



Ohio Revised Code

Section 3317.017 Computation of district's state share index.

Effective: September 29, 2017

Legislation: House Bill 49

The department of education shall compute a school district's state share index as follows:

(A) Calculate the district's valuation index, which equals the following quotient:

(The district's three-year average valuation / the district's total ADM) / (the statewide three-year average valuation for school districts with a total ADM greater than zero / the statewide total ADM)

(B)(1) Calculate the district's median income index, which equals the following quotient:

(The district's median Ohio adjusted gross income / the median of the median Ohio adjusted gross income of all districts statewide with a total ADM greater than zero)

(2) Calculate the district's income index, which equals the following sum:

(The district's median income index X 0.5) + {[(the three-year average federal adjusted gross income of the school district's residents / the district's formula ADM for fiscal year 2017) / (the three-year average federal adjusted gross income of all districts statewide with a formula ADM for fiscal year 2017 greater than zero / the statewide formula ADM for fiscal year 2017)] X 0.5}

(C) Determine the district's wealth index as follows:

(1) If the district's income index is less than the district's valuation index and the district's median income index is less than or equal to 1.5, then the district's wealth index shall be equal to [(0.4 X the district's income index) + (0.6 X the district's valuation index)].

(2) If the district's income index does not meet both of the conditions described in division (C)(1) of this section, then the district's wealth index shall be equal to the district's valuation index.



(D) Determine the district's state share index as follows:

(1) If the district's wealth index is less than or equal to 0.35, then the district's state share index shall be equal to 0.90.

(2) If the district's wealth index is greater than 0.35 but less than or equal to 0.90, then the district's state share index shall be equal to $\{0.40 \times [(0.90 - \text{the district's wealth index}) / 0.55]\} + 0.50$.

(3) If the district's wealth index is greater than 0.90 but less than 1.8, then the district's state share index shall be equal to $\{0.45 \times [(1.8 - \text{the district's wealth index}) / 0.9]\} + 0.05$.

(4) If the district's wealth index is greater than or equal to 1.8, then the district's state share index shall be equal to 0.05.

(E)(1) For each school district for which the tax-exempt value of the district, as certified under division (A)(4) of section 3317.021 of the Revised Code, equals or exceeds thirty per cent of the potential value of the district, the department shall calculate the difference between the district's tax-exempt value and thirty per cent of the district's potential value. For this purpose, the "potential value" of a school district is the three-year average valuation of the district plus the tax-exempt value of the district.

(2) For each school district to which division (E)(1) of this section applies, the department shall adjust the district's three-year average valuation used in the calculation under division (A) of this section by subtracting from it the amount calculated under division (E)(1) of this section. The department shall not, however, make any adjustments to the statewide three-year average valuation used in the calculation under division (A) of this section.

(F)(1) Except as provided in division (F)(3) of this section, for purposes of division (F) of this section, for fiscal year 2018 or 2019, an "eligible school district" is a school district that satisfies all of the following for that fiscal year:

(a) The total taxable value of public utility personal property in the district is at least ten per cent of the district's total taxable value for the tax year immediately preceding the most recent tax year for



which data is available.

(b) The total taxable value of public utility personal property in the district for the most recent tax year for which data is available is at least ten per cent less than the total taxable value of public utility property in the district for the tax year immediately preceding the most recent tax year for which data is available.

(c) The total taxable value of power plants in the district for the most recent tax year for which data is available is at least ten per cent less than the total taxable value of power plants in the district for the tax year immediately preceding the most recent tax year for which data is available.

(2) Notwithstanding divisions (A) to (E) of this section, the department shall compute each eligible school district's state share index as follows:

(a) Calculate the district's valuation index in accordance with division (A) of this section, except that, if the district's total taxable value for the most recent tax year for which data is available is less than the district's "three-year average valuation," the district's "three-year average valuation" shall be replaced in that calculation with the district's total taxable value for the most recent tax year for which data is available;

(b) Calculate the district's median income index and income index in accordance with division (B) of this section;

(c) Determine the district's wealth index in accordance with division (C) of this section using the district's valuation index, median income index, and income index as calculated under divisions (F)(2)(a) and (b) of this section;

(d) Determine the district's state share index in accordance with division (D) of this section using the district's wealth index as determined under division (F)(2)(c) of this section.

(3) For purposes of division (F) of this section, if a district is an eligible school district for fiscal year 2018 but is not an eligible school district for fiscal year 2019, the district's state share index for fiscal year 2019 shall be equal to the district's state share index for 2018.



(G) When performing the calculations required under this section, the department shall not round to fewer than four decimal places.

For purposes of these calculations for fiscal years 2018 and 2019, "total ADM" means the total ADM for fiscal year 2017; "median Ohio adjusted gross income" means the median Ohio adjusted gross income, as that term is defined in section 5747.01 of the Revised Code, for tax year 2015; "three-year average federal adjusted gross income" means the average of the federal adjusted gross income for tax years 2013, 2014, and 2015 as reported under section 3317.021 of the Revised Code; and "tax-exempt value" means the tax-exempt value for tax year 2016.