House Finance Committee
Interested Party Testimony - House Bill 96
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Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and members of the House Finance Committee, thank you for the opportunity to present testimony today on House Bill (HB) 96, the Fiscal Year (FY) 26-27 biennial budget. My name is Howard Fleeter, and I am the research consultant for the Ohio Education Policy Institute (OEPI). For those of you who are not familiar with my background, I have a PhD in Economics from the University of California, Berkeley, I spent 10 years as a Public Policy professor at The Ohio State University, and I have been researching school funding and education policy in Ohio for over 30 years. My career working with Ohio policymakers began when Governor Voinovich commissioned me to write my report "Equity, Adequacy and Reliability in Ohio Education Finance" which I completed in November 1992. My research on school funding in this report was cited in the landmark March 24, 1997 *DeRolph I* decision which ruled Ohio's school funding system unconstitutional. This ruling was reaffirmed in 3 subsequent Court decisions.

At this point in time is is fairly well understood that LSC simulations of the Executive Budget have shown that Ohio's traditional public schools will experience a reduction of $103 million in foundation formula funding over the FY26-27 biennium compared to current levels of funding while Ohio's community school and voucher program funding will both increase in excess of $220 million. I expect that other witnesses will speak to these findings and my objective here today is to discuss three topics of paramount importance to Ohio's 609 traditional school districts – the base cost, the state/local share, and the transitional aid guarantee – and to explain the importance of each and how they are interrelated.

I. Structure of Ohio's Current Foundation Funding Formula

Ohio's current foundation funding formula has the same basic structure as it has since 1985 and can be thought of as having two sides. The starting point for the funding formula is a base cost per pupil for each school district. the base cost is then complemented by seven additional funding components, (Targeted Assistance, special education, Disadvantaged Pupil Impact Aid – or DPIA, transportation, career technical education, and funding for gifted education and English learners). Together these additional components are commonly known as "categorical funding" or simply the "categoricals"). The categoricals are designed to provide additional funding for transportation and to cover the extra costs of educating students who have additional needs Together the base cost and the categoricals comprise what can be thought of as the "adequacy"

side of the formula, delineating the funding parameters which determine how much money each district needs to educate students with varying needs and for the cost of transporting them to and from school.

Targeted Assistance has been part of the formula for over 30 years (under a variety of names) and is designed to provide additional funding to districts whose lower property wealth and/or small size prevent them from raising local revenue to the same degree that wealthier and larger districts are able. As such, Targeted Assistance plays a pivotal role in reducing over-reliance on the local property tax. Finally, the foundation formula also includes Supplemental Targeted Assistance, the Formula Transition Supplement, and the Temporary Transitional Aid Guarantee, which is the largest of these components in total dollars and is commonly referred to as the "guarantee". The guarantee will be discussed in detail below.

Ohio's foundation funding formula can be thought of as a partnership between the state and the local school districts and the "second side" of the formula is the computation of the state and local share of foundation funding in each of Ohio's 609 K-12 school districts. Because the primary source of local revenue for school districts is the property tax, the mechanism used in Ohio's school funding formula to compute the local share of funding by each school district dating back to at least 1985 has been primarily, if not exclusively, based on property values. In this manner districts with higher property values are expected to contribute more locally (and hence receive less state aid) while lower wealth districts are expected to contribute less locally and thus get a higher fraction of state aid. The state share of funding in each school district is then applied to the base cost funding component and also to the special education, English learner, gifted student, career technical student and transportation categoricals. Targeted Assistance and DPIA are both funded fully by the state.

The local share calculation is currently based on the combination of school district property values (60% of the calculation) and 2 measures of school district income (each comprising 20% of the calculation). The property value component and one of the income components utilize data averaged over 3 years. Because of lags in data availability, the most current year for property value data is the calendar year two years prior to the school year in question (i.e. 2023 for the FY25 school year) while the income data lags an additional year behind (the most current year being 2022 for the FY25 school year).

As a final point, FY25 is the 4th year of a planned 6-year phase-in of the current funding formula, commonly known as the "Fair School Funding Plan" (FSFP) and the Governor's FY26-27 Executive budget provides for the completion of the phase-in FY26 and FY27.

