



## Ohio Revised Code

### Section 3317.017 Computation of district's state share index.

Effective: September 29, 2015

Legislation: House Bill 64 - 131st General Assembly

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The department of education shall compute a school district's state share index as follows:

(A) Calculate the district's valuation index, which equals the following quotient:

(The district's three-year average valuation / the district's total ADM) / (the statewide three-year average valuation for school districts with a total ADM greater than zero / the statewide total ADM)

(B)(1) Calculate the district's median income index, which equals the following quotient:

(The district's median Ohio adjusted gross income / the median of the median Ohio adjusted gross income of all districts statewide with a total ADM greater than zero)

(2) Calculate the district's income index, which equals the following sum:

(The district's median income index X 0.5) + {[ (the three-year average federal adjusted gross income of the school district's residents / the district's formula ADM) / (the three-year average federal adjusted gross income of all districts statewide with a formula ADM greater than zero / the statewide formula ADM)] X 0.5}

(C) Determine the district's wealth index as follows:

(1) If the district's income index is less than the district's valuation index and the district's median income index is less than or equal to 1.5, then the district's wealth index shall be equal to [( 0.4 X the district's income index) + ( 0.6 X the district's valuation index)].

(2) If the district's income index does not meet both of the conditions described in division (C)(1) of this section, then the district's wealth index shall be equal to the district's valuation index.



(D) Determine the district's state share index as follows:

(1) If the district's wealth index is less than or equal to 0.35, then the district's state share index shall be equal to 0.90.

(2) If the district's wealth index is greater than 0.35 but less than or equal to 0.90, then the district's state share index shall be equal to  $\{0.40 \times [(0.90 - \text{the district's wealth index}) / 0.55]\} + 0.50$ .

(3) If the district's wealth index is greater than 0.90 but less than 1.8, then the district's state share index shall be equal to  $\{0.45 \times [(1.8 - \text{the district's wealth index}) / 0.9]\} + 0.05$ .

(4) If the district's wealth index is greater than or equal to 1.8, then the district's state share index shall be equal to 0.05.

(E)(1) For each school district for which the tax-exempt value of the district, as certified under division (A)(4) of section 3317.021 of the Revised Code, equals or exceeds thirty per cent of the potential value of the district, the department shall calculate the difference between the district's tax-exempt value and thirty per cent of the district's potential value. For this purpose, the "potential value" of a school district is the three-year average valuation of the district plus the tax-exempt value of the district.

(2) For each school district to which division (E)(1) of this section applies, the department shall adjust the three-year average valuation used in the calculation under division (A) of this section by subtracting from it the amount calculated under division (E)(1) of this section.

(F) When performing the calculations required under this section, the department shall not round to fewer than four decimal places.

For purposes of these calculations for fiscal years 2016 and 2017, "total ADM" means the total ADM for fiscal year 2015; "median Ohio adjusted gross income" means the median Ohio adjusted gross income, as that term is defined in section 5747.01 of the Revised Code, for tax year 2013; "three-year average federal adjusted gross income" means the average of the federal adjusted gross income for tax years 2011, 2012, and 2013 as reported under section 3317.021 of the Revised Code; and



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"tax-exempt value" means the tax-exempt value for tax year 2014.