Ohio’s Public School Per-Pupil Operating Expenditures Continue to Exceed National Average

Per-Pupil Operating Expenditures for Ohio and U.S.

- In FY 2018, Ohio’s public school per-pupil operating expenditures were $13,027; this was $415 (3.3%) above the national average of $12,612.
- Ohio’s per-pupil operating expenditures have exceeded the national average every year since FY 2009. That year, Ohio’s expenditures were less than 1% above the national average. The gap was widest in FY 2011, when Ohio’s expenditures were 5.8% above the national average.
- During the ten-year period from FY 2009 to FY 2018, Ohio’s per-pupil operating expenditures increased by $2,467 (23.4%) and the national average increased by $2,113 (20.1%). During the same period, inflation, as measured by the consumer price index (CPI), was 15.6%.
- In FY 2018, Ohio’s per-pupil operating expenditures ranked 18th highest in the nation. As shown in the table below, compared to its neighboring states, Ohio’s per-pupil operating expenditures were higher than Michigan, West Virginia, Kentucky, and Indiana but lower than Pennsylvania.

<table>
<thead>
<tr>
<th>State</th>
<th>National Rank</th>
<th>Per-Pupil Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pennsylvania</td>
<td>9</td>
<td>$16,395</td>
</tr>
<tr>
<td>Ohio</td>
<td>18</td>
<td>$13,027</td>
</tr>
<tr>
<td>Michigan</td>
<td>23</td>
<td>$12,345</td>
</tr>
<tr>
<td>West Virginia</td>
<td>31</td>
<td>$11,334</td>
</tr>
<tr>
<td>Kentucky</td>
<td>32</td>
<td>$11,110</td>
</tr>
<tr>
<td>Indiana</td>
<td>36</td>
<td>$10,262</td>
</tr>
</tbody>
</table>
Ohio’s Average Teacher Salary Remains Below U.S. Average

Average Teacher Salaries for Ohio and U.S.

After exceeding it from FY 2010 to FY 2013, Ohio’s average teacher salary has been below the national average since FY 2014. In FY 2019, Ohio’s average teacher salary was $2,591 (4.2%) lower than the national average.

Ohio’s average teacher salary has increased every year since falling to a decade low of $54,672 in FY 2015. It reached a new high of $59,713 in FY 2019. The U.S. average has increased steadily since FY 2012. From FY 2015 to FY 2019, the share of Ohio teachers with ten or more years of experience increased by four percentage points, from 55.0% to 59.0%. Teacher salaries are heavily influenced by years of experience and credentials.

From FY 2010 to FY 2019, Ohio’s average teacher salary increased by 6.7% while the national average increased by 12.8%. During the same period, the national rate of inflation was 16.9%, as measured by the consumer price index (CPI).

In FY 2019, Ohio’s average teacher salary ranked 18th in the nation (see table below). Compared to its neighboring states, Ohio’s average teacher salary was higher than Kentucky, Indiana, and West Virginia, but lower than Pennsylvania and Michigan.

<table>
<thead>
<tr>
<th>State</th>
<th>National Rank</th>
<th>Average Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pennsylvania</td>
<td>10</td>
<td>$68,930</td>
</tr>
<tr>
<td>Michigan</td>
<td>16</td>
<td>$62,170</td>
</tr>
<tr>
<td><strong>Ohio</strong></td>
<td><strong>18</strong></td>
<td><strong>$59,713</strong></td>
</tr>
<tr>
<td>Kentucky</td>
<td>31</td>
<td>$53,434</td>
</tr>
<tr>
<td>Indiana</td>
<td>38</td>
<td>$51,119</td>
</tr>
<tr>
<td>West Virginia</td>
<td>50</td>
<td>$47,681</td>
</tr>
</tbody>
</table>
Salaries and fringe benefits accounted for approximately 74% of school district general fund budgets statewide in FY 2019. Over the past ten years, this percentage steadily decreased from 78% in FY 2010 to 73% in FY 2017 before increasing in each of the last two years.

Nearly all of the four percentage point decrease since FY 2010 occurred in the share spent on salaries. The share spent on fringe benefits was essentially unchanged.

The cost of fringe benefits as a percentage of the cost of salaries increased to 40% in FY 2019, from 37% in FY 2010.

Public schools in Ohio employed over 325,600 full-time equivalent (FTE) workers in FY 2019. Teachers account for the largest category of FTE workers with 112,000, or about 34%, of the total.

As the share of district budgets spent on salaries has declined, the portion spent on purchased services for pupil transportation, utilities, maintenance and repairs, and other services not provided by district personnel has increased from 16% in FY 2010 to 20% in FY 2019.

