Members Brief

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

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Targeted Assistance

Targeted assistance provides additional state aid to school districts with lower capacities to raise local revenues and small school districts with relatively low total property and income wealth. For FY 2026, these components comprised $1.25 billion (17%) of total state foundation aid before applying the formula's phase-in mechanism.

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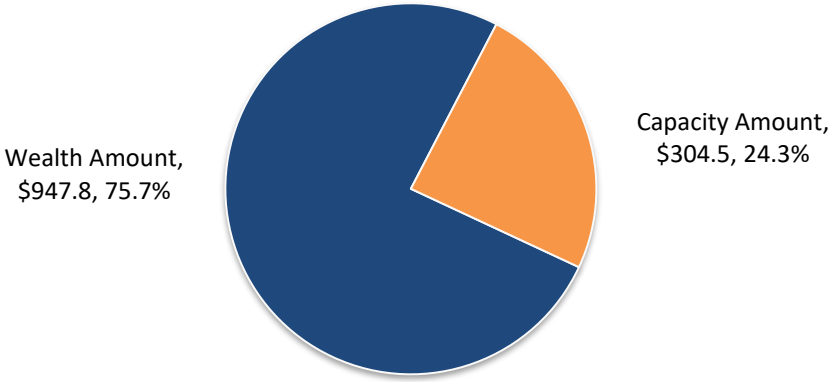
Overview

As shown in the Base Cost – Distribution of State Funds *Members Brief*, school districts' capacities to raise local revenue vary widely across the state. That brief discusses how the state equalizes local capacity through base cost funding and the state share percentage to distribute higher amounts of state aid to districts less able to raise funds locally. The targeted assistance component of the formula further equalizes school district revenue by allocating additional funding to districts with lower capacities.

Targeted assistance consists of two parts; the wealth amount and the capacity amount. The wealth amount, the largest tier, supplements funding based on a district's wealth per pupil, as calculated using its property valuation and the income of its residents. The capacity amount, by comparison, is based on a district's aggregate wealth. Both of these mechanisms generally serve to benefit districts that are not substantially wealthier than the state median.

Combined, the two tiers of targeted assistance in FY 2026 comprised approximately $1.25 billion (17%) of foundation aid prior to the application of the formula's phase-in mechanism. As the chart below illustrates, the wealth component totaled $947.8 million (76%) and the capacity amount totaled $304.5 million (24%). Additional details regarding the calculation of each tier of targeted assistance are provided below.

Targeted Assistance by Component, FY 2026 ($ in millions)
(Total: $1.25 billion)



Wealth amount

The wealth amount of targeted assistance provides additional state aid to compensate for some districts' lack of a large tax base on a per-pupil basis. Its calculation depends on a district's "weighted wealth per pupil," which functions as a single indicator of a district's combined property and income wealth. This is calculated as 60% of a district's property valuation plus 40% of its federal adjusted gross income (FAGI), divided by the district's current-year enrolled average daily membership (ADM) adjusted for open enrollment students. This adjustment counts open enrollment students in the district in which they reside rather than the district in which they are educated. Valuation and FAGI for targeted assistance are calculated on the same basis as in the per-pupil local capacity amount for the state share of the base cost (the average of the three most recent years or the most recent year, whichever is less). However, weighted wealth per pupil uses 40% of a district's FAGI, while the local capacity amount weights district FAGI at 20% and also incorporates 20% of an adjusted FAGI measure based on the district's median FAGI. The per-pupil local capacity amount also uses base cost enrolled ADM, which for many districts is the average enrolled ADM for the prior three years, serving to smooth out changes in enrollment over time that may be more volatile in the targeted assistance calculation. In FY 2026, the median weighted wealth per pupil of all districts (or the "statewide median") was $258,118.

