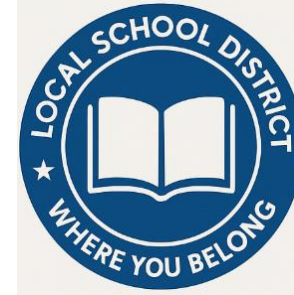
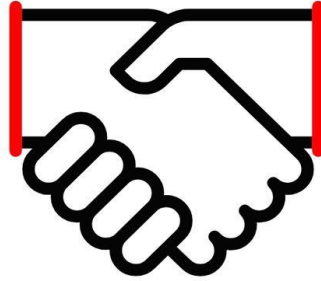


Lakeview Local Schools Financial Forum

School Finance 102: School Revenue
Everything you want to know about School
Finance...Please Ask!

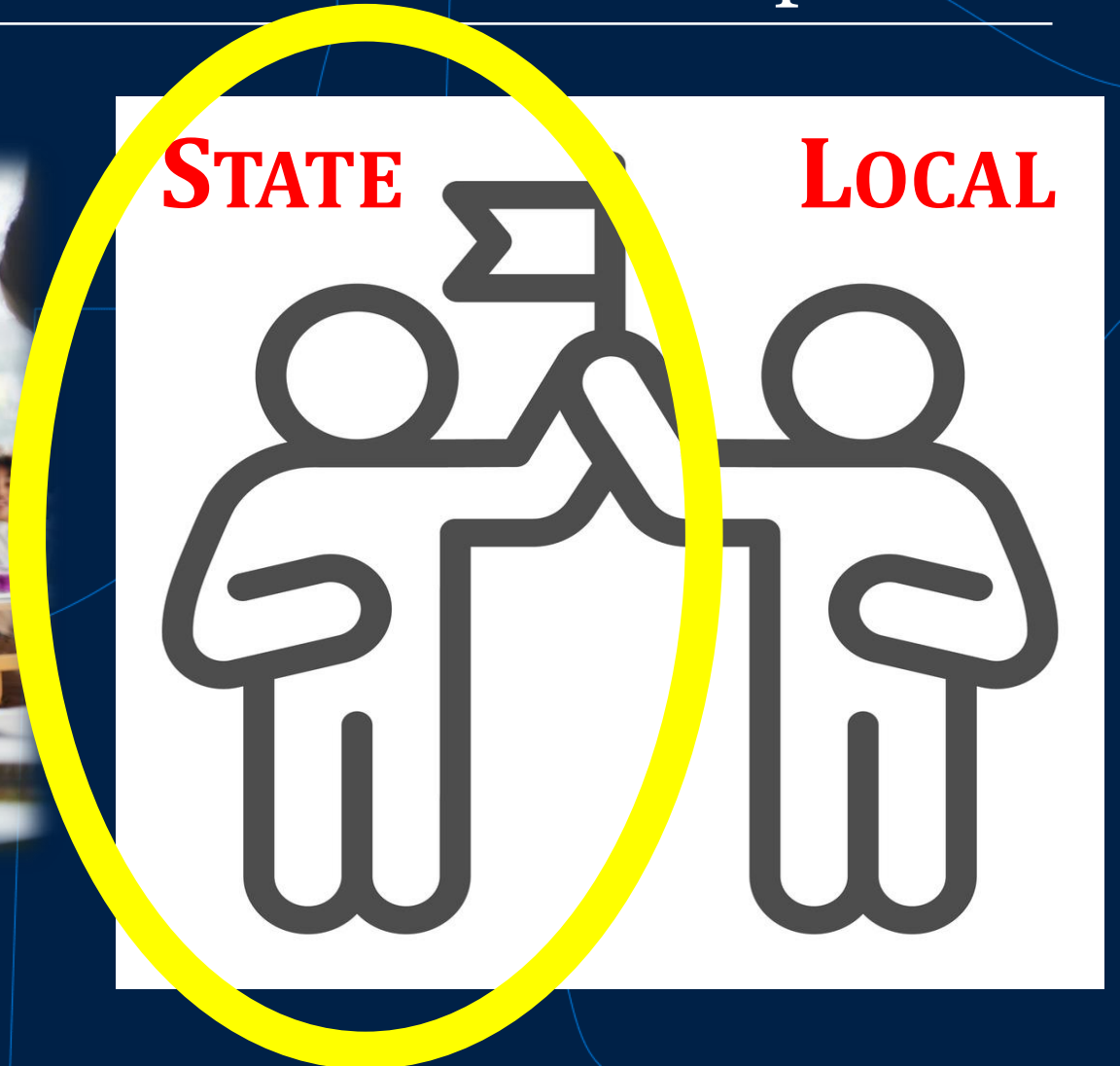


School Funding is a State – Local Partnership



- Ohio's constitution requires a state-local partnership to fund schools.