State law requires each school district to set aside funds for capital and maintenance, and to do so through generally one of two formulas: 3% of the previous year’s base revenue, including foundation aid and property and income taxes, or 3% of the preceding year’s formula amount, which equated to about $180 per pupil in FY 2019.
Per-Pupil Operating Spending Varies Across Different Types of Ohio School Districts

<table>
<thead>
<tr>
<th>Comparison Group – Description</th>
<th>Number of Districts</th>
<th>Enrollment %</th>
<th>Spending Per Pupil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural High poverty, small population</td>
<td>123</td>
<td>9.5%</td>
<td>$11,882</td>
</tr>
<tr>
<td>Rural Average poverty, very small population</td>
<td>106</td>
<td>6.3%</td>
<td>$11,734</td>
</tr>
<tr>
<td>Small Town Low poverty, small population</td>
<td>111</td>
<td>11.0%</td>
<td>$10,786</td>
</tr>
<tr>
<td>Small Town High poverty, average population</td>
<td>89</td>
<td>11.7%</td>
<td>$11,289</td>
</tr>
<tr>
<td>Suburban Low poverty, average population</td>
<td>77</td>
<td>20.0%</td>
<td>$11,793</td>
</tr>
<tr>
<td>Suburban Very low poverty, large population</td>
<td>46</td>
<td>16.1%</td>
<td>$12,957</td>
</tr>
<tr>
<td>Urban High poverty, average population</td>
<td>47</td>
<td>13.0%</td>
<td>$12,665</td>
</tr>
<tr>
<td>Urban Very high poverty, very large population</td>
<td>8</td>
<td>12.4%</td>
<td>$16,167</td>
</tr>
<tr>
<td><strong>State Total</strong>*</td>
<td><strong>607</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$12,472</strong></td>
</tr>
</tbody>
</table>

*Three small outlier districts are not included.

Source: Ohio Department of Education

- In FY 2019, the average per-pupil operating spending within socioeconomic and geographic district comparison groups ranged from a low of $10,786 for low-poverty small town districts to a high of $16,167 for very large, high-poverty urban districts. The state average was $12,472.
- Very large urban districts with very high poverty spent 29.6% ($3,694) above the state average. Large suburban districts with very low poverty had the second highest spending per pupil at $12,957, which was 3.9% ($485) above the state average. Smaller urban district spending per pupil of $12,665 was also above the state average – by 1.5% ($192).
- Small town districts had the lowest spending per pupil, averaging $11,044 for the two comparison groups, which is 11.4% ($1,428) below the state average. Rural districts had the next lowest per-pupil spending, averaging $11,823, which was 5.2% ($649) below the state average. Finally, smaller suburban district spending of $11,793 per pupil was also below the state average – by 5.4% ($679).
- Operating spending accounted for approximately 86.5% of all expenditures. Of those operating expenses, school districts spent an average of 67.8% on classroom instruction and the remaining 32.2% on nonclassroom activities such as operations and maintenance, administration, transportation, and food service expenses.
Ohio schools’ average per-pupil operating revenue from all sources was $13,661 in FY 2019, an increase of 10.8% ($1,335) over the past five years.

During this time, local tax revenue per pupil increased 17.7% ($871), state revenue per pupil increased 9.7% ($502), federal revenue per pupil increased 4.0% ($39), and other nontax revenue per pupil decreased 6.3% ($78).

The largest source of school revenue in FY 2019 was local taxes, at 42.4% ($5,787 per pupil). Locally levied property taxes account for about 96% of total local tax revenue for schools, while school district income taxes account for the remaining 4%.

State funds provided 41.6% ($5,690 per pupil) of school revenue, the second largest share. State funding is largely supported by the GRF, which receives revenue mainly from state taxes. Most state education funds are distributed through the school funding formula, followed by tax reimbursements and competitive and noncompetitive grants.

Other nontax revenue represented 8.5% ($1,159 per pupil) of school revenue in FY 2019. These revenues include tuition payments, charges for school breakfast and lunch, various fees, admissions and sales related to extracurricular activities, and state solvency assistance advances.

Federal dollars amounted to 7.5% ($1,025 per pupil) of school revenue in FY 2019. These funds focus on special education and disadvantaged students.
Growth in Aggregate Real Property Values Accelerates in All but Rural School Districts

School district real property valuation as a whole continued to rise between 2016 and 2019. Statewide real property valuation has increased by an average of 3.1% per year since 2016, following an average annual increase of 1.4% between 2012 and 2016 and Great Recession-era declines that averaged 1.7% per year. While all school district types have gained aggregate real property value since 2016, growth rates among these comparison groups vary.

