3 are summed.
- 5) The sum from #2 is subtracted from the sum in #4 and is multiplied by .5 because this adjustment only applies to half a year's payment.
- 6) If the result in #5 is a positive number, this amount is paid to the district as the 028 adjustment on or before July 31st following the current fiscal year. If the result in #5 is a negative number, this amount will be subtracted from the district's payment on or before July 31st or if the amount is greater than \$10,000, it will be spread out over several payments in the following fiscal year.
- 7) Any 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 028 adjustment was calculated.