



Members Brief

An informational brief prepared by the LSC staff for members and staff of the Ohio General Assembly

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Student Count for School Funding

The student count is the foundational piece of Ohio’s school funding formula. Most formula components rely on the count of students in a district to calculate the amount of aid the district will receive. Ohio’s current formula relies primarily on enrolled average daily membership (ADM), which counts the number of students educated in a district or school. In FY 2022, the statewide total enrolled ADM was approximately 1.6 million students across all types of public schools.

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Overview

Ohio’s system of funding public schools uses a student-based foundation aid formula to determine how much money a school district, community school, and STEM school receives. Since FY 2022, the formula counts students in the school district, community school, or STEM school where they are educated. The formula’s base cost component distributes an amount that represents a district’s core costs of educating each student and capacity to raise local revenues; the targeted assistance component, in part, calculates an additional amount based on a district’s per-pupil capacity to raise local revenues; and categorical components, such as special education aid and disadvantaged pupil impact aid, provide additional funding based on the unique needs of certain groups of students.

The formulas in place prior to FY 2022 counted a student in the school district in which the student resided (“formula ADM”), including students educated in another district through open enrollment, a community or STEM school, or a nonpublic school through a state scholarship program. The funding for students educated outside the district was deducted from the resident district’s state aid and transferred to the educating district or school.

The Ohio Department of Education (ODE) calculates the number of students enrolled in each district through a method called annualized full-time equivalent (FTE) enrollment. A student’s FTE is based on the proportion of the school year the student was enrolled in a district

or school. For example, if a full-time traditional district student left a district to enroll in another halfway through the school year, the student would be counted as 0.50 FTE in the first district and 0.50 FTE in the second. Districts must report enrollment counts to ODE by the last day of October, March, and June, although they may provide ODE with updated data as changes occur. The funding formula refers to the student count as “average daily membership” or “ADM.”

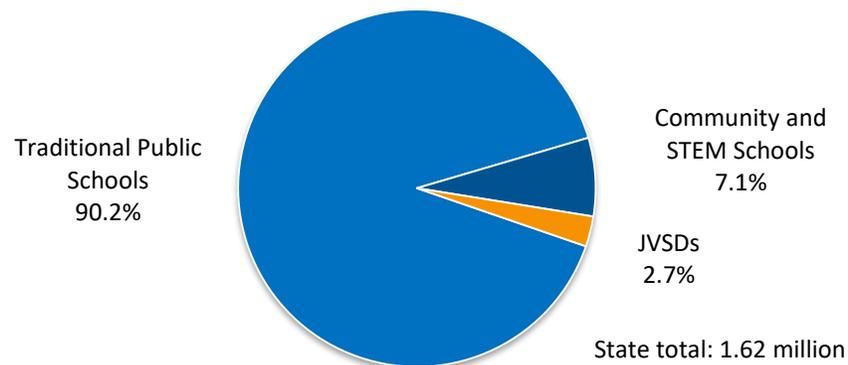
Enrolled ADM and base cost enrolled ADM

The formula uses two measures for each district’s ADM: enrolled ADM and base cost enrolled ADM. Both count the number of students educated in a district, community school, or STEM school, but they are used for different purposes. Enrolled ADM generally measures the number of students educated in a district in a given school year. A traditional district’s enrolled ADM also includes three credits related to students that receive career-technical education (CTE) through a joint vocational school district (JVSD) or CTE compact (for more information about JVSDs and CTE compacts, see the [Joint Vocational School District Funding Members Brief](#)). Specifically, a district’s enrolled ADM includes 20% of the number of students residing in the district but attending an affiliated JVSD to cover any expenses the resident district may incur for these students. JVSDs typically educate students for the last two years of their high school careers. Additionally, enrolled ADM includes 20% of the number of students residing in each district who are enrolled in another traditional district under a CTE compact and credits a traditional district with 20% of the number of students who open enroll into the district and then enroll in a JVSD or CTE compact. Enrolled ADM for JVSDs, community schools, and STEM schools equals the number of students enrolled in the district or school.