 - **The State**: Money comes from Ohio's budget (income taxes, sales taxes, and Commercial Activity Tax (CAT), etc.).
 - **Local Communities**: Money comes mostly from property taxes (and sometimes income taxes).
- This goal of this partnership is to ensure that all students have access to a high-quality education, regardless of their zip code.

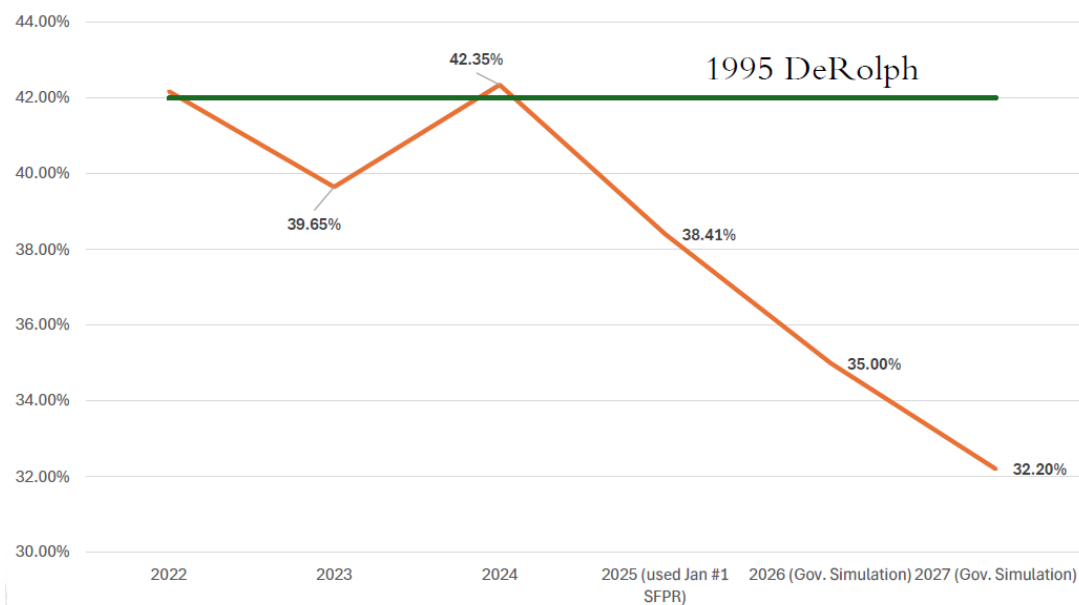
Ohio School Funding – State and Local Partnership