Suburban and small town districts experienced the largest annual increases in real property values between 2016 and 2019. Their valuation increased annually by an average of 3.9% and 2.8%, respectively, compared to 1.2% and 1.8% annual growth between 2012 and 2016. Urban district values have taken longer to recover from the recession, with growth turning positive in 2016, averaging 2.7% per year since, following an average annual decline of 0.8% between 2012 and 2016.

Annual growth in rural district values slowed from 4.9% in the 2012 to 2016 period, to 1.6% annually between 2016 and 2019 due to steady decreases in statewide agricultural real property value stemming from changes to the state’s current agricultural use valuation (CAUV) program. Statewide agricultural real property value declined by 3.7% annually from 2016 to 2019 following annual growth of 10.5% between 2012 and 2016. Agricultural real property value comprises a much larger share of total real property valuation for rural districts (29.0% in 2019) than for all districts as a whole (6.7%).

Residential real property accounts for 71.6% of total statewide real property value in 2019. From 2016 to 2019, this valuation increased statewide by an average of 3.9% annually. Average annual gains varied from 4.3% in suburban districts to 2.8% in urban districts. From 2012 to 2016, residential real property increased by an average of 0.8% annually.

The remaining 21.7% of real property is made up of commercial, industrial, mineral, and railroad real property. From 2016 to 2019, this property valuation increased 2.9% annually statewide following an increase of 0.7% per year from 2012 to 2016.

In 2019, real property valuation was $261.3 billion, representing 91.2% of the total property valuation statewide.
Public Utility Tangible Personal Property Values Grew Rapidly in Northern and Southeastern Regions

Public Utility Tangible Personal Property Value Growth by School District, TY 2014-TY 2019

- Public utility tangible personal property (PUTPP) value, which includes property used for production, transmission, and distribution purposes, has grown rapidly since 2014. This value grew fastest in various school districts in northern and southeastern Ohio led by the recent completion of the Rover Pipeline, which carries natural gas from shale production areas to markets in the U.S. and Canada.

- The school districts with largest growth (shaded in darker blues in the chart above) are generally located along the pipeline’s path and ranged from Buckeye Central Local in Crawford County, at about 56 times 2014 values (a growth rate of nearly 5,500%), to Hillsdale Local in Ashland County, at about 15 times (nearly 1,400%).

- Thirteen districts, many of which have coal-fired or nuclear power plants in their territory that due to market forces have had difficulty competing with plants fueled by natural gas, have lost PUTPP value since 2014 (shaded in red). Such districts include Manchester Local in Adams County (-90.5%), New Richmond Exempted Village in Clermont County (-68.2%), Perry Local in Lake County (-54.3%), and River View Local in Coshocton County (-49.4%).

- Statewide, PUTPP value nearly doubled between 2014 and 2019, increasing from $12.7 billion to $25.2 billion. PUTPP value represented 8.8% of total taxable value in 2019, increasing from 5.2% in 2014.

- Unlike existing real property, PUTPP value is not affected by tax reduction factors; taxes on this property grow at the same rate as property values grow.
Ohio Facts 2020  K-12 Education

School District Property Values Vary Widely Across Ohio

Average Per-Pupil Valuation by Wealth Quintile, FY 2018

- To create the quintiles used on this and the following three pages, school districts are first ranked from lowest to highest in property valuation per pupil. They are then divided into five groups, each of which includes approximately 20% of total students statewide. As can be seen in the chart above, districts in quintile 1 have the lowest property wealth and districts in quintile 5 have the highest property wealth.
- In FY 2018, approximately 20% of Ohio’s students resided in school districts with per-pupil property valuations that averaged about $75,000 while another 20% resided in school districts with per-pupil property valuations that averaged about $235,000. The statewide average valuation was $145,000 per pupil.
- A 20-mill (2%) property tax levy generates about $1,500 per pupil for a district with a valuation per pupil of $75,000 and about $4,700 per pupil for a district with a valuation per pupil of $235,000.
- Since locally voted property tax levies represent about 96% of school district local revenues, per-pupil valuation (also called district property wealth) indicates each district’s capacity to raise local revenue.
- Since FY 1991, a major goal of the state’s school funding formula is to neutralize the effect of local property wealth disparities on students’ access to basic educational opportunities.
- To achieve this goal, Ohio’s current school funding formula uses an index, based on a district’s three-year average property valuation and in some circumstances median and average income, to direct more state funds to districts with lower wealth.

