

Ohio

Funding Basics

Formula Type

Ohio has a hybrid funding formula incorporating both student-based and resource-based elements. It calculates a cost for the education of a student with no special needs or services, called a base amount, by determining the cost of delivering education in a district based on the cost of the resources, such as staff salaries and course materials, required to do so. It then provides increased funding to educate specific categories of students. The categories of students considered in Ohio's funding policy are students in certain grade levels, English-language learners, students from low-income households and students in high-poverty school districts, students with disabilities, students identified as gifted, students enrolled in career and technical education programs (CTE), and students enrolled in sparsely populated districts.

Ohio expects school districts to contribute to the funding of their public schools, with the amount of the local share based on property values and residents' income. Districts in Ohio are permitted to raise and keep additional local revenues for regular district operations.

Supplemental funding for students in certain grade levels and students identified as gifted is generated by determining the cost of delivering education to these students. Supplemental funding for English-language learners, students from low-income households and students in high-poverty school districts, students with disabilities, students enrolled in CTE programs, and students enrolled in sparse school districts is generated through the application of multipliers to the base amount. Some services for students with disabilities are funded through program-specific allocations. This summary reflects 2021 reforms to the state's school funding formula, which will be phased in over six years. However, the state general assembly has committed to this funding model only for FY2022 and FY2023. In FY2022 and FY2023, districts continue to receive funding from the state that equals or exceeds the amount they received prior to the state's major funding reform in FY2021. Additionally, beginning in FY2022, students will be funded based on the district where they attend school, not their district of residence.

Base Amount

Ohio has a base funding amount per student that varies from district to district. Each district's base cost is calculated considering the cost of providing five different types of resources.

Each district's unique base cost is calculated from five different components: (1) the teacher base cost, including the cost of providing teachers, assuming student-to-teacher ratios that vary based on grade level; (2) the student support base cost, including the cost of providing guidance counselors, librarians, and other staff, assuming certain student-to-staff ratios, as well as the cost of supplies and academic maintenance; (3) the district leadership and accountability base cost; (4) the building leadership and operations base cost; and (5) the athletic co-curricular activities base cost. This base cost is divided by the greater of the district's student count for the past fiscal year or the average of its student count for the prior three years to arrive at a base funding amount per student.

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Local Revenue

Expected Local Share

Ohio expects school districts to contribute revenue to their public schools. The amount each district is expected to raise is based on a combination of its property values and its residents' income.

Once the state calculates the total amount of funding necessary to educate students within a district, it calculates the share that local school districts are expected to contribute. This is accomplished through a multistep formula: First, the state assigns a percentage for each district by ranking all school districts based on each district's median gross income, compared to the median gross income statewide. Each district's local share is then calculated using that percentage, the local property valuation per pupil, and the average and median income per pupil of the district's residents. However, the state may not contribute less than 5% of each district's necessary funding, regardless of its local wealth.

Property Tax Floors and Ceilings

Ohio sets a level above which local property tax rates require voter approval. Localities, including school districts, counties, and cities and townships, may impose, in total, $10.00 for every $1,000 of assessed local property wealth without voter approval. School districts may impose further property taxes with voter approval.

Of the $10.00 for every $1,000 of assessed local property wealth that localities may levy without voter approval, school districts impose, on average, $4.40 for every $1,000 of assessed local property wealth. In addition, school districts may impose several other levies for operating costs, permanent improvement, and debt service with voter approval.

Some of these additional levies are increased or reduced to compensate for increasing or decreasing property values. However, the impact of this policy on school district tax rates is limited: A school district's combined tax rate from the nonvoted levy and one of the voted operating levies may not drop below $20.00 for every $1,000 of assessed local property wealth as a result of this limitation.

Other Local Taxes for Education

School districts in Ohio may receive local revenue from property taxes, income taxes, sales taxes, and a tax on casino revenues.

In addition to property taxes, school districts in Ohio may impose income taxes and a countywide joint sales tax. School districts may impose an income tax in increments of 0.25%. As of April 2020, approximately 203 districts levied an income tax of between 0.25% and 2%. In addition, school districts may impose a joint sales tax with other districts in the county for permanent improvement. However, only one county has done so.

