



**S.B. 108**

126th General Assembly  
(As Introduced)

**Sens. Gardner, Padgett**

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**BILL SUMMARY**

- Eliminates the payment of state parity aid to community schools beginning July 1, 2005.

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**CONTENT AND OPERATION**

Each community school receives a payment from the state for each student that attends the school. The payment is deducted from the state money that the school district in which the student is entitled to attend school would otherwise receive for each student attending the community school. This payment is the sum of (1) the formula amount (the base cost attributed to all students) times the cost-of-doing-business factor for the county in which the student's resident school district is located, (2) any special education weights and vocational education weights (including local share) calculated for the student, and (3) any Disadvantaged Pupil Impact Aid calculated for the student. Under current law, this payment also includes an amount of parity aid equal to the per pupil amount calculated for the student's resident school district.<sup>1</sup>

Beginning July 1, 2005, the bill eliminates parity aid payments to community schools. As a result, community school students remain in the average daily membership (ADM) of their resident school districts for the purpose of calculating the total parity aid paid to the districts. Under the bill, districts would retain the parity aid generated by those students rather than having it deducted from their state aid and paid to the community schools where those students are enrolled. (R.C. 3314.08(C)(6) and (D)(7) and Section 3.)

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<sup>1</sup> A community school receives the full per pupil amount of parity aid for each student enrolled in grades 1 through 12 and one-half that amount for each kindergarten student. This is the same way students are counted for the purpose of calculating state aid for school districts.

**Background**

In 2001, the General Assembly began phasing in a new subsidy known as "parity aid." The subsidy pays additional state funds to school districts based on combined income and property wealth. For most eligible school districts, parity aid essentially pays state funds to make up the difference between what 9.5 mills would raise against the district's income-adjusted property wealth versus what 9.5 mills would raise in the district where the income-adjusted property wealth ranks as the 123rd highest (the 80th percentile).

The 9.5-mills represent the General Assembly's determination of the average number of "effective operating mills" (including school district income tax equivalent mills) that school districts in the 70th to 90th percentiles of property valuations levied in fiscal year 2001 *beyond* the millage needed to finance their calculated local shares of base-cost, special education, vocational education, and transportation funding. The amount of parity aid, therefore, varies based on how far below the 123rd district a district's income-adjusted valuation falls. The 123 districts having the highest income-adjusted valuations are not eligible for parity aid. Districts need not actually levy any of the 9.5 mills to receive a state parity aid payment.

Continuing law provides that state parity aid payments for fiscal year 2005 be 76% of the amount calculated, and for fiscal years thereafter be 100% of the amount calculated.<sup>2</sup>

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**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	03-16-05	p. 325

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<sup>2</sup> R.C. 3317.0217, *not in the bill.*