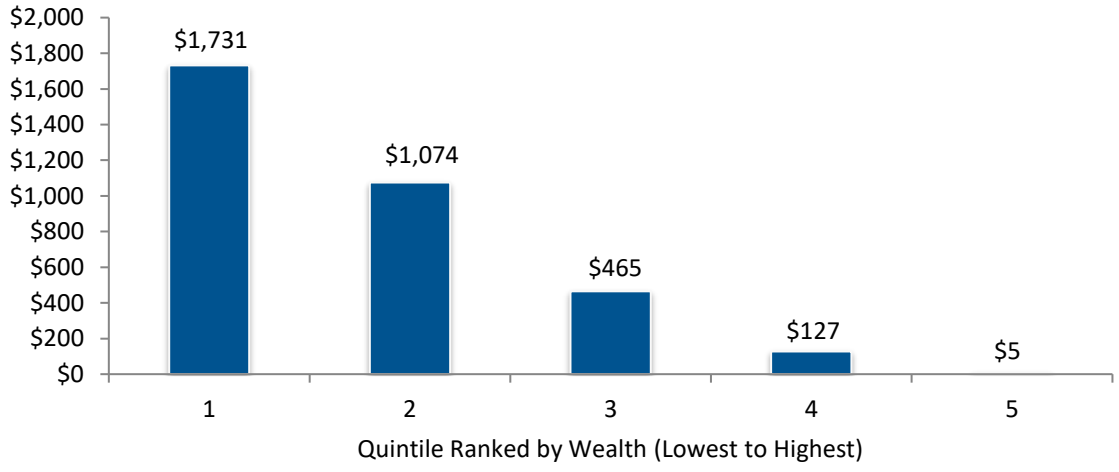
A district's weighted wealth per pupil is used to calculate its wealth index. A district's wealth index equals the median weighted wealth per pupil of all districts divided by the district's weighted wealth per pupil. In FY 2026, district wealth index values ranged from 0.02 to 2.51. A value of 1.0 means the district has the same weighted wealth as the statewide median, a value greater than 1.0 means the district is less wealthy than the statewide median, and a value less than 1.0 means the district is wealthier than the statewide median. If a district's wealth index is less than 0.8 (i.e., greater than 125% of the median district's weighted wealth), the district does not qualify for the wealth amount. Otherwise, the district receives a payment equal to the district's enrolled ADM multiplied by the difference between the median district's weighted wealth multiplied by 14 mills and its own weighted wealth multiplied by 11.2 mills (a mill is equal to one thousandth of a dollar,

or 0.1¢, and is generally used as the basis for property taxation). The wealth component of targeted assistance totaled $947.8 million for 435 (71%) districts in FY 2026.

Wealth Amount
District's enrolled ADM adjusted for open enrollment = District enrolled ADM + Outgoing resident open enrollment students - Incoming nonresident open enrollment students
District's weighted wealth per pupil = [(District's valuation x 60%) + (District's FAGI x 40%)] / District's enrolled ADM adjusted for open enrollment
District's wealth index = Statewide median district's weighted wealth per pupil / District's weighted wealth per pupil
If District's wealth index < 0.8, then District's wealth amount = $0
If District's wealth index ≥ 0.8, then District's wealth amount = District's enrolled ADM x [(Statewide median district's weighted wealth per pupil x 0.014) - (District's weighted wealth per pupil x 0.0112)]

As shown in the chart below, the least wealthy districts (quintile 1) averaged $1,731 per pupil in the wealth amount of targeted assistance in FY 2026, while the wealthiest districts (quintile 5) averaged $5 per pupil (see the Base Cost – Distribution of State Funds *Members Brief* for details on how the quintiles are created).

