Conceptual School Funding Mechanism

1. Compute district “assured available amount”
2. Subtract expected local contribution (charge-off)
3. Difference is state funding amount
4. Plus or minus additional adjustments (guarantees, caps, protection mechanisms, etc.)
Assured Available Amount

- Key factors in computing “assured available amount”
  - Established base amount to educate average student
  - Pupil enrollment figures
  - Categorical funding - students with disabilities, low-income students, gifted, Career-tech, English Language Learners (ELL)
  - (Base amount x # of students) + categorical supplements
Adjustments to District Payment (Ohio Specific)

• Transfers and Adjustments
  – Educational Service Center deduction
  – Community School transfer
  – Open enrollment adjustment
  – Scholarship (voucher) deduction
Equalizing Formula Theory

Assured Available Amount

Charge-Off Line

State Revenue

Local Revenue (Charge-off)

WEALTH

Property Value
Funding Formula Results

State and Local Contribution to Basic Education by Wealth Quintile, FY 2011

Source: Legislative Service Commission
How much does it cost to educate a student?

Four approaches to determining “base cost”

• Professional Judgment
• Successful Schools
• Evidence-Based
• Cost-Function (Econometric)
• 8 of the lowest 10 spending districts ($7,725 per pupil and lower) are rated “Excellent;” none are rated less than “Effective.” (Highest poverty percentage is 39%).
• 5 of the highest 10 spending districts ($16,320 per pupil and higher) are rated “Excellent” or higher; 4 are rated “Academic Watch.” (All “Watch” district have poverty levels in excess of 60%)