Ohio Revised Code

Section 3317.017 City, local, and exempted village school district per-pupil local capacity amount.

Effective: September 30, 2021

Legislation: House Bill 110

This section shall apply only for fiscal years 2022 and 2023.

(A) The department of education shall compute a city, local, or exempted village school district's per-pupil local capacity amount for a fiscal year as follows:

(1) Calculate the district's valuation per pupil for that fiscal year as follows:

(a) Determine the minimum of the district's three-year average valuation for the fiscal year for which the calculation is made and the district's taxable value for the most recent tax year for which data is available;

(b) Divide the amount determined under division (A)(1)(a) of this section by the district's base cost enrolled ADM for the fiscal year for which the calculation is made.

(2) Calculate the district's local share federal adjusted gross income per pupil for that fiscal year as follows:

(a) Determine the minimum of the following:

(i) The average of the total federal adjusted gross income of the district's residents for the three most recent tax years for which data is available, as certified under section 3317.021 of the Revised Code;

(ii) The total federal adjusted gross income of the district's residents for the most recent tax year for which data is available, as certified under section 3317.021 of the Revised Code.

(b) Divide the amount determined under division (A)(2)(a) of this section by the district's base cost enrolled ADM for the fiscal year for which the calculation is made.

(3) Calculate the district's adjusted local share federal adjusted gross income per pupil for that fiscal year as follows:

(a) Determine both of the following:

(i) The median federal adjusted gross income of the district's residents for the most recent tax year for which data is available, as certified under section 3317.021 of the Revised Code;

(ii) The number of state tax returns filed by taxpayers residing in the district for the most recent tax year for which data is available, as certified under section 3317.021 of the Revised Code.

(b) Compute the product of divisions (A)(3)(a)(i) and (ii) of this section;

(c) Divide the amount determined under division (A)(3)(b) of this section by the district's base cost enrolled ADM for the fiscal year for which the calculation is made.

(4) Calculate the district's per-pupil local capacity percentage as follows:

(a) Determine the median of the median federal adjusted gross incomes determined for all districts statewide under division (A)(3)(a)(i) of this section for that fiscal year;

(b) Divide the district's median federal adjusted gross income for that fiscal year determined under division (A)(3)(a)(i) of this section by the median federal adjusted gross income for all districts statewide determined under division (A)(4)(a) of this section;

(c) Rank all school districts in order of the ratios calculated under division (A)(4)(b) of this section, from the district with the highest ratio calculated under division (A)(4)(b) of this section to the district with the lowest ratio calculated under division (A)(4)(b) of this section;

(d) Determine the district's per-pupil local capacity percentage as follows:

(i) If the ratio calculated for the district under division (A)(4)(b) of this section is greater than or

equal to the ratio calculated under division (A)(4)(b) of this section for the district with the fortieth highest ratio as determined under division (A)(4)(c) of this section, the district's per-pupil local capacity percentage shall be equal to 0.025.

(ii) If the ratio calculated for the district under division (A)(4)(b) of this section is less than the ratio calculated under division (A)(4)(b) of this section for the district with the fortieth highest ratio as determined under division (A)(4)(c) of this section but greater than 1.0, the district's per-pupil local capacity percentage shall be equal to an amount calculated as follows:

{[(The ratio calculated for the district under division (A)(4)(b) of this section - 1) X 0.0025]/ (the ratio calculated under division (A)(4)(b) of this section for the district with the fortieth highest ratio as determined under division (A)(4)(c) of this section - 1)} + 0.0225

(iii) If the ratio calculated for the district under division (A)(4)(b) of this section is less than or equal to 1.0, the district's per-pupil local capacity percentage shall be equal to the amount calculated under division (A)(4)(b) of this section times 0.0225.

(5) Calculate the district's per-pupil local capacity amount for that fiscal year as follows:

(The district's valuation per pupil calculated under division (A)(1) of this section for that fiscal year X the district's per-pupil local capacity percentage calculated under division (A)(4) of this section X 0.60) + (the district's local share adjusted federal gross income per pupil calculated under division (A)(2) of this section for that fiscal year X the district's per-pupil local capacity percentage calculated under division (A)(4) of this section X 0.20) + (the district's adjusted local share federal adjusted gross income per pupil calculated under division (A)(3) of this section for that fiscal year X the district's per-pupil local capacity percentage calculated under division (A)(4) of this section X 0.20)

(B) The department shall compute a city, local, or exempted village school district's state share for a fiscal year as follows:

(1) If the district's per-pupil local capacity amount for that fiscal year divided by the district's base cost per pupil for that fiscal year is greater than 0.95, then the district's state share shall be equal to

(the district's base cost per pupil for that fiscal year X 0.05 X the district's enrolled ADM for that fiscal year).

(2) If the district's per-pupil local capacity amount for that fiscal year divided by the district's base cost per pupil for that fiscal year is less than or equal to 0.95, then the district's state share for that fiscal year shall be equal to [(the district's base cost per pupil for that fiscal year - the district's per-pupil local capacity amount for that fiscal year) X the district's enrolled ADM for that fiscal year].

(C) The department shall compute a city, local, or exempted village school district's state share percentage for a fiscal year as follows:

The district's state share calculated under division (B) of this section for that fiscal year/ the aggregate base cost calculated for the district for that fiscal year under section 3317.011 of the Revised Code