II. Base Cost and State Share Calculations

As mentioned above, the starting point of the FSFP funding formula is the computation of the base cost amount for each school district. This calculation is based on a series of inputs, all of which are specified in the Ohio Revised Code, including average salaries for 10 different types of school employees, health insurance and retirement benefits, and average costs for 7 different categories of building operations and co-curricular activities. Because of the timing of data availability, the most current input data available is for the school year 2 years prior to the school

year in question. Thus, for the FY25 school year, input data from FY23 *should* be used in order to provide an adequate base cost funding amount in each school district.

However, while Ohio permanent law relating to the state local/share calculation indicates that the property value and income data will be updated to the most current year available on an annual basis, no similar provision exists for the base cost calculation upon which the adequacy of Ohio's foundation funding formula rests. In FY22, the first year of the FSFP, the input data used in the base cost calculation was from the FY18 school year, rather than FY20 which was the most current year available. In FY23, the base cost was unchanged, again based on the original FY18 input data. ***In the FY24 school year (year 3 of the FSFP) the input data was updated to FY22 which was the most current year available at that time***. However, as was the case in FY23, the base cost remained the same in FY25 as the input data was not updated to FY23 from FY22 thus rendering the funding formula not fully adequate as it rests upon outdated input data.

Under the FY26-27 Executive Budget, the pattern of not keeping the base cost calculation fully up to date is slated to continue as ***the FY22 inputs first used in FY24 will continue to be used in FY26 and FY27, thus meaning that the base cost per pupil for each district will change little or not at all.***

The imbalance between the annual updating of the property value and income data used in the state/local share calculation and the sporadic updating of the input data used in the base cost calculation creates both conceptual and practical problems. From a conceptual standpoint it is imperative to understand that merely completing the planned 6 year phase-in period is not sufficient to deem Ohio's funding formula "fully funded". ***In order for the funding formula to be considered fully and adequately funded, the base cost input data must be updated in parallel with the state/local share property value and income data. This means that FY26 should be based on FY24 input data and the base cost in FY27 should be based on FY25 input data.***

Finally, it is important to point out that annual increases in the base cost per pupil were standard operating procedure in Ohio's school funding formula over the 30-year period from FY1990 through FY2019. The base cost in each year is shown in Appendix 1 on page 8 of this testimony.

III. A Declining State Share: The Implication of Not Updating the Base Cost Inputs

The problematic nature of data of the FY26-27 Executive Budget updating the property value and income data used to compute the state/local share (which results in an increased local share as those measures typically increase), but not the base cost input data (which allows funding to increase for typical students, students with additional needs, and transportation) can clearly be seen in the figures below:

In FY26:

- *531 of the 609 districts (87.0%) have their state share go down*
- 75 districts are at the floor and their state share remains the same
- Only 3 districts have their state share increase in FY26

- 28 of the 531 districts with a decrease have their state share decrease to the 10% minimum, for a total of 103 districts at the minimum state share percentage in FY26

In FY27:

- *506 of the 609 districts (83.1%) have their state share go down*
- 103 districts have their state share stay the same (the 103 districts at the minimum 10% state share in FY26)
- *Zero districts have their state share increase in FY27*
- 28 of the 506 districts with a decrease have their state share decrease to the 10% minimum, for a total of 131 districts at the minimum state share percentage in FY27

Looked at another way, the statewide average state share of funding has changed as follows over FY22-FY27, the 6 years of the FSFP (FY22-24 calculations made by OEPI, FY25-27 made by LSC):

FY22: 41.6% (FY18 inputs used in base cost)

FY23: 40.6% (inputs not updated – still FY18)

FY24: 43.3% (base cost inputs updated from FY18 to FY22 "current year")

FY25: 38.4% (inputs not updated – still FY22)

FY26: 35.0% (inputs not updated – still FY22)

FY27: 32.2% (inputs not updated – still FY22)

The figures above clearly show that the one year that the base cost input data was updated (FY24) the state share increased, while each of the 4 years when the base cost input data was not updated (FY23, FY25, FY26 and FY27), the state share decreased.

