

TPP Replacement Funds Facts

- Current state law phases out Tangible Property Tax replacement dollars resulting in losses of over \$1.6 million dollars annually from the State of Ohio. This will be phased in under current law over the next several years.
- \$1.6 million dollars represents over 20% of Lordstown School's budget and over \$3,000.00 per student using ADM (Average Daily Membership)
- TPP taxes were abolished through state law in 2005. The State of Ohio at the time agreed to replace those tax dollars. Revenue generated from the Commercial Activities Tax (CAT) was used to fund TPP Replacement revenue to districts like Lordstown.
- This year total TPP reimbursement funds throughout the State of Ohio to districts like Lordstown total approximately \$550 million dollars. The CAT tax generates approximately an average of over \$1.6 billion dollars per year. This is \$1 billion more than is needed to fully fund all district's current TPP replacement funds.
- School funding in the State of Ohio uses a funding formula derived from legislation that has been enacted. Lordstown Schools loses nearly \$800,000.00 due to a gain cap put into law. If the cap was lifted and the funding formula the state legislature has approved is allowed to work we would receive that nearly \$800,000.00 annually.
- The school funding formula has a State Share Index that is a key component to the funding formula. This is derived in large part to the total property valuation in a district and the number of students. Lordstown's current index is 31%. This means that most funds Lordstown gets from the State of Ohio is "multiplied" by 31%.
- The Ohio House Finance Committee included two amendments in the House budget that would help Lordstown Schools and TPP districts. It is hoped these will remain part of the budget as it moves through the Senate Conference Committee and to the Governor.