

PRESCHOOL SPECIAL EDUCATION FUNDING
Ohio Department of Education
Sept. 13, 2013

The recently passed state biennial budget, Am. Sub. House Bill 59, contains a new funding formula for preschool special education that replaces unit funding with a per-pupil-based formula. Prior to this legislation, preschool special education funds were distributed through units based on the minimum teacher salary in place prior to 2002. As demonstrated below, the new funding formula provides \$4,000 per preschool pupil (based on a headcount of students enrolled on December 1st) plus one-half of the applicable special education amount multiplied by the state share index of the student's resident school district. The state share index is a percentage ranging from a minimum of 5% to a maximum of 90% based on a district's relative wealth, which is measured by either property valuations or a combination of property valuations and income depending on a district's circumstances.

Preschool Special Education Funding Per Pupil = \$4,000 + (0.5 x the applicable special education amount x the state share index of the student's resident school district).

The applicable special education amount is determined by a student's disability. The bill sets the following disability categories and associated funding amounts:

Category	Description	FY2014 Amount	FY2015 Amount
1	Speech Only	\$1,503	\$1,517
2	Cognitive Disabilities, Specific Learning Disability, Developmentally Delayed, Other Health Impaired (Minor)	\$3,813	\$3,849
3	Hearing Impaired, Emotional Disturbance	\$9,160	\$9,248
4	Visual Impairment, Other Health Impaired (Major)	\$12,225	\$12,342
5	Multiple Disabilities, Orthopedic	\$16,557	\$16,715
6	Deaf-Blind, Autism, Traumatic Brain Injury	\$24,407	\$24,641

The department will soon provide online calculators that will allow school districts to estimate funding based on student counts they can adjust given their knowledge of their district's student population for the coming school year. Payments will first transition to the new formula and then student counts used for funding will be updated later in the year based on the December child count. Once the new reports, calculations, and data are in place, total funding will be annualized to the amount calculated under the new formula. However, until then, payments will be based on funding received in FY2013.

In all cases, each preschool special education student's funding will be included on the foundation payment of its resident city, local or exempted village school district. The total amount of such funding will appear on the district's School Finance Payment Report as "preschool special education funding" under the heading "additional aid items." If the district desires, it may keep all of that funding and provide services for the students directly. Alternatively, if the Educational Service Center or County Board of Developmental Disabilities educates the preschool student, the funding will be transferred as outlined below.

In all circumstances, the student's educating entity will be required to report information so that the department can include the full payment amount on the resident school district's payment report.

Educational Service Center providing services. When a resident school district decides to contract with an Educational Service Center for preschool special education, the district may authorize the department to transfer funds calculated for the students to the service center. If the resident district authorizes the transfer, the department will deduct that amount from the district foundation payment report and add that amount to the service center foundation payment report. Note that the dollar amount for each student varies depending on the state share index of the resident district.

Alternatively, or additionally, a resident school district and an Educational Service Center may agree to a specified dollar amount in a contract for additional services per Ohio Revised Code 3313.845 for preschool services, and ask the department to make a deduction and transfer per the contract. In this case, the parties should send the contract and cover sheet for an “additional services” contract to the department (or, if such a contract already exists for other services, revise the contract amount to include the preschool special education services). The service center and district may modify the contract amount later in the year as needed. Note that using this option may provide a different amount for what would have otherwise been transferred from the resident district to the service center, but it does not change the amount allocated by the department to the resident district.

County Board of Developmental Disability providing services. When a resident school district decides to contract with a County Board of Developmental Disabilities for preschool special education, the department will transfer all of the district’s state aid for preschool special education for those students to the county board. Note that the dollar amount for each student varies depending on the state share index of the student’s resident district.

Further information on how to report student and contract information to the department will be provided in upcoming months.

For further information, contact:

Contracts and funding:

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[Department Web page](#) on Educational Service Center Contracts

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