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S.B. 356
134th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsor: Sen. Brenner

Local Impact Statement Procedure Required: No

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Highlights

- State foundation aid to school districts and other public schools as well as district and school expenditures may increase if the bill's expanded definition of "a child with a disability" to include children with developmental delay ages 3-9, instead of ages 3-5 under current law, leads to an increase in school-age children receiving special education and related services.
- The magnitude of these effects are uncertain. Some preschool children with developmental delay, upon reaching school age, already may receive special education and related services under a separate disability condition when appropriate. In addition, federal law makes it permissive for school districts and other public schools to identify and serve children using the developmental delay category.
- School district administrative costs or workload may decrease with respect to reclassifying preschool children with developmental delay into another appropriate disability condition upon reaching school age.

Detailed Analysis

Background and bill overview

Federal law permits states to include in the definition of a "child with a disability" children ages 3-9, or any subset of that age range (including ages 3-5), experiencing developmental delay who need special education and related services. However, federal law prohibits a state from requiring a school district or other public school to identify and serve children within its jurisdiction using the developmental delay category. In other words, a district or school may choose whether or not to identify and serve students using that category. If a district or school opts to do so, federal law requires the district or school to conform to both the state's definition

of the term and to the age range that has been adopted by the state. Under current law, Ohio has opted to apply the developmental delay category to only preschool children.¹ The Ohio Department of Education (ODE) reported a statewide total of 4,610 preschool students identified with a developmental delay in FY 2022.² These students represent 1.7% of the 271,000 students with disabilities statewide.

The bill expands Ohio's definition of a "child with a disability" to include children ages 3-9 who are experiencing developmental delay, which aligns Ohio to the maximum age range permitted under federal law. The bill also includes all school-age children with such a designation in Category 2 of the special education funding mechanism of the school funding formula.

Fiscal effects

State foundation aid payments to school districts and other public schools may increase to the extent that additional school-age children are identified and served by districts and schools and, thus, included in the special education enrollment used for school funding purposes. Likewise, district and school expenditures may increase to serve newly identified and served children.

The amount of any increases and the number of additional children that may be identified are uncertain for several reasons. Some preschool children with developmental delay, upon reaching school age, already may receive special education and related services if the student's district identifies the student under a separate disability condition when appropriate (see the bill analysis for a list of the disability conditions by special education funding category). In these cases, the bill may decrease district and school administrative costs or workload associated with identifying and reclassifying them. Further, federal law makes it permissive for districts and schools to identify and serve children using the developmental delay category. However, if a district or school currently identifies and serves preschool children with developmental delay, it must either adopt the developmental delay category for ages 3-9 as a result of the bill or not identify and serve children with developmental delay. A district or school may not use its own developmental delay definition or age range in place of the state policy. ODE data indicate that, in FY 2022, the vast majority of traditional districts opted to identify and serve preschool children with developmental delay. According to the Department's Federal Child Count data for that year, 563 (92%) school districts identified and served such children.

In general, the state foundation aid formula provides categorical funding, in addition to the base cost, to support districts and schools with the higher cost associated with special education and related services. Funding for special education is divided into six categories based on a student's disability condition. Children identified with developmental delay are placed in Category 2, which is a "high incidence" category that also includes students with a specific learning disability, a developmental disability, and other minor health impairments. Each category is assigned a multiple or "weight" that determines how much additional funding is paid

¹ The term "developmental delay" is defined in division (D)(1) of rule [3301-51-11](#) and the requirements for identification, should a district opt to do so, are specified in division (B)(2) of rule [3301-51-03](#).

² School districts receive state funding for preschool children with developmental delay and other preschool children with disabilities through a per-pupil based preschool special education formula that is separate from the state foundation aid formula supporting students in grades K-12.

to a district or other public school for each enrolled student receiving special education or related services. The weight for Category 2 is 0.6179. The weight is multiplied by the statewide average base cost per pupil (\$7,352 for FY 2022 and FY 2023). Therefore, the formula for FY 2022 and FY 2023 funds each full-time equivalent student in Category 2 with an effective per-pupil amount of \$4,543 annually ($\$7,352 \times 0.6179$). For traditional districts, this amount is equalized according to the district's state share percentage so that lower wealth districts receive more state aid on a per-pupil basis than higher wealth districts. Calculated Category 2 state funding for traditional districts averaged \$2,088 per pupil on a statewide weighted average basis in FY 2022. Special education and other components of the formula are subject to a phase-in during FY 2022 and FY 2023.