Traditional District Enrolled ADM

$$\text{Enrolled ADM} = \text{Number of students educated by district} + (\text{JVSD ADM} \times 20\%) + (\text{CTE compact ADM} \times 20\%) + (\text{Open enrollment JVSD or CTE compact ADM} \times 20\%)$$

Statewide, enrolled ADM for traditional school districts amounted to 1.46 million FTE students in FY 2022. Enrolled ADM for traditional districts represented about 90% of students enrolled in public schools, as shown in Chart 1 below. Enrolled ADM for community and STEM schools totaled about 115,100 FTEs in FY 2022, or roughly 7% of public school students. JVSDs enrolled 44,400 FTE students, or 3% of the total. Overall, enrolled ADM totaled 1.62 million FTE students across all public school types in FY 2022. In addition to students educated in public schools, the state supported 75,100 FTE students attending a nonpublic school through various state scholarships. Under the new system of school financing that began in FY 2022, state scholarships are funded outside the foundation formulas for school districts and community and STEM schools.

Chart 1: Share of Public School Enrolled ADM by School Type, FY 2022

A district's base cost enrolled ADM is used for factors calculated on a per-pupil basis in the base cost computation, such as the district's base cost per pupil and per-pupil local capacity amount (for more information, see the [Base Cost Model](#) and [Base Cost – Distribution of State Funds Members Briefs](#)). Base cost enrolled ADM is the greater of (1) the district's enrolled ADM for the prior fiscal year or (2) the district's average enrolled ADM for the prior three fiscal years. For example, FY 2022 base cost enrolled ADM is the greater of a district's FY 2021 enrolled ADM or the average of its enrolled ADM for FYs 2019, 2020, and 2021. Unlike the formula for traditional districts and JVSDs, the formula for community and STEM schools uses current year enrolled ADM in the base cost computations.

Traditional District and JVSD Base Cost Enrolled ADM

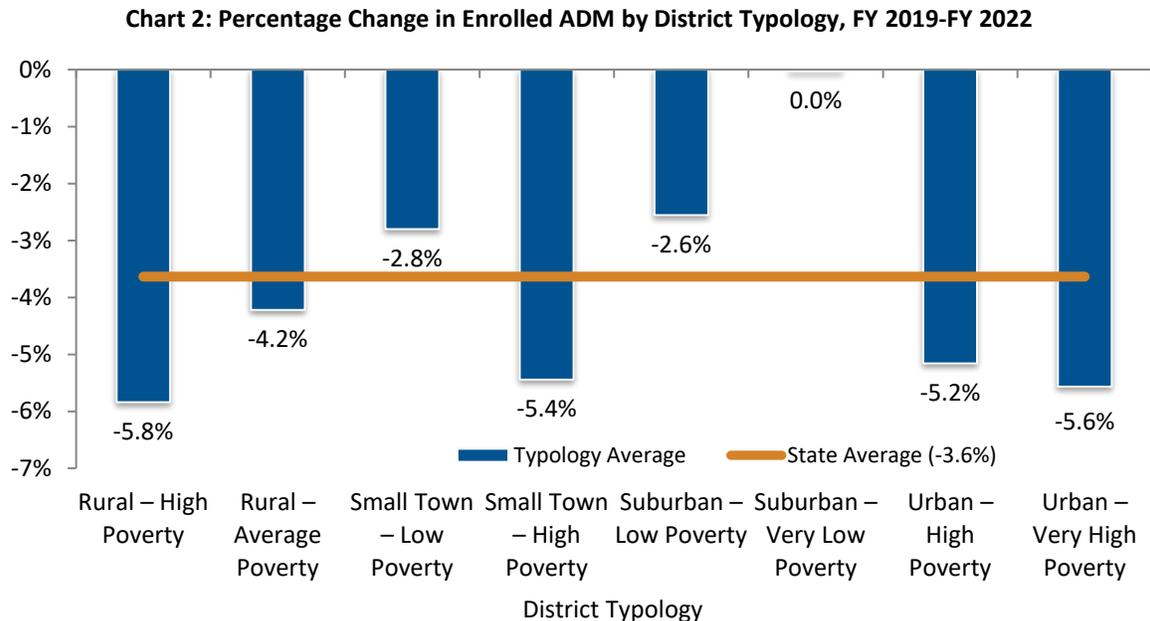
Base cost enrolled ADM = Greater of enrolled ADM for the prior fiscal year or average of enrolled ADM for the three prior fiscal years

