

## Economically Disadvantaged Aid

### Current Formula

**Economically Disadvantaged (ED) Base amount** = \$272 per pupil

**Economically Disadvantaged Index** = District % of economically disadvantaged students ÷ State average % of disadvantaged students

**State Average % of students** = 49.2%

The ED Index is squared so that the per pupil amount increases as the percentage of low-income students in the district increases. This is consistent with research showing the cost of educating these students' increases with their concentration.

A district with 100% economically disadvantaged students currently receives \$1121 per student:

$$100 \div 49.2 = 2.03$$

$$2.03 \times 2.03 = 4.12$$

$$\$272 \times 4.12 = \$1121 \text{ per pupil}$$

The current base cost amount is \$ 6020 per pupil.

$$1121 \div 6020 = 18.6 \%$$

Research indicates that economically disadvantaged students typically cost at least 30% more to educate than non-disadvantaged students.

However, the calculation above shows that Ohio's current formula only provides additional funding at less than 20% of the base cost—and that is in a district with ALL economically disadvantaged students. Funding in districts with less than 100% economically disadvantaged is even lower.

### Modified Formula – According to HB 305

**Average Base Cost under HB 305** = \$7190

**Increasing the base amount by \$150 per student** = \$422 per student

A district with 100% economically disadvantaged students will receive:

$$\$422 \times 4.12 = \$1739 \text{ per pupil}$$

$$1739 \div 7190 = 24.2\%$$

Which means, that although HB 305 significantly increases funding for economically disadvantaged students, a district with 100% economically disadvantage students would receive slightly less than 30% of the projected base cost amount.

The percentage of economically disadvantaged is steadily rising, so the multiplier declined to 4.03. \$2157 is required to reach 30% of the new statewide average base cost. In order to reach that figure, the base amount for economically disadvantaged would need to be \$524.