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Bill Analysis
Legislative Service Commission

S.B. 363
127th General Assembly
(As Introduced)

Sen. Cates

BILL SUMMARY

- Requires the payment of an additional transitional aid amount in FY 2009 to certain city, exempted village, and local school districts that experience enrollment growth of more than 100 students from FY 2008.
- Makes an appropriation.

CONTENT AND OPERATION

Background on transitional aid

To protect school districts from losses in state funding due to recent changes in the funding formula, temporary law specifies that in each fiscal year of the current biennium (FY 2008 and FY 2009), no city, exempted village, or local school district's state "SF-3 funding" may be less than it was for the previous fiscal year.¹ Under this guarantee, the Department of Education must pay additional state funds, as necessary, to eliminate any decrease in state funding to a district. The guarantee applies to many, but not all, of the payments calculated for a district under permanent law. A district's "SF-3 funding" comprises the payments calculated for (1) base-cost, (2) special education and speech services, (3) vocational education, (4) transportation, (5) poverty-based assistance, (6) gifted education units, (7) GRADS subsidy for programs for parenting and pregnant students, (8) adjustments for the number of classroom teachers and educational

¹ Section 269.30.80 of Am. Sub. H.B. 119 of the 127th General Assembly. Section 269.30.90 of that same act provides a similar guarantee for joint vocational school districts. Such guarantees have been provided by temporary law since FY 2006 (see Sections 206.09.39 and 206.09.42 of Am. Sub. H.B. 66 of the 126th General Assembly). Prior to then, permanent provisions of law guaranteed schools districts at least as much state funding as they received in FY 1998 (repealed R.C. 3317.0212 and former division (H) of R.C. 3317.16, as it existed prior to June 30, 2005).

service personnel (elementary school art, music, and physical education teachers, counselors, librarians, visiting teachers, school social workers, and school nurses), (9) parity aid, (10) property tax reappraisal guarantee, (11) charge-off supplement (to help a low-wealth district pay its local share of base-cost, special education, vocational education, and transportation funding), and (12) any applicable transitional aid payment made to the district for the previous fiscal year. The transitional aid payment is calculated prior to deductions for payments made to community schools or for scholarships under the Educational Choice Scholarship Pilot Program or the Autism Scholarship Program.²

Additional transitional aid for fast-growing school districts

(Section 269.30.80(C) of Am. Sub. H.B. 119 of the 127th General Assembly)

The bill requires that an additional amount of transitional aid be paid in FY 2009 to a city, local, or exempted village school district that experiences growth of more than 100 students from FY 2008, if calculating its transitional aid based on its per-pupil amount of funding yields a greater aggregate amount. The additional payment equals the amount, if any, by which the district's *per-pupil amount* of FY 2008 SF-3 funding plus FY 2008 transitional aid, multiplied by its FY 2009 "ADM value" (student enrollment) minus 100, exceeds its *aggregate amount* of FY 2009 SF-3 funding plus FY 2009 transitional aid. In other words, if the district's per-pupil payment (before community school and scholarship deductions) for the previous year times the number of students *currently* enrolled (minus the first 100 new students) is greater than what the district otherwise will receive in total for the current year (again, before community school and scholarship deductions), the Department must pay the district that difference as an additional amount to compensate the district for extraordinary enrollment growth.

² Community schools are public charter schools that receive state funds that are deducted from the school districts in which the students enrolled in those schools reside. Educational Choice scholarships are provided to certain students assigned to low-performing public schools so that they may attend private schools. Scholarships under the Autism Scholarship Program are provided for students with autism to attend alternative private or public special education programs instead of the programs operated by their resident school districts. Under both scholarship programs, a calculated amount is deducted from the school district in which each scholarship student resides.

Appropriation

(Section 269.10 of Am. Sub. H.B. 119 of the 127th General Assembly)

The bill appropriates an additional \$5.5 million from the General Revenue Fund for the Department of Education for FY 2009 to cover the additional transitional aid payments likely due to school districts under the bill.

HISTORY

ACTION	DATE
Introduced	09-11-08

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