By way of comparison below is the state share of funding in FY99 (computed by OEPI):

FY99: 45.7% (first year of new funding formula in response to the *DeRolph* ruling)

While I have additional data to analyze, based on Ohio's previous history of updating the base cost per pupil on annual basis, ***it is almost certain that the state average state share has never been as low as 35% (or 32.2%) for the last 35 years at least.***

IV. The Link Between the State Share Percentage, Decreases in Formula Funding and Increases in the Guarantee

LSC's simulation of the impact of the FY26-27 Executive budget on Ohio's 609 traditional school districts reveals the following two main insights:

- 349 school districts (57%) receive less funding compared to FY25 levels while 260 districts receive more funding.
- The transitional aid guarantee increases in both FY26 and in FY27. ***The FY27 state total guarantee amount is almost exactly double the total guarantee amount in FY25.***

Despite assertions to the contrary, *enrollment change is not driving the increase in the guarantee in the FY26-FY27 biennium.* This is clear because LSC's simulations hold enrollment constant in FY26 and FY27 at FY25 levels.

The purpose of the guarantee is to provide stability in funding from one year to the next and there has been a guarantee provision in place in the Ohio school funding formula dating back to at least 1985. A district ends up on the guarantee when their formula funding in a given year falls below their guarantee benchmark funding level (which is based on their funding amount in a prior year). There are 3 general reasons why a districts funding might decrease from one year to the next:

1. A decline in the number of students
2. A decline in their state share stemming from an increase in property wealth (and under the current funding formula, an increase the income of a district's residents)
3. Changes in the funding formula itself

LSC's simulation and the 2 examples provided below make it clear that the driving force behind the increase in the guarantee is the decline in state share experienced by more than 500 school districts in both FY26 and FY27.

Under the FY26-27 Executive Budget as simulated by LSC, a school district can see its funding go up for 3 possible reasons:

- Increased funding from the funding formula phase-in percentage increasing from the current 66.67% to 83.33% in FY26 and to 100% in FY27.
- An increase in transportation funding because of the completion of the phase-in of the increased minimum state share of transportation from 25% in FY22 to 50% in FY27.
- An increase in Targeted Assistance funding after property valuation data was updated.
- Under the LSC simulations, both DPIA funding and student enrollment are held constant at FY25 levels neither of these factors are influencing the district funding estimates.

When the state share percentage for a district goes down in FY26 or FY27 the outcome for a given district depends on whether the reduction in funding from the lower state share results in larger loss of funding than the increase they might be getting from the 3 reasons listed above.

Furthermore, when a district's state share falls and causes a reduction in funding that more than offsets their increase in funding from the continuation of the phase-in (and/or increased transportation and targeted assistance funding) one of three outcomes can occur:

1. There will be an increase in the guarantee amount for districts already on the transitional aid guarantee. These districts can then see a reduction of funding because of the Executive Budget's 5% reduction to the guarantee in FY26 and 10% reduction in FY27.
2. Districts not currently on the guarantee in FY25 (because their current level of state funding is above their guarantee threshold based on FY20/21 state funding) can see their state funding reduced enough that they end up on the guarantee. They then will

experience a second reduction in funding because of the 5% and 10% cuts to the base guarantee amount.

3. The lower state share causes districts to experience a reduction their state funding, but they remain above the guarantee threshold. These districts do not go on the guarantee, instead they just have their state funding reduced.

The LSC simulations also show the transitional aid guarantee increasing significantly in both FY26 and FY27. Below are the transitional aid guarantee amounts from FY22 through FY27 (FY22-24 amounts from DEW SFPR reports and FY25-27 amounts from LSC):

FY22: $73.0 million (FY18 inputs used in base cost, state average state share = 41.6%)

FY23: $175.5 million (inputs not updated – still FY18, state average state share = **40.6%**)

FY24: $152.9 million (base cost inputs updated from FY18 to FY22 "current year", state average state share = 43.3%)

FY25: $285.1 million (inputs not updated – still FY22, state average state share = **38.5%**)

FY26: $408.4 million (inputs not updated – still FY22, state average state share = **35.0%**)

FY27: $564.7 million (inputs not updated – still FY22, state average state share = **32.2%**)

Once again, the figures above clearly show that each year that the base cost inputs were NOT updated the transitional aid guarantee amount increased. *These figures also demonstrate that while in prior years declining enrollment may have played a role in the increase in the guarantee,* ***the primary cause of the guarantee increasing over time (and the only cause in FY26 and FY27 under the LSC simulations) is the ongoing decline in the state share percentage resulting from the failure of the state to update the base cost inputs on the same schedule as the property and income data used in the state/local share calculation.***

The link between the state share percentage, reductions in state funding, and increases in the guarantee can be clearly shown in examples of how 2 school districts have their funding impacted under the FY26-27 Executive Budget. These examples are shown in Appendices 2 and 3 at the end this testimony.