Average Wealth Amount per Pupil by Wealth Quintile, FY 2026



Capacity amount

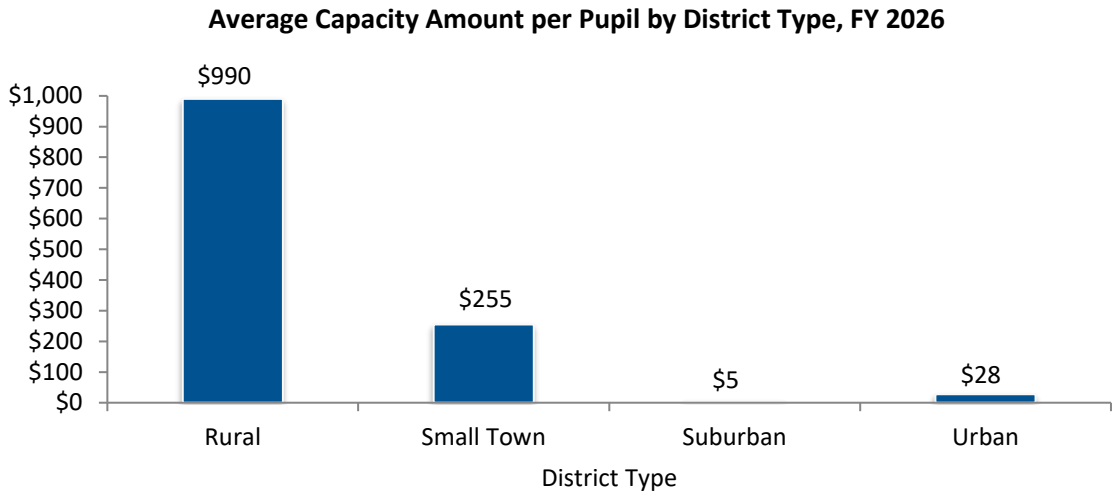
The capacity amount targets funding to smaller districts with relatively low total property valuation. A district's capacity amount depends on its aggregate weighted wealth. A capacity index is calculated for each district by dividing the statewide median district's weighted wealth by the district's weighted wealth. In FY 2026, the statewide median weighted wealth was $362.4 million. Like the wealth index, the capacity index for a district with a weighted wealth less

than the statewide median is greater than 1.0, and the capacity index for a district with a weighted wealth above the statewide median is less than 1.0. Districts with a capacity index of 1.0 or below do not receive the capacity amount.

Next, a capacity amount percentage is calculated based on the district's enrolled ADM. The percentage is 100% for districts with enrolled ADM of 600 or more, from 5% to 100% on a sliding scale for districts with enrolled ADM greater than 400 and less than 600 (the percentage decreases for districts with lower enrolled ADM), and 5% for districts with enrolled ADM between 200 and 400. A district with enrolled ADM less than 200 does not qualify for the capacity amount. Each district with a capacity index greater than 1.0 or an enrollment of at least 200 is credited with a capacity amount equal to eight mills multiplied by the difference between the statewide median district's weighted wealth and the district's weighted wealth and then by the district's capacity amount percentage. The capacity amount totaled $304.5 million for 299 (49%) districts in FY 2026.

Capacity Amount
District's weighted wealth = (District's valuation x 60%) + (District's FAGI x 40%)
District's capacity index = Statewide median district's weighted wealth / District's weighted wealth
If District's enrolled ADM ≥ 600, then District's capacity amount percentage = 100%
If District's enrolled ADM > 400 and < 600, then District's capacity amount percentage = Sliding scale falling from 100% to 5% as enrolled ADM declines
If District's enrolled ADM ≥ 200 and ≤ 400, then District's capacity amount percentage = 5%
If District's enrolled ADM < 200 or District's capacity index ≤ 1.0, then District's capacity amount = $0, else
District's capacity amount = (Statewide median district's weighted wealth - District's weighted wealth) x 0.008 x District's capacity amount percentage

The chart below shows the average capacity amount per pupil in FY 2026 by type of district. The chart illustrates that the formula mainly directs this funding to rural districts, which are characterized by small student populations and low aggregate valuation. Rural districts make up about 62% of the districts below the statewide median weighted wealth. The average per-pupil amount for rural districts was $990 in FY 2026, nearly four times the average of $255 per pupil for districts in small town areas. Suburban and smaller urban districts receive very little from this component.


Average Capacity Amount per Pupil by District Type, FY 2026
$990
$255
$5
$28
$1,000
$900
$800
$700
$600
$500
$400
$300
$200
$100
$0
Rural
Small Town
Suburban
Urban
District Type