Ohio's School Funding Reality: State Share of School Funding

When the State's Share Declines – Costs Shift

State Share as a % of Base Cost

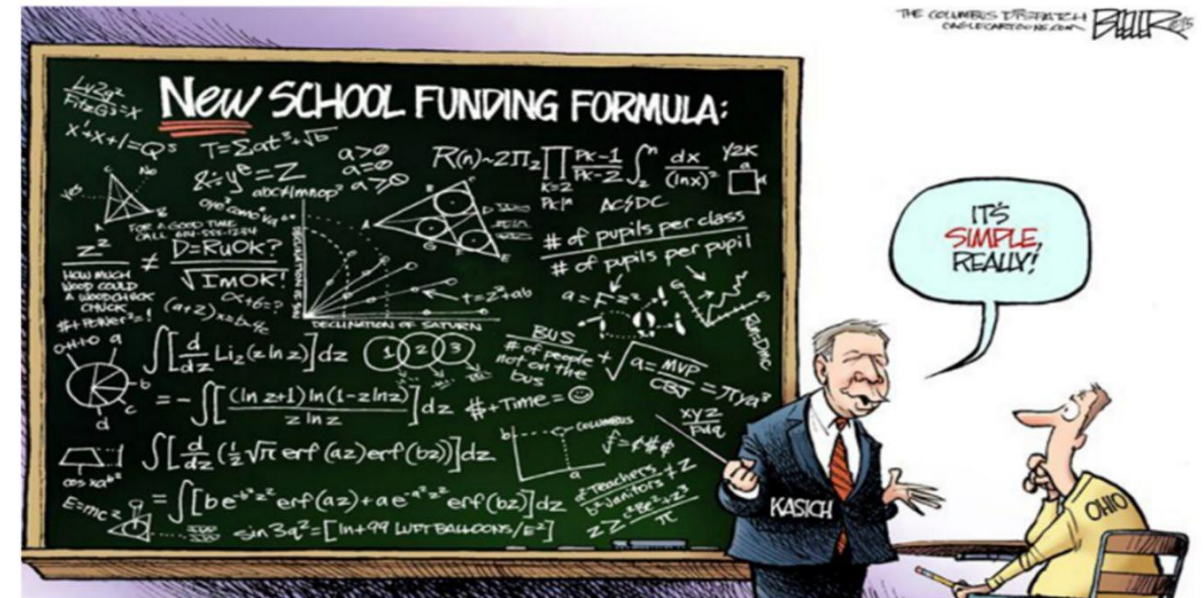


The state's share of school funding has fallen from **42% in 1999** to **38% in 2025** and is projected to decline further to **32% by 2027**.

DeRolph

Over reliance on local property taxes and residual budgeting by the state

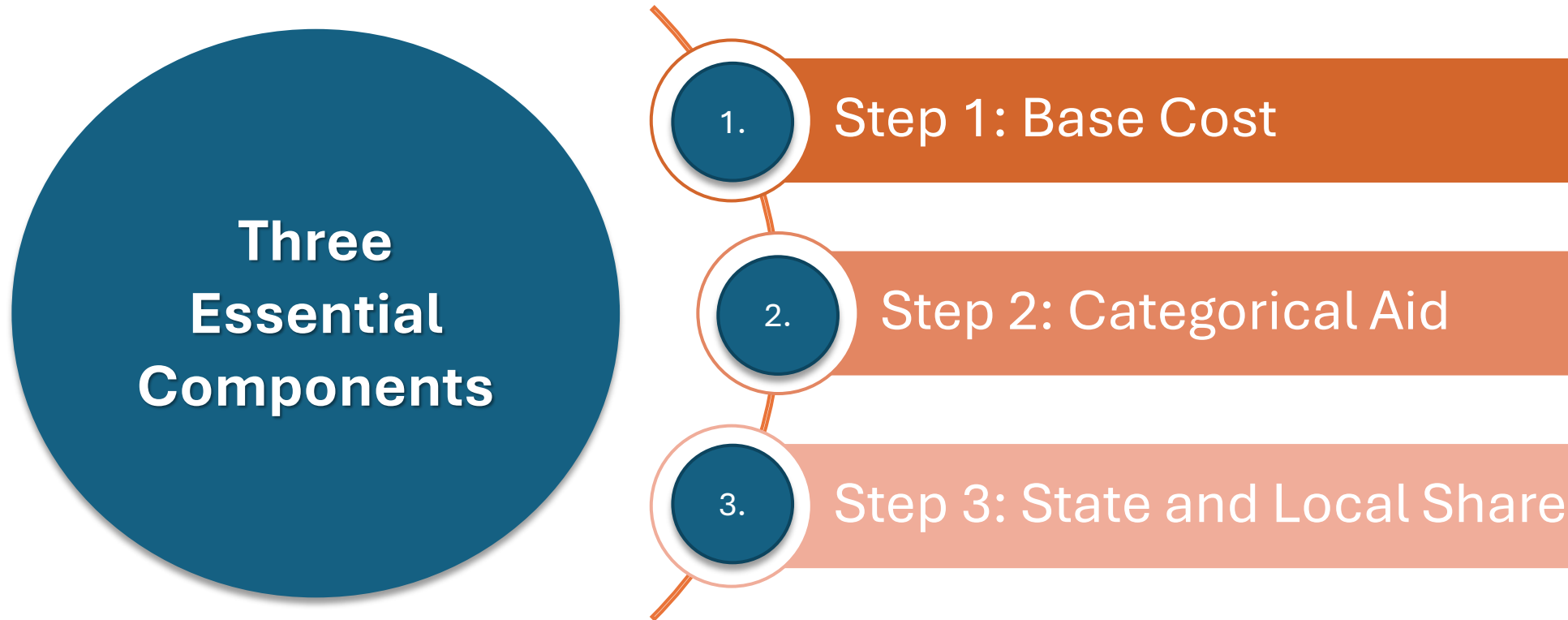
Over reliance on local property taxes and residual budgeting by the state