Appendix 2 shows how FY26 and FY27 state funding changes for a school district already on the guarantee in FY25 and whose state share declines in both FY26 and FY27. Prior to the imposition of the Executive Budget's reductions to the guarantee, this school district's guarantee amount nearly doubles in FY26 and in FY27 is more than triple its FY25 guarantee amount. ***Because these figures are based on constant enrollment, the increase in this district's guarantee is due entirely to the decline in the district's state share.*** Appendix 2 also shows that after the 5% and 10% reductions to the guarantee, this district's FY27 guarantee amount is still more than double its FY25 guarantee amount.

Thus, Appendix 2 shows that this district, which had a modest increase in enrollment from FY24 to F525, both has its guarantee amount increase yet also receives less state aid in both FY26 and FY27 than they did in FY25.

Appendix 3 shows how FY26 and FY27 state funding changes for a school district that is not on the guarantee in FY25 and their state share declines in both FY26 and FY27. Appendix 3 shows that this district (which also had an increase in enrollment from FY24 to FY25), ***experiences a formula funding reduction in both FY26 and FY27,*** with the FY27 reduction sufficiently large to place it on the guarantee in that year. ***The district then experiences second reduction in funding as result of the Executive Budget reducing their guarantee benchmark amount, yet they are a district which is only on the guarantee because their state share decreased as result of updating the property value and income data used in the state/local share calculation without the offsetting update of the input data used to compute the base cost per pupil.***

This completes my testimony, and I understand that it is both a lot of words and a lot of numbers. I hope that I have explained everything in an understandable manner and I am happy to take any questions that you might have.

Appendix 1

Table 1 provides a summary of the base per pupil foundation amount and percentage change from year to over the 30-year period from FY1990 through FY2019.

The years FY99 through FY13 reflect the time frame when Ohio used several different methods to objectively calculate the base cost per pupil as directed in the March 1997 *DeRolph I* ruling.

Table 1: Ohio Foundation Level and Percent Change, FY1990–FY2019

Year	Foundation Level	% Increase		Year	Foundation Level	% Increase
FY 1990	$2,530	7.2%		**FY 2005**	**$5,169**	**2.2%**
FY 1991	$2,636	4.2%		**FY 2006**	**$5,283**	**2.2%**
FY 1992	$2,710	2.8%		**FY 2007**	**$5,403**	**2.3%**
FY 1993	$2,817	3.9%		**FY 2008**	**$5,565**	**3.0%**
FY 1994	$2,871	1.9%		**FY 2009**	**$5,732**	**3.0%**
FY 1995	$3,035	5.7%		**FY 2010**	**EBM***	--
FY 1996	$3,315	9.2%		**FY 2011**	**EBM***	--
FY 1997	$3,500	5.6%		FY 2012	Bridge	--
FY 1998	$3,663	4.7%		FY 2013	Bridge	--
FY 1999	**$3,851**	**5.1%**		FY 2014	$5,745	0.2%
FY 2000	**$4,052**	**5.2%**		FY 2015	$5,800	1.0%
FY 2001	**$4,294**	**6.0%**		FY 2016	$5,900	1.7%
FY 2002	**$4,814**	**12.1%**		FY 2017	$6,000	1.7%
FY 2003	**$4,949**	**2.8%**		FY 2018	$6,010	0.2%
FY 2004	**$5,058**	**2.2%**		FY 2019	$6,020	0.2%

* In FY10 and FY11the Evidence Based Model (EBM) did not have a single base cost per pupil figure

Note that the 12.1% increase from FY01 to FY02 reflected a recalibration of the base cost per pupil as a result of removing the cost-of-doing-business factor regional wage rate adjustment which ranged from 1.0 to 1.075.

Appendix 2: District A – Currently On the Guarantee

Table 2 shows foundation funding formula calculations for an example school district already on the guarantee in FY25 and shows how their funding changes as result of their declining state share resulting in a loss of formula funding in both FY26 and FY27.

