



S.B. 273

127th General Assembly
(As Introduced)

Sens. Niehaus, Mumper, Buehrer

BILL SUMMARY

- Requires the calculation of an alternate equity list for FY 2008 for purposes of determining school districts' eligibility for assistance under the Classroom Facilities Assistance Program and their local shares in FY 2009.

CONTENT AND OPERATION

Background to the Classroom Facilities Assistance Program

The Ohio School Facilities Commission (SFC) administers several programs that provide state assistance to school districts and community schools in the acquisition of classroom facilities. The main program, the Classroom Facilities Assistance Program (CFAP),¹ is designed to provide each city, exempted village, and local school district with partial funding to address all of the district's classroom facilities needs. It is a graduated, cost-sharing program where a district's portion of the total cost of the project (its "local share") and priority for funding are based on the district's relative wealth. The poorest districts are served first and receive a greater amount of state assistance than wealthier districts will receive when it is their turn to be served.

A school district's priority for state assistance under CFAP is based on the district's three-year average "adjusted valuation per pupil," as calculated by the Department of Education. Under that calculation, the district's taxable "valuation per pupil" is modified by a factor of the income of the district's taxpayers. All districts annually are ranked from lowest to highest average adjusted valuation per pupil and placed in percentiles. A district's percentile ranking determines when the district will be served by CFAP. Also, for most districts, the portion of the basic project cost paid by the district is equal to its percentile ranking. For

¹ R.C. 3318.01 to 3318.20.

example, a district ranked in the 20th percentile would pay 20% of the cost of the project and the state would pay the remaining 80%.

Other programs have been established to address the particular needs of certain types of districts. One of those programs is the Exceptional Needs School Facilities Assistance Program,² which provides low-wealth districts and large land area districts with funding in advance of their district-wide CFAP projects to construct single buildings in order to address acute health and safety issues.

School district eligibility rankings under the bill

(Section 1)

The bill requires the Department of Education, within 30 days after the bill's effective date, to create an alternate equity list for fiscal year (FY) 2008 by recalculating each school district's percentile ranking. (For purposes of the bill "equity list" means the school district percentile rankings under CFAP.) The recalculation is to be done by using the definition of "valuation per pupil" *as modified by* Am. Sub. H.B. 119 of the 127th General Assembly, the Main Operating Budget Bill for the FY 2008-2009 biennium.³

Prior to Am. Sub. H.B. 119, "valuation per pupil" was defined as a district's average taxable value divided by its formula ADM (average daily membership) for the previous fiscal year. Am. Sub. H.B. 119 added students who are enrolled in a school district under an interdistrict open enrollment policy to the district's formula ADM for purposes of the calculation of the district's "valuation per pupil," *if* the district's net gain in open enrollment students is at least 10% of its formula ADM. A district's net gain in open enrollment students is the difference between (1) the number of students who are enrolled in the district under the district's open enrollment policy but are entitled to attend school elsewhere and (2) the number of the district's native students who are enrolled in another district under that district's open enrollment policy. Therefore, a district in which a sizable proportion of the students come from outside the district through open enrollment may count some of those students in its "valuation per pupil." This change has the effect of lowering the district's "valuation per pupil" and potentially placing it in a lower percentile in the eligibility rankings. As a result, the district could qualify for CFAP assistance earlier than under the law as it existed prior to Am. Sub. H.B. 119, *and* it could pay a smaller share of the basic project cost.

² R.C. 3318.37.

³ This particular amendment to R.C. 3318.011 in Am. Sub. H.B. 119 took effect September 29, 2007.

The bill specifies that, when recalculating the percentile rankings, the Department must use the same values for the other variables in the formula that it used in calculating the original equity list for FY 2008. (That is, updated values *cannot* be used for "average taxable value," "formula ADM," and "income factor.")

The SFC is required by the bill to use the alternate equity list to determine the priority for CFAP assistance in FY 2009 for each school district that had not previously been offered funding under CFAP. The alternate equity list cannot, however, affect any school district's eligibility for the Exceptional Needs School Facilities Assistance Program.

For each school district that receives the SFC's conditional approval of the district's project under CFAP or the Exceptional Needs School Facilities Assistance Program in FY 2009, the district's portion of the basic project cost is to be the *lesser* of the following:

(1) The amount required if the formula is calculated using the percentile in which the district ranks on the alternate equity list; and

(2) The amount required if the formula is calculated using the percentile in which the district ranks on the original equity list for FY 2008.

HISTORY

ACTION	DATE
Introduced	01-15-08

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