

Ohio

Randall S. Vesely

FUNDING PRIORITIES FOR P-12 AND HIGHER EDUCATION

Primary and Secondary Education

Ohio public school funding for FY2021 is \$11.12 respectively. Gov. Mike DeWine prioritized “student wellness and success” by investing \$650 million in FY2020 and FY2021 for schools to spend on mentoring, mental-health counseling, wraparound supports and after-school programs. House Bill 1, known as the “Fair School Funding Plan” is legislation to modernize K-12 school funding across Ohio. The plan would spend \$12.4 billion in FY2022 and \$12.6 billion in 2023. The legislation adjusts the distribution formula for schools with an emphasis on a more accurate measure of school district capacity by using property and income wealth to determine the local contribution. In addition to components of the bill, it contains additional aid aimed at creating an equitable system of funding for our schools. These categorical aid components include special education, gifted education, English Language Learners, economically disadvantaged, and transportation. Each component was modified with input from practitioners and children advocates from across Ohio.

Higher Education

Priorities include, among others: affordability, college completion, reducing institutional program operating costs, College Credit Plus, and workforce development. Funding for Higher Education in FY 2020 and FY2021 was increased to \$2.68 billion and \$2.77 billion respectively. The budget limits the increases to in-state undergraduate tuition to 2% per year, with certain fee increases to the approval of the Department of Higher Education (DHE). Funding for the Ohio College Opportunity Grant (OCOG), a need-based student financial aid program increases by 21.2% per year to \$122.3 million in FY 2020 and \$148.2 million in FY 2021.

FUNDING FORMULA CHANGES

Primary and Secondary Education

- 612 regular school districts, 49 joint vocational school districts, and approximately 370 public community schools are funded through the Ohio foundation program.
- \$12.4 billion in FY2022 to primary and secondary education.

Randall S. Vesely, Ph.D., University of Toledo

- The budget provides lottery funding of \$30 million per year for a new Quality Community School Support initiative. This funding will be distributed to a community school designated as a Community School of Quality on a per pupil basis (\$1,750 for each economically disadvantaged student and \$1,000 for each student who is non-economically disadvantaged).
- According to the Ohio Department of Education, the EdChoice Scholarship Program provides up to 60,000 state-funded scholarships to students who attend low-performing public school buildings. Scholarship must be used to attend private schools that meet requirements for program participation. The EdChoice scholarship amount is currently \$4650 for grades K-8 and \$6000 for grades 9-12.
- Additional money for community schools, often referred to as charter schools, with new funding of \$30 million for those designated as schools of quality. The additional funding for the private-school scholarships and community school quality awards total \$83 million over two years.

Higher Education

Ohio remains one of the few states with a 100% outcomes-based higher education funding formula without any general enrollment metric except for full time enrollment (FTE) in medical programs.

- The budget increases overall funding for the Ohio College Opportunity Grant (OCOG), a need-based student financial aid program, by 21.2% per year to \$122.3 million in FY 2020 and \$148.2 million in FY 2021. The new budget provides enough funding to increase OCOG by at least \$500 per student over FY2022 and FY2023.
- The FY 2022-2023 budget expands opportunities for Ohio college students to earn STEM degrees by providing a meaningful increase for the Choose Ohio First scholarship program. The budget increases the Choose Ohio First investment to \$28 million in FY23. The budget appropriation received a 54% increase over the previous biennium's actual expenditures.

PRESSING STATE ISSUES AFFECTING FUNDING

P-12 and Higher Education

- Ohio's colleges and universities see financial issues on the horizon, from the continuation of declining enrollment. According to the Western Interstate Commission for Higher Education, Ohio high school graduates are expected to decrease by more than 13,000 students by 2031.

Higher Education: Trends in State Funding for Public Institutions

- A push exists for quantifiable innovation and vocational preparedness for

underrepresented access populations (low SES and older students).

- With the removal of the enrollment metric in the funding formula in the previous budget, competition between institutions should decrease, but because there is incentive to increase success in underrepresented access populations *and* graduate students, universities are trying to find the ideal balance between underrepresented access populations and students who are more likely to graduate.

P - 1 2 PER - PUPIL STATE EXPENDITURE

Basic Aid

- The amount of state funds that a district receives is based on a formula that takes into account the student enrollment and the property wealth of the district. See <http://education.ohio.gov/Topics/Finance-and-Funding/School-Payment-Reports/State-Funding-For-Schools/Traditional-School-Districts> for specific district information.
- More than 80% of Ohio's 600-plus districts would receive between \$7,000 and \$8,000 in per-pupil base funding, according to a legislative analysis.

Categorical Aid

The state will continue to support poor children, gifted and talented children, students with individual education plans and those in career technical education programs, but the new formula will grow funding for those children as a percentage of the base cost, rather than add a specific dollar amount. The exception to the new plan's percentage rule is funding for poor students, which rose from \$272 to \$422 per student with a goal of transferring that funding to a percentage down the road.

SOURCES

<https://www.limaohio.com/news/468006/what-changes-under-ohios-new-fair-school-funding-plan>

<http://education.ohio.gov/Topics/Finance-and-Funding/School-Payment-Reports/State-Funding-For-Schools/Traditional-School-Districts>