Ohio's Funding Models

Fiscal Years	Funding Model	Key Characteristics
FY90–98	Residual Budgeting	No adequacy methodology; growing local share inequities
FY99–01	Successful Schools (HB 650)	Outcomes-based model tied to performance measures
FY02–05	Modified Augenblick (HB 94)	Expanded adequacy measures; added Parity Aid
FY06–09	Building Blocks	Inputs-based approach using staffing/resource components
FY10–11	Evidence-Based Model	Expanded Building Blocks; reduced chargeoff to 22 mills
FY12–13	Kasich Bridge Formula	Funding frozen near FY11 levels after stimulus loss
FY14–21	Return to Residual Budgeting	Formula deficiencies; funding largely frozen
FY22–27	Fair School Funding Plan	Inputs-based formula with phased implementation

School Funding Formula – A Three Step Process

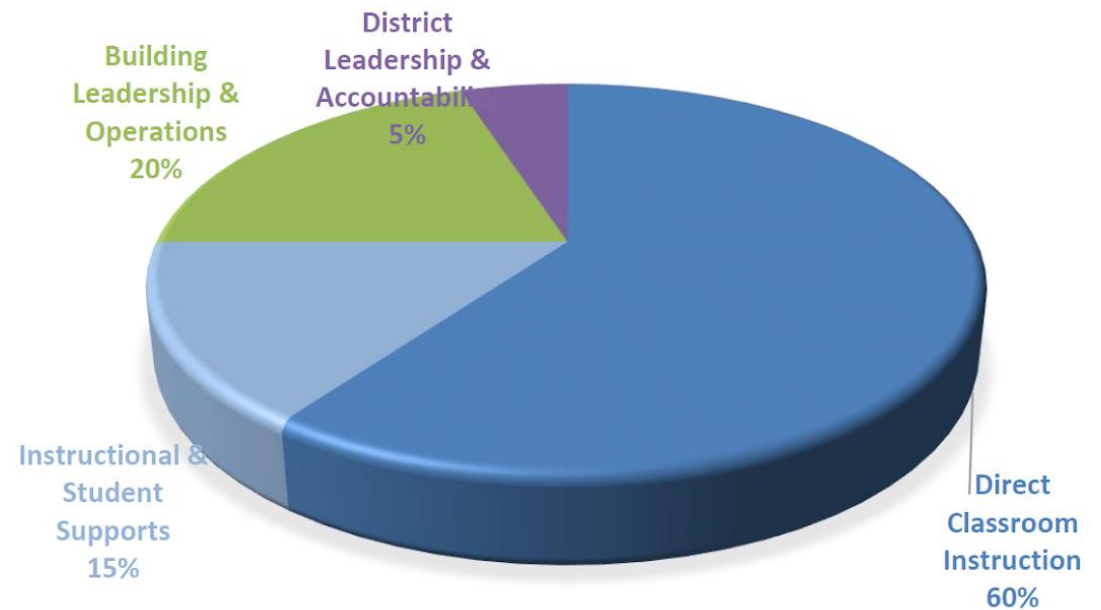


Rational, Transparent and Clear Funding Plan

Step 1: Base Cost - Base Cost Inputs

- Practitioner Developed
- Uses FY22 Statewide Average District Costs
- District-Specific Outputs
- 22 Subcomponents **Across Five Areas**
 - Teacher Base Cost
 - Student Support
 - District Leadership & Accountability
 - Building Leadership & Operations
 - Athletic Co-Curricular
- Restricted and Flexible Dollars

Base Cost Breakdown



Step 2: Categorical Funding

Disadvantaged
Pupil Impact
Aid

Special
Education

English
Learners

Preschool
(Special Ed.)