School districts also receive funding from a tax on casino revenues; 34% of the revenue from this tax is distributed to counties, which is then distributed to schools based on student count.

Student Characteristics

Grade Level

Ohio provides different levels of funding for students in different grade levels. It does so through its resource-based formula by specifying different student-to-teacher ratios for four different grade spans and providing funding for teacher positions accordingly.

In calculating each district's base cost, the state assigns a student-teacher ratio of 20 to 1 for kindergarten, 23 to 1 for grades 1-3, 25 to 1 for grades 4-8, and 27 to 1 for grades 9-12. These ratios are then used to calculate the teacher base cost. The state also provides gifted identification funds in a way that considers each district's K-6 enrollment (see "Gifted").

English-Language Learner

Ohio provides increased funding for English-language learners. It does so by applying a multiplier to the statewide average base per-pupil amount for these students, which varies depending on the student's education history.

English-language learners are divided into three categories for the purposes of this supplemental allocation. A multiplier of 1.2104 is applied for English-language learners who have been enrolled in U.S. schools for no more than 180 days and have not previously been excused from testing in English-language arts. For FY2022 and FY2023, a multiplier of 1.1577 is applied for English-language learners who have been enrolled in U.S. schools for longer than 180 days but have not yet achieved a score of proficient or higher on the state's language arts exams. In FY2022 and FY2023, a multiplier of 1.1053 is applied for English-language learners who achieve a score of proficient or higher on either of the state's language arts exams for the first two years after they have done so.

All of these allocations are subject to Ohio's State Share Percentage, which is a measure of how much of the education funding burden should be shouldered by the state given each district's property tax base and its residents' income levels.

Poverty

Ohio provides increased funding for students from low-income households at a level that differs depending on the concentration of students from low-income households in a district and for districts with high concentrations of students from low-income households. It does so in the form of two allocations: one that provides funding for students from low-income households, adjusted for the concentration of students from low-income households in the district, and another that provides increased funding for districts with high concentrations of students from low-income households and low levels of property wealth.

Ohio provides increased funding for students from low-income households through Economically Disadvantaged funding, which provides an amount to each district equal to $422 for each economically disadvantaged student, multiplied by an index, which reflects the district's share of economically disadvantaged students compared to the statewide share. Economically disadvantaged students are those who are eligible for free or reduced-price lunch under the National School Lunch Program, those who are known to be recipients of public assistance, and those who meet federal Title I income guidelines.

Ohio also provides increased funding for districts with high concentrations of students from low-income households through Targeted Assistance, which is calculated using a multistep formula (for more information on this program, see "Concentrated Poverty").

Special Education

Ohio funds special education using a multiple student weights system, providing different levels of funding for different categories of students. Students are assigned to six different categories based on their specific disabilities.

For FY2022 and FY2023, Ohio provides special education funding by applying different multipliers to the statewide average base amount for students in these categories. These multipliers range from 1.2535 for students in Category 1, whose primary or only identified disability is a speech and language disability, to 4.9554 for students in Category 6, which includes students with autism, traumatic brain injuries, or both visual and hearing impairments. Catastrophic aid provides reimbursement of at least 50% of costs exceeding $27,375 for children in Categories 2-5 or exceeding $32,850 for children in Category 6.

In FY2022 and FY2023, Ohio also provides special education transportation funding based on a district's state share. Districts receive the actual costs of transporting students with disabilities attending an approved special education program who require transportation services other than a regular school bus multiplied by the greater of the district's state share percentage or 29.17% for FY2022 or 33.33% for FY2023. The state also provides program-based allocations for students with disabilities, such as scholarships for children with autism to attend school outside their district of residency.

Gifted

Ohio provides increased funding for gifted and talented students. It does so through the resource-based component of its formula by specifying student-to-staff ratios for gifted education and providing funding for staff positions accordingly, modified by the district's state share.

For FY2022 and FY2023, Ohio assigns a ratio of 1 gifted intervention specialist per 140 gifted students and 1 gifted coordinator per 3,300 students, determines the cost of providing these resources, and multiplies this amount by the district's state share percentage. For the purposes of calculating gifted funding, gifted intervention specialists cost $89,378 per unit for grades K-8 and $80,974 per unit for grades 9-12, with a minimum of 0.3 units for each district. Gifted coordinators cost $85,776 per unit, with a minimum of 0.5 and a maximum of eight units allocated per district.