Base cost enrolled ADM for traditional districts totaled 1.50 million FTE students for FY 2022, about 38,000 students larger than FY 2022 enrolled ADM. The large difference stems from a significant decrease in traditional district enrolled ADM in FY 2021 in the wake of the COVID-19 pandemic. The base cost enrolled ADM calculation's three-year average smooths out decreases occurring for districts with falling enrollment. That is, it phases in the effect of enrollment decreases by including a district's higher enrollment years in the computation.

Trends in enrolled ADM

FY 2022 was the first year enrolled ADM was used for funding purposes. However, prior years' enrolled ADM contributes to base cost enrolled ADM. Enrolled ADM has declined every year for traditional school districts since FY 2019, exacerbated by reactions to the COVID-19 pandemic. Enrolled ADM for traditional districts fell by over 55,000 students, from 1.52 million in FY 2019 to 1.46 million in FY 2022, a decrease of 3.6%. Most of this decrease occurred in FY 2021, when traditional district enrolled ADM was lower by nearly 43,000 students (2.8%) compared to FY 2020. It continued to fall in FY 2022 but at a much slower pace (-0.3%). Decreases occurred across all types of districts, as shown in Chart 2. Enrollment in high- and very high-

poverty districts declined the fastest, with each losing an average of over 5% of enrolled ADM, for a collective total of about 38,500 students since FY 2019. Enrolled ADM in very low poverty, suburban districts, which had been growing, was essentially flat between FY 2019 and FY 2022.



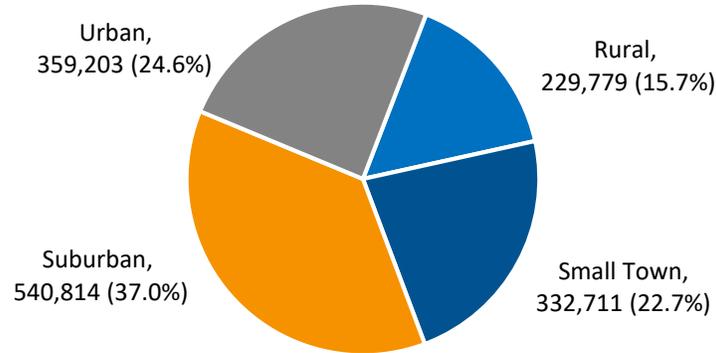
Various ODE data shed light on the educational decisions of families reacting to the COVID-19 pandemic as it extended from the end of FY 2020 into FY 2021. The list below summarizes notable patterns.

- Homeschooling.** The headcount of homeschooled students increased by about 18,200 (54.5%) from FY 2020 to FY 2021, to 51,500. It remained elevated in FY 2022, having fallen by 4,000 (7.8%) from FY 2021 to 47,500.
- Shift to e-schools.** Enrollment in e-schools also increased sharply from FY 2020 to FY 2021, growing by 10,700 FTEs (46.0%). It too remained elevated in FY 2022, falling by 2,000 FTEs (5.9%) from the FY 2021 level. Enrollment in site-based community schools and STEM schools also grew in FY 2021, but by much smaller margins 2,700 FTEs (3.3%), and remained relatively steady in FY 2022.
- Delayed entry to traditional public schools.** Data breaking out enrollment by grade band suggests other families may have chosen to delay a child’s entry into traditional public schools by one year. Kindergarten enrollment in traditional districts decreased by roughly 10,000 FTEs (9.5%) in FY 2021 and rebounded in FY 2022, increasing by about 8,700 (8.9%). Further, overall grades K-3 enrollment in traditional school districts increased by about 7,000 students from FY 2021 to FY 2022.