Gifted
Education

Transportation
Funding

State Share - Fair School Funding Plan

What happens when we update only certain inputs?

Results in local capacity per pupil being greater than the increase in the base cost per pupil, ***decreasing the state share and increasing districts on a guarantee.***



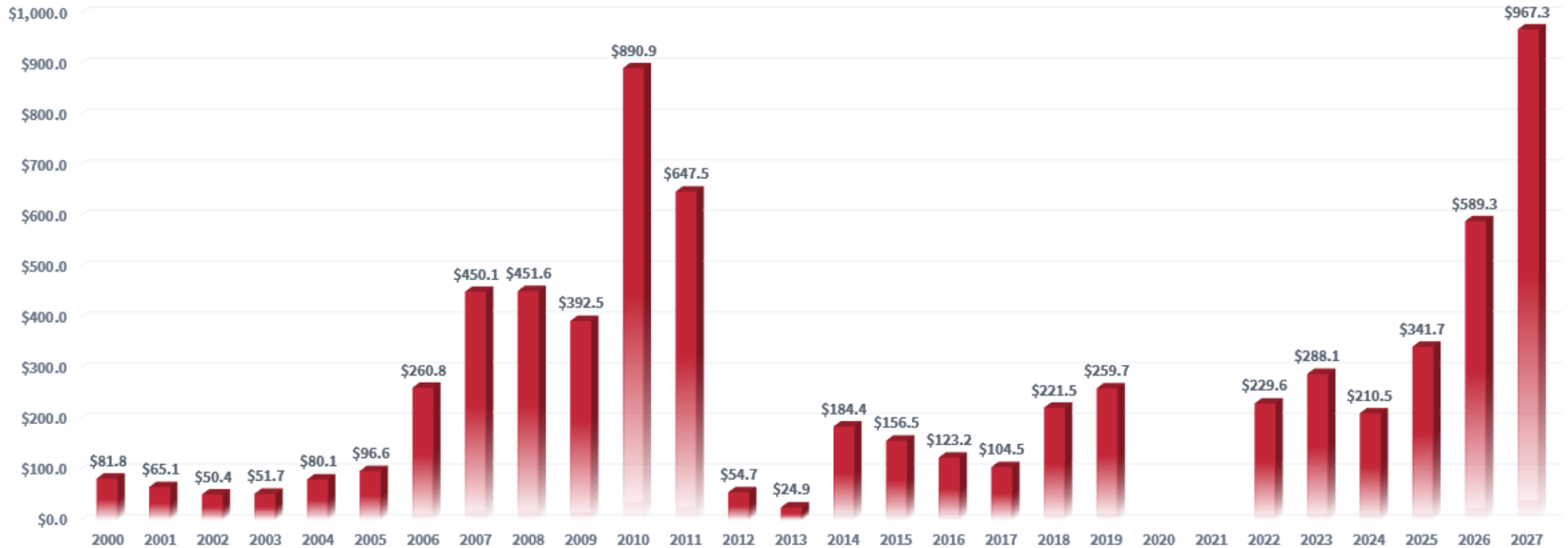
What happens if we update base cost inputs?

Updating base cost inputs and the statewide base cost per pupil serves as a ***counterbalance to increasing local capacity; reduces*** the number of ***districts on a guarantee.***



State ***did NOT update*** the base cost inputs in the budget bill.