Sources: Ohio Department of Taxation; Ohio Department of Education
Foundation Formula Distributes More State Aid Per Pupil to Lower Wealth Districts

Per-Pupil State Aid by Wealth Quintile, FY 2019

- Low wealth districts receive more state foundation aid per pupil than high wealth districts. In FY 2019, the average per-pupil state foundation aid for wealth quintiles 1 through 5 was $8,411, $5,647, $4,679, $3,385, and $2,255, respectively.1

- The opportunity grant (57.3% of total state foundation aid) consists of the state share of the per-pupil formula amount ($6,020 for FY 2019). In FY 2019, the average per-pupil opportunity grant for wealth quintiles 1 through 5 was $4,649, $3,230, $2,804, $2,094, and $1,182, respectively.

- Targeted assistance and capacity aid (13.8% of total) provide additional funding to low wealth districts and small districts with relatively low total property value. In FY 2019, the average per-pupil assistance for wealth quintiles 1 through 5 was $1,474, $812, $622, $301, and $168, respectively.

- Categorical add-ons include funding for special education (10.9% of total), economically disadvantaged (5.2%), K-3 literacy (1.3%), gifted (0.9%), career-technical education (0.9%), English learners (0.4%), and performance bonuses (0.4%). In FY 2019, the average per-pupil add-ons for wealth quintiles 1 through 5 was $1,929, $1,155, $792, $601, and $386, respectively.

- Transportation funding (5.8% of total) is distributed to districts based on the number of miles or the number of pupils transported. In FY 2019, the average per-pupil transportation funding for wealth quintiles 1 through 5 was $304, $355, $311, $225, and $209, respectively.

- Transitional aid (3.2% of total) guarantees a district’s state aid allocation for all of its resident students does not fall below 95% to 100% of its FY 2017 level, depending on its enrollment change from FY 2014 to FY 2016.

1 See page 55 for an introduction to this analysis and a description of the quintiles.
State Foundation Aid Helps to Equalize Property Tax Revenues

- For FY 2020, state foundation aid was provided to school districts in the same amounts as FY 2019 and then reduced to help balance the state budget in the wake of the economic disruption caused by the COVID-19 pandemic. Lower wealth districts received smaller per-pupil decreases than higher wealth districts. Overall, foundation aid continues to direct more state funding to lower wealth districts.

- State foundation aid helps equalize school district property tax revenue, although the wealthiest districts still have more resources. In FY 2020, tax revenue plus state foundation aid per pupil for wealth quintiles 1 through 5 were $11,824, $10,491, $10,230, $10,841, and $12,431, respectively. The percentage of revenue attributable to state foundation aid increases for lower wealth districts. This percentage was 70.4%, 52.4%, 44.0%, 29.5%, and 16.7%, respectively, for wealth quintiles 1 through 5 in FY 2020.

- In the chart, tax revenue includes locally paid school district property and income taxes, and state-paid property tax rollbacks, homestead exemption reimbursements, and tangible personal property (TPP) tax reimbursements.

- Wealthier districts are able to collect significantly more tax revenue per pupil. Per-pupil tax revenues for wealth quintiles 1 through 5 were $3,500, $4,994, $5,725, $7,647, and $10,355, respectively, in FY 2020. In FY 2020, tax revenues in quintiles 1 through 4 were 33.8%, 48.2%, 55.3%, and 73.9%, respectively, of tax revenues in quintile 5. Adding state foundation aid, however, increases those percentages to 95.1%, 84.4%, 82.3%, and 87.2%, respectively.

- Tax revenues are determined by a combination of the wealth of the district as well as the ability and willingness of the district’s taxpayers to approve tax levies. In Ohio, there is no limit on the amount of taxes local voters may approve for their schools. In FY 2020, ten wealthy districts raised more than $15,000 per pupil and four raised more than $20,000 per pupil.

1 See page 55 for an introduction to this analysis and a description of the quintiles.
Interdistrict Equity Improved Since FY 1991

Average Quintile Revenue Per Pupil as a Percentage of Quintile 5

<table>
<thead>
<tr>
<th>Quintile</th>
<th>FY 1991</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>70.0%</td>
<td>99.9%</td>
</tr>
<tr>
<td>2</td>
<td>72.9%</td>
<td>92.5%</td>
</tr>
<tr>
<td>3</td>
<td>82.3%</td>
<td>96.8%</td>
</tr>
<tr>
<td>4</td>
<td>88.8%</td>
<td>97.0%</td>
</tr>
<tr>
<td>5</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: Ohio Department of Education