Districts also receive funding for gifted identification, referral, and professional development in an amount that varies depending on the district's state share. Districts receive $24 for each student in grades K-6 multiplied by their state share percentage for gifted identification, $2.50 for each student multiplied by their state share percentage for gifted referral, and the greater of their gifted enrollment or 10% of the district's student count multiplied by their state share percentage for gifted professional development.

Career and Technical Education

Ohio provides increased funding for career and technical education (CTE) programs. It does so by applying multipliers to the statewide average base for CTE and each district's state share percentage.

For FY2022 and FY2023, Ohio calculates CTE funding by applying multipliers to the state average CTE base and multiplying by each district's CTE enrollment and state share percentage. Workforce development programs in Ohio are grouped into five categories for the purposes of this per-student funding, with multipliers ranging from 1.1570 to 1.6230. A multiplier of 1.0294 is applied for CTE-associated services.

Category 1 programs, for which a multiplier of 1.6230 is applied, are those focusing on agriculture and environmental systems, construction technologies, engineering and science technologies, finance, health science, information technology, or manufacturing technology. Category 2 programs, for which a multiplier of 1.5905 is applied, are those focusing on business administration, hospitality and tourism, human services, law and public safety, transportation systems, or arts and communications. Category 3 programs, for which a multiplier of 1.2154 is applied, are career-based intervention programs. Category 4 programs, for which a multiplier of 1.1830 is applied, are those focusing on education and training, marketing, academics, public administration, or career development. Category 5 programs, for which a multiplier of 1.1570 is applied, are family and consumer science programs.

District Characteristics

Concentrated Poverty

Ohio provides increased funding for districts based on the concentrations of students from low-income households that they serve. It does so in the form of two allocations: one that provides funding for students from low-income households, adjusted for the concentration of students from low-income households in the district, and another that provides increased funding for districts with low levels of property wealth and income.

Ohio provides increased funding for students from low-income households through Economically Disadvantaged funding, which provides an amount to each district equal to $422 for each economically disadvantaged student, multiplied by an index, which reflects the district's share of economically disadvantaged students compared to the statewide share. Ohio also provides increased funding for districts with high concentrations of students from low-income households through Targeted Assistance, which is calculated using a multistep formula.

For the purposes of Economically Disadvantaged funding, economically disadvantaged students are those who are eligible for free or reduced-price lunch under the National School Lunch Program, those who are known to be recipients of public assistance, and those who meet federal Title I income guidelines. For Targeted Assistance, the calculation first considers a per-student local wealth measure based on local property valuation and local household income. This figure is then compared to a parallel statewide measure to produce a wealth index. The formula uses this information to provide supplemental funding to those districts where the wealth index falls below a threshold. The state additionally provides additional supplemental funding to districts where wealth levels are below an even lower threshold and where less than 88% of the total student count was enrolled in 2019.

Sparsity and/or Small Size

Ohio provides increased funding for sparse school districts. It does so through its transportation funding system.

As a part of a larger transportation funding system, the state provides supplemental transportation funding for districts with fewer than 28 enrolled students who are provided bus service per square mile. For FY2022 and FY2023, the amount of the funding is equal to the difference between 28 and the district's actual number of students per square mile, multiplied by the state's regular rate of transportation funding per mile, and then multiplied by 0.55.

Charter Funding

Funding for charter schools in Ohio is calculated based on a formula similar to the one used to calculate funding for traditional public schools.

Like traditional public schools, charter schools are funded by the state through a student-based formula that considers the characteristics of students they educate. For each student, charter schools receive a unique base amount calculated using the same components as for traditional public schools (see "Base Amount"), with some modifications, and any additional funding generated by students in special programs and need categories.

Charter schools in Ohio do not have access to revenue raised by local school districts; however, the state provides charter schools with their entire formula allocation, replacing districts' expected local contributions with state dollars.

For a complete list of primary sources, please see the appropriate state page at funded.edbuild.org