GUARANTEES COST (IN MILLIONS) FY2000 – FY2027



Actual State Funding Report

Fiscal Year: 2027

Ohio Department of Education and Workforce

Office of Budget and School Funding

Statement of Settlement - Traditional School District

October #1 (10/09/2026)

Name: Lakeview Local

County: Trumbull

IRN: 050187

Prefix	Description		USAS Code	USAS SCC	Annual Amount
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State Support

Base Cost		3110		\$ 2,067,610.07
Base Cost - Student Wellness and Success		3218	918X	\$ 103,400.14
Targeted Assistance		3110		\$ 647,846.37
Special Education		3110		\$ 285,275.39
Disadvantaged Pupil Impact Aid (DPIA)		3211	911X	\$ 40,591.47
English Learners		3217	917X	\$ 2,611.09
Gifted		3216	916X	\$ 47,365.62
Career Technical Education		3215	915X	\$ 22,863.07
Temporary Transitional Aid Guarantee		3110		\$ 2,334,575.52
Transportation		3110		\$ 502,208.36
Formula Transition Supplement		3110		\$ -
Base Funding Supplement		3110		\$ 56,786.64
Enrollment Growth Supplement		3110		\$ -
Performance Supplement		3110		\$ 92,278.30
Preschool Special Education		3110		\$ 86,944.24
Special Education Transportation		3110		\$ 50,626.62
Total State Support				\$ 6,340,982.90

Temporary Transition Aid Guarantee ensures that districts do not receive less in FY27 than what they did in FY2020.

Funding outside the formula includes Performance Supplement, Preschool Special Education and Special Education Transportation.

Deductions from State Foundation Funding

Transfers

Educational Service Center		****		\$ * (949,918.63)
Other Adjustments - Positive		****		\$ -
Other Adjustments - Negative		****		\$ (38,968.98)
Total Transfers				\$ (988,887.61)

Adjustments

JV98 Excess Cost (SF-6) Positive	(Pos)	122X		\$ -
JV99 Excess Cost (SF-6) Negative	(Neg)	474		\$ -
JV50 Tuition (SF-14)	(Pos)	1221		\$ 60,710.03
JV51 Tuition (SF-14) Expenditure	(Neg)	471		\$ (31,596.98)
JV52 Tuition (SF-14)	(Pos)	1223		\$ 34,486.72
JV53 Tuition (SF-14) Expenditure	(Neg)	475		\$ (10,002.55)
JV09 College Credit Plus Deduction		479		\$ ** (89,303.13)
JV02 FY2026 Final #2 Traditional School Districts		****		\$ -
Total Adjustments				\$ (35,705.91)

Total Payment Before Retirements				\$ 5,316,389.38
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Retirement System

School Employees Retirement		221		\$ (371,568.00)
State Teachers Retirement		211		\$ (1,131,048.00)
Total Retirements				\$ (1,502,616.00)

Total Payment

\$ 3,813,773.38

*Educational Service Center is a shared service contract that provides district services in a collaborative manner with other districts in Trumbull County including required services for Special Education classrooms and support. Retirements are contributions towards employee retirement system.

**College Credit Plus costs for 2025-2026 School Year deducted from funding was \$176,854.94 (plus books). The state charges districts for those costs.

***SF50,51,52 &53 Tuition Adjustments to and from district of residence to another district.

State Foundation Funding-Plus

Base Cost FY27 is \$8,241.61 (statewide measure)

Lakeview State Share percentage: 18.814120% (\$1,529.94)

