
HALF MILL MAINTENANCE EQUALIZATION POLICY

Subject: Maintenance Fund Equalization
Approval: Executive Staff
Code Section/Reference: ORC 3318.18
Owner: Operations-Finance

Policy Number: OP-FI-05
Originally Issued: July 2006
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APPLIES TO

CFAP, ENP, Accelerated Urban Program

Ohio Revised Code (ORC) Section 3318.18, provides that any school district participating in a Commission program (CFAP, ENP and Accelerated Urban Program) with a valuation per pupil less than the state average that passes a half mill maintenance levy, or that satisfies the half-mill requirement by an approved alternative method, will have that half mill equalized up to the state average level. Districts participating in the Expedited Local Partnership Program (ELPP) that have satisfied the maintenance funding requirement will also be eligible for the equalization payments. This maintenance equalization policy will be enforced with the cooperation of the Ohio Department of Education (“ODE”).

The Calculation:

1. For districts that entered a project agreement between July 1, 1997 and July 1, 2006, ODE will calculate a valuation per pupil figure for each district and the state average valuation per pupil using tax year 2005 total assessed values and October 2005 formula ADM (average daily membership) as of September 1, 2006, and provide these calculations to the Commission.
2. On or before July 1, 2006, ODE will calculate a valuation per pupil figure for each district and the state average valuation per pupil using tax year 2005 total assessed values and the most recent determination of October 2005 formula ADM and provide this calculation to the Commission. This calculation will be used by the Commission for any agreements formed in FY07.
3. On or before July 1 of each year beginning in 2007, ODE will compute the statewide average valuation per pupil and the valuation per pupil for each district that has not already entered a project agreement using the most recently certified total assessed valuation and the latest version of the formula ADM for October of the previous calendar year and provide these to the Commission.
4. Note: All the statewide averages are calculated by dividing the sum of the total assessed valuations of all districts by the sum of the formula ADMs of all districts.

At the time the Commission enters a project agreement with a district, if the district's valuation per pupil is less than the state average it will compute the difference between the district's valuation per pupil and the state average, multiply that difference by ½ mill and then by the district's formula ADM most recently reported for October. This is the amount of aid the Commission will certify to ODE, along with the ending date of the maintenance agreement.

Note: For districts that entered agreements between 7/1/97 and 7/1/06 (excluding the ELPP districts that have chosen to defer meeting the maintenance requirement until entering the Classroom Facilities Assistance Program) the same type calculation will be made using the data described above in the first paragraph.

The amounts calculated for districts will not change for the period for which payments are made unless the district is pro-rating their maintenance obligation.

Pro-ration:

If a district is segmenting a project they may elect to pro-rate their maintenance obligation. If this election is made, and the district qualifies for equalization payments, the district will only receive a percentage of the equalization payments equal to the pro-rated percentage outlined in the project agreement.

The Payment:

In the fourth quarter of each fiscal year, ODE will pay the amounts calculated above to each eligible district. Payments will be made for each year including the year in which the district's maintenance levy requirement terminates. Payments will be made from the half mill equalization fund, subject to appropriation by the General Assembly. However, ODE will make no payments to any district that elects to fund their maintenance requirement using the procedure authorized by section 3318.051 of the Revised Code.

Payments made to districts are to be credited to the district's classroom facilities maintenance fund and can only be used for maintaining facilities constructed or renovated under the project agreement in accordance with the district's approved maintenance plan.