Chart 3 below illustrates the share of enrolled ADM by type of district in FY 2022. Roughly 541,000 (37.0%) out of the 1.46 million traditional district students were educated in suburban school districts, the largest share among district types. Slightly less than 360,000 (24.6%) students

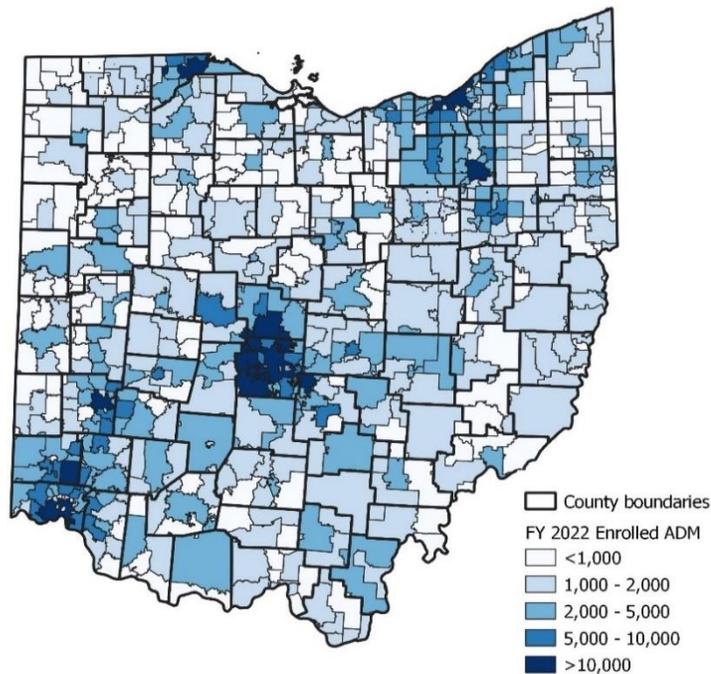
were educated in urban school districts. Together, districts in small town and rural areas educated the remaining 562,000 (38.4%) students.

Chart 3: Share of Enrolled ADM by Type of District, FY 2022



The map of school districts below groups districts based on their enrolled ADM, from smallest to largest. Districts shaded in white have the fewest students (less than 1,000) while districts shaded in dark blue have the most (more than 10,000). Nearly two-thirds, 407 (66.8%) of districts had less than 2,000 students in FY 2022. These districts educated 30.7% of statewide enrolled ADM. On the other hand, 13 (2.1%) districts had more than 10,000 students, and accounted for 18.9% of statewide enrolled ADM.

School Districts by Enrolled ADM, FY 2022



Counting students with additional needs

Students are counted once for the purpose of calculating the base cost, which represents a base level of funding for typically developing students in regular education programs and makes up the largest portion of state foundation aid. If a student receives special education or career-technical services or is identified as economically disadvantaged or an English learner, the student is counted again for the purposes of calculating additional categorical funding that accounts for the higher cost of educating such students. For additional information about the foundation formula's categorical components, please refer to the [Categorical Add-On Aid to Ohio Schools Members Brief](#).

Student population quick facts

The table below presents selected descriptive statistics regarding district student population and characteristics.

Selected District Student Population Quick Facts, FY 2022	
Average district enrolled ADM	2,402
Median district enrolled ADM	1,471
Largest district enrolled ADM (Columbus CSD, Franklin Co.)	43,579
Smallest district enrolled ADM (Vanlue LSD, Hancock Co.)*	149
Number of districts above 20,000 enrolled ADM	6
Number of districts below 400 enrolled ADM	14
State average (range*) percentage economically disadvantaged	44.2% (1.6% to 100.0%)
State average (range) percentage with disabilities	14.3% (6.0% to 28.2%)
State average (range) percentage English learners	4.7% (0.0% to 32.2%)

*Excludes outlier district(s)