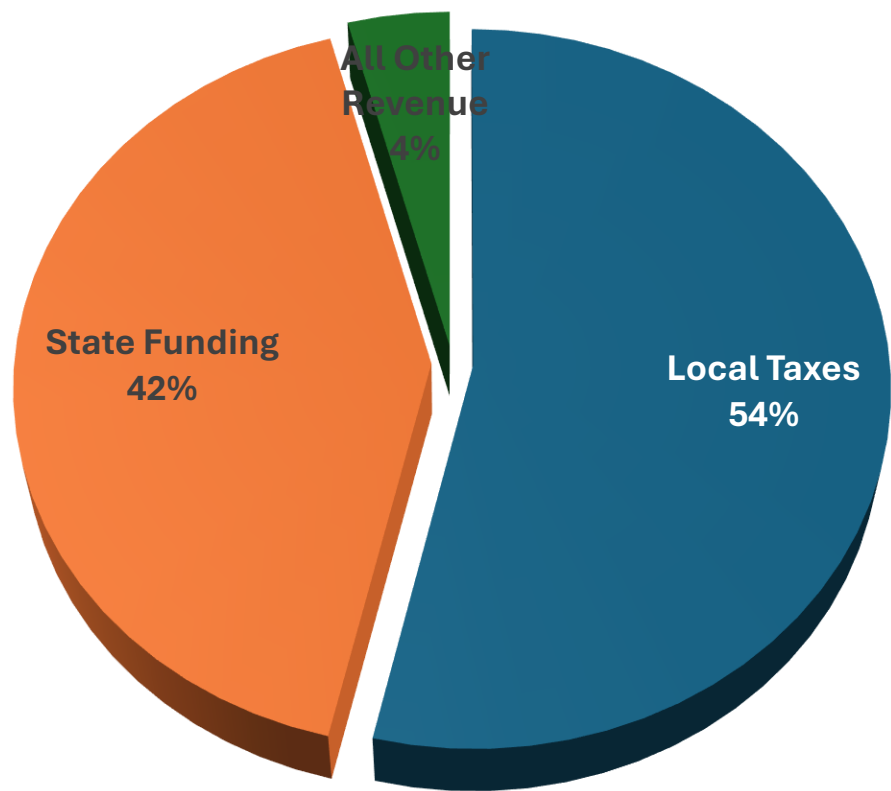
Current Enrollment: 1419.67

(Due to current guarantee to state foundation levels, state reimbursements for property tax rollbacks, performance supplements, special education transportation and preschool are outside the guarantee we reach 42% state funding...though that is not foundation dollars)

Examples: Excess costs and Catastrophic Costs.

	FY26	FY25		
				220.37
Excess Costs	\$ 39,328.56	\$ 12,275.79	\$ 27,052.77	%
Catastrophic Costs	\$ 59,680.26	\$ 45,899.11	\$ 13,781.15	30.02%
*Reimbursement from state to each district decreased 10 percent due to participation in program				

Where does the district get it's money?



Projected Local Taxes	\$9,961,397
Real Estate Property Taxes	\$9,261,575
Public Utility Property Taxes	\$699,822
Income Taxes	\$0

Projected State Funding	\$7,818,239
Fair School Funding Plan	\$6,222,834
Restricted State Funding	\$297,382
State Share of Local Taxes	\$1,298,023

Projected All Other Revenue	\$781,951
Other Operating Revenue	\$715,723
Other Sources	\$66,228

State Share of Local Taxes are rooted in laws passed in the 1970's to provide property tax relief (rollbacks) that would be picked up by state/reimbursed to districts.

State Funding - Fair School Funding Plan

	Fiscal Year	State Share Percentage	Base Cost Inputs Used	Notes/Impact
➔	FY99	45.7%	-	First year after DeRolph ruling
	FY22	41.6%	FY18	First year of Fair School Funding Plan
➔	FY23	40.6%	FY18	Base cost <u>not</u> updated; decrease in state share
	FY24	43.3%	FY22	Base cost inputs updated
	FY25	38.4%	FY22	Base cost inputs <u>not</u> updated
➔	FY26	35.0%	FY22	Base cost inputs <u>not</u> updated
	FY27	32.2%	FY22	Base cost inputs <u>not</u> updated

Source: Dr. Howard Fleeter's testimony to the House Education Committee, March 4, 2025

Keep Connected

- Next School Finance 103 Session to be held in December, 2026 (Local Funding)
- Visit the new Lakeview School Treasurer website at <https://www.lakeviewlocal.org/departments/finance/office-of-the-treasurer>
- Available to come out and talk about School Finance to groups or meet with individuals. Email me at terry.armstrong@lakeviewlocal.org
- Email me with any suggestions for future topics or any questions you have.
- Check out Money Mondays during the school year where we will share quick facts about school finance called Money Mondays! They will be archived on the website as well all of School Finance presentations.



Q and A

