

H.B. 305: Ohio Fair School Funding Bill Major Provisions

Creates a comprehensive school funding plan for primary and secondary education by doing the following:

1. Establish a base cost amount to meet the cost of basic student educational needs;
2. Adding additional resources for specific needs, such as special education, educating students living in poverty, and transportation, etc.; and,
3. Allocating state and local funding shares based on local capacity measured by property values and resident income;

Base Cost.

Establishes a transparent formula to calculate a realistic *Base Cost* amount for each district, which can be described as “the cost to educate a typical student without any special needs in a typical school district”.

The base cost is constructed by using current Ohio cost data applied to:

- Teacher/pupil ratios by grade level, plus art, music and physical education;
- Substitute teachers and professional development;
- Co-curriculars, athletics, guidance, safety and security, social/emotional/life support, instructional technology, library and media operations, supplies and academic content;
- Building leadership and operation;
- District leadership and accountability;
- Technology for students and staff.

Establishes a Fair Distribution of State Funds.

The local and state shares of the base cost amount are determined by a capacity calculation based 60% on local property valuation per pupil and 40% on district resident income (based on the individual federal adjusted gross income filed by district residents).

Changes in the capacity of one district would no longer impact other districts and raise or lower local and state shares of other districts as now occurs in the current formula.

“Add-on” Funding provided for special needs.

In addition to base cost additional amounts are allocated to serve each student who has special needs, including:

- **Economically Disadvantaged** – Additional interim funds have been added to bring the per pupil funding level to \$422 (which increases with the concentration of students identified as living in poverty up to approximately \$1,700/student). Upon completion of a formal study of the cost of educating students living in poverty, the funding level will be adjusted accordingly.
- **Special Education** – Funding for each special education student will be accomplished using a multiplier of the districts base cost amount for each disability category.

- **Gifted Education** – Supports the gifted education funding recommended in ODE’s 2019 Gifted Funding report.
- **English Language Learners (ELL)** – Initially update funding for English Language Learners by using a base cost multiplier for each category. Upon completion of a formal study of the actual cost of educating ELL’s, the funding level will be adjusted accordingly.

Career-Technical Education.

- Creates a base cost funding model for career technical centers (JVSD’s), similar to the new K-12 funding model but using cost data/ratios of Career Tech Centers;
- Uses a multiplier of the new base cost to fund the technical and skills programming;
- Creates and funds a comprehensive career awareness and exploration program for all K-12 students in each school to be coordinated by the Career-Technical Planning Districts (CTPDs)

Education Service Centers (ESCs).

- Implements an interim modest increase in per pupil funding pending the results of an in-depth study to determine an appropriate, consistent cost based funding model.

Funding Where Educated/Enrolled.

State funding is directed to the school where the student is educated rather than the school of the student's residence. The effect of this change results in:

- Direct State Funding of *Community/Charter Schools and vouchers* to eliminate the need for Including students in the ADM of the school of residence before transferring the per pupil amount to the student's choice school.
- Developing a per pupil amount for community schools based roughly on the base cost formula for traditional school but excluding components for traditional schools that do not apply.
- Open-enrollment students would be counted in the school they attend with financial incentives and disincentives remaining essentially unchanged.

Transportation. Improved funding for transportation costs, include:

- Re-implementing a bus purchase subsidy to modernize an aging fleet.
- Re-instating the state minimum share of district transportation costs to 60% over a phase-in period, offsetting the phase-out of the current density supplement.
- Conducting a focused study to determine more efficient methods of transporting community and non-public school students, including when the district school is not in session and for students outside of the district.
- Including students residing within one mile of the school as riders and allow districts to count the greater of the morning or afternoon riders for funding.
- Permitting districts to use buses to support community events if properly reimbursed.

Implementation. This new comprehensive funding plan would be entirely phased-in over a six-year span, making it affordable but achieving a stable, predictable, justifiable, scalable, and durable funding formula. A faster phase-in could be accomplished in a shorter timeframe if additional revenues are realized.