Table 2: District A, FY25, FY26 and FY27 Guarantee Calculations

	FY25	**FY26**	**FY27**
A. FY20/21 Base Funding Amount (Guarantee Base)	$3,007,660	$3,007,660	$3,007,660
B. State Share Percentage	22.8%	17.9%	13.6%
C. Computed Formula Funding (after Phase-in)	$2,783,297	$2,412,144	$1,941,913
D. Transitional Aid Guarantee Amount (A-C)	**$322,973**	**$595,515**	**$1,065,747**
E. Guarantee Baseline Percentage	100%	95%	90%
F. New Guarantee Base Amount (A x E)	$3,007,660	$2,857,277	$2,706,894
G. Reduced Transitional Aid Guarantee Amount (F-C)	$322,973	**$445,132**	**$764,981**
H. Loss of Funding Due to Reduced Guarantee (D-G)	$0	**-$150,383**	**-$300,766**

Data from LSC, calculations by OEPI

Row A of Table 2 shows the district's baseline guarantee amount of $3,007,660 which is based on their state funding received in FY20/21.

Row B of Table 2 shows the District A's state share percentage as computed by LSC in FY25, FY26 and FY27.

Row C of Table 2 shows their foundation formula state aid amount as computed by LSC in FY25, FY26 and FY27. ***This district's computed formula aid is shown to decline from nearly $2.8 million in FY25 to $2.4 million in FY26 and then to $1.94 million in FY27. The reason for this decline is the reduction in their state share percentage.*** (For reasons of simplicity, transportation funding is not shown as it is not subject to the transitional aid guarantee. District A does not receive funding from Supplemental Targeted Assistance or the Formula Transition supplement.)

Row D of Table 2 shows the district's guarantee amount (prior to the reductions included in the Executive budget) which is determined by subtracting thier computed state aid in FY26 and FY27 from the guarantee baseline amount each year. ***Table 1 shows that District A's guarantee amount increases in both FY26 and FY27, with their FY27 guarantee amount more triple their FY25 guarantee amount.*** The amount of the guarantee increase for District A each year

exactly matches their decline in formula funding, which is driven by their reduction in state share percentage. Remember that enrollment is being held constant here, so it plays no role in their state aid calculation in FY26 and FY27 (interestingly, District A had an increase in enrollment of 21 students from FY24 to FY25).

The lower portion of Table 2 shows how the Executive Budget's 5% and 10% reductions the guarantee baseline amount impact the state aid for District A.

Row E of Table 2 shows the guarantee baseline percentages of 100% of the FY20/21 amount in FY25, 95% in FY26 and 90% in FY27.

Row F applies the percentages in line E to the baseline guarantee amount in Line A of the table and shows the Guarantee Baselines for District A in the Executive Budget.

Row G shows the district's new reduced guarantee amounts for FY26 and FY27 under the reductions in included in the Executive Budget.

Row H subtracts the new lower guarantee amount in Row G from the unreduced guarantee amount shown in Row D thereby showing the reduction in funding for District A each year.

Thus, Table 2 shows that District A, a district that had a modest increase in enrollment from FY24 to F525, both has its guarantee amount increase yet also receives less state aid in both FY26 and FY27 than they did in FY25. Furthermore, this funding impact is because their state share decreased as result of updating the property value and income data used in the state/local share calculation without the offsetting update of the input data used to compute the base cost per pupil.

Appendix 3: District B – Not on the Guarantee Currently

Table 3 shows foundation funding formula calculations for District B which provides an example of a district not on the guarantee in FY25 and shows how their funding changes as result of their declining state share resulting in a loss of formula funding in both FY26 and FY27 as well as their placement on the guarantee in FY27.

Table 3: District B, FY25, FY26 and FY27 Guarantee Calculations

	FY25	FY26	FY27
A. FY20/21 Base Funding Amount (Guarantee Base)	$114,524,188	$114,524,188	$114,524,188
B. State Share Percentage	**21.7%**	**15.9%**	**10%**
C. Computed Formula Funding (after Phase-in)	$139,008,584	$122,831,501	**$96,881,139**
D. Transitional Aid Guarantee Amount (A-C)	$0	$0	**$17,643,049**
E. Funding Amount (C+D)	$139,008,584	$122,831,501	**$114,524,188**
F. Year to Year Funding Change		**-$16,177,083**	**-$8,307,313**
G. Guarantee Reduction Percentage	100%	95%	90%
H. New Guarantee Base Amount (A x E)	$114,524,188	$108,797,979	**$103,071,169**
I. Reduced Transitional Aid Guarantee Amount (H-C)	--	$0	**$6,190,630**
J. Loss of Funding Due to Reduced Guarantee (D-I)	$0	$0	**-$11,452,419**
K. Total Loss of Funding (F+J)		**-$16,177,083**	**-$19,759,732**

Data from LSC, calculations by OEPI

Row A of Table 3 shows District A's baseline guarantee amount of $114,524,188 which is based on their state funding received in FY20/21.

Row B of Table 3 shows their state share percentage as computed by LSC in FY25, FY26 and FY27.

Row C of Table 3 shows District A's foundation formula state aid amount as computed by LSC in FY25, FY26 and FY27. ***The district's computed formula aid is shown to decline from $139.0 million in FY25 to $$128.8 million in FY26 and then to $96.9 million in FY27. As with District A, the reason for this decline is the reduction in their state share percentage.*** (Again, for reasons of simplicity, transportation funding and $4.7 million in funding received from the or

the Formula Transition supplement are not shown as they are not subject to the transitional aid guarantee. District B does not receive funding from Supplemental Targeted Assistance.)

Row D of Table 3 shows that because District B's state aid in both FY25 and FY26 is above their guarantee baseline amount of $114.5 million they are not on the guarantee in either year, but they are on the guarantee in FY27 because the continued decline in the district's state share percentage in FY27 will lower their foundation funding amount to $96.9 million which is below their guarantee baseline amount (prior to the Executive Budget's 10% reduction). This places them on the guarantee in FY27 with an amount of $17.6 million. Again, remember that enrollment is being held constant in the LSC simulation, so it plays no role in the state aid calculations in FY26 and FY27 (District B had an increase in enrollment of 1,440 students from FY24 to FY25).

Row E of Table 3 shows the funding amount that District B receives in FY25, FY26 and FY27, which is the total of their computed formula funding plus any guarantee amount they receive. Row E shows that the distrct's state aid declines each year.

Row F of Table 3 compares the amounts shown in Row E and shows that District B experiences a reduction of $16.2 million in formula funding in FY26 because their reduced state share percentage lowers their formula aid yet they remain above the guarantee baseline so they do not benefit from the guarantee "safety net". This is the experience of school districts which see a reduction in their state aid as a result of their state share decreasing but remain above the transitional aid guarantee baseline funding amount.

Row F of Table 3 also shows that ***District B experiences a reduction of $8.3 million in formula funding in FY27 because their reduced state share percentage lowers their formula aid to $96.9 million - which would be a reduction of $25.9 million compared to their FY26 foundation funding amount – however, they get $17.6 million of that cut restored by the guarantee creating the safety net of their $114.5 million FY20/21 foundation funding amount.***

Thus while District A demonstrates how the Executive Budget impacts a district already on the guarantee, District B illustrates that a district not on the guarantee whose foundation formula funding decreases experiences the full loss of funding (FY26) and also that a district a district initially not on the guarantee but whose funding reductions are sufficiently large to place to place it on the guarantee (FY27) experiences a partial funding loss.

Finally, the lower portion of Table 3 shows how the Executive Budget's 5% and 10% reductions the guarantee baseline amount impact the state aid for District B.

Row G of Table 3 shows the guarantee baseline percentages of 100% of the FY20/21 amount in FY25, 95% in FY26 and 90% in FY27.

Row H applies the percentages in line G to the baseline guarantee amount in Line A of the table and shows the Guarantee Baselines for District B in the Executive Budget. Because District B's computed formula funding is already above the guarantee baseline amount in FY26, the reduction is irrelevant. However, the reduction of the guarantee baseline by 10% in FY27 lowers their guarantee amount from the current $114.5 million to $103.1 million under the Executive Budget.

Row I shows that the reduction in District B's guarantee baseline to $103.1 million in FY27 will reduce their guarantee amount from $17,643,049 to $6,190,630.

Row J subtracts the new lower guarantee amount in Row I from the unreduced guarantee amount shown in Row D thereby showing a reduction in District B's FY27 guarantee amount of $11,452,419.

Finally, Row K of Table 3 adds the $8.3 million reduction in state aid from FY26 to FY27 shown in Row F to the reduced guarantee amount of $11.5 million shown in Row J to compute that ***under the Executive Budget District B will experience a total reduction in state aid of $19.8 million compared to FY26.***