- From FY 1991 to FY 2019, the average revenue per pupil of the districts in the lower wealth quintiles, except for those in quintile 3, moved much closer to that of the districts in the highest wealth quintile.\(^1\)
- The biggest changes came in the two lowest wealth quintiles. In FY 1991, the districts in quintile 1 had, on average, 70.0% of the revenue received by the districts in quintile 5. This percentage increased to 99.9% in FY 2019. At the same time, the percentage for quintile 2 rose from 72.9% to 92.5%.
- The percentage for quintile 4 also rose from 82.3% in FY 1991 to 96.8% in FY 2019. During this period, only quintile 3 lost ground, dropping from 88.8% in FY 1991 to 87.0% in FY 2019.
- Revenue on this page includes traditional school district operating revenue from all sources as reported by districts. From FY 1991 to FY 2019, per-pupil operating revenue increased by 288.3% ($10,710) in quintile 1, 244.7% ($9,479) in quintile 2, 166.4% ($7,848) in quintile 3, 219.5% ($9,597) in quintile 4, and 171.8% ($9,124) in quintile 5. The overall increase was 212.3% ($9,344).
- In FY 1991, about 76% of the variation in per-pupil revenue across districts could be explained by the variation in per-pupil property value. In FY 2019, this percentage dropped to 13%. This indicates that, in FY 2019, the amount of financial resources available for the education of a student depends less on the wealth of the district in which the student attends school than it did in FY 1991. Some of the variation in per-pupil revenue is also explained by the percentage of students in poverty (the state and federal governments both provide additional funds for these students) and local tax effort.

\(^1\) See page 55 for an introduction to this analysis and a description of the quintiles.
School Foundation Aid Comprised Almost Two-Thirds of Department of Education’s Total Spending in FY 2020

In FY 2020, the Ohio Department of Education (ODE) spent $12.5 billion across all funds. Of this total, $8.1 billion (65.0%) was distributed as school foundation aid, the largest source of state funding for school operations. School foundation aid was funded by the state GRF ($7.0 billion) and lottery profits ($1.1 billion).

Property tax rollback payments were the next largest component at $1.2 billion (9.3%). These payments reimburse school districts for revenue lost due to the 10% and 2.5% property tax rollback programs and the homestead exemption program.

Federal Title I and special education programs that focus on disadvantaged students and students with disabilities made up $1.0 billion (8.3%).

The new Student Wellness and Success Fund (SWSF), which provides funds for wraparound services, mental health supports, mentoring, and after school programs, comprised $274.8 million (2.2%).

State direct payments for the phase-out of tangible personal property taxes accounted for another $132.3 million (1.1%) of the total.

ODE’s spending for FY 2020 was mainly supported by the GRF ($9.3 billion or 74.3%, including SWSF because it is funded through a GRF transfer), followed by federal funds ($1.9 billion or 15.1%), and the lottery ($1.2 billion or 9.2%).

In FY 2020, 98.3% ($12.3 billion) of ODE’s total spending was distributed as subsidies to schools and other educational entities.

ODE’s payroll expenses of $66.7 million accounted for 0.5% of the total. Excluding spending for purchased services for student assessments and supply and maintenance for school food programs, ODE’s operating expenses totaled $126.1 million or 1.0% of its total spending in FY 2020.
The new Student Wellness and Success Funds (SWSF) initiative provides additional funding to public schools beginning in FY 2020 to address nonacademic barriers to student success. The funds are allocated to school districts in two tiers primarily based on poverty, with higher poverty districts receiving larger per-pupil amounts than lower poverty districts.

The base tier is allocated to traditional school districts using the number of students educated and per-pupil amounts according to a sliding scale based on federal census poverty data. In FY 2020, the per-pupil amounts ranged from $20 to $250, increasing to between $30 and $360 for FY 2021. Average per-pupil amounts in FY 2020 ranged from the maximum $250 in the eight large very high poverty urban districts to $42 for very low poverty suburban districts.

Enhanced SWSF provides certain rural low-income districts with an additional base per-pupil amount of $50 in FY 2020 and $75 in FY 2021 that is scaled to provide more funding to districts with higher concentrations of poverty. Average per-pupil amounts in FY 2020 primarily ranged from $71 for rural high-poverty districts to $25 for small town low-poverty districts.

Payments to joint vocational school districts, site-based community schools, and STEM schools are based on the per-pupil amount for each student’s resident district. Each recipient generally is guaranteed a minimum of $25,000 in FY 2020 and $36,000 in FY 2021 from the base tier. E-schools receive a flat amount equal to the minimums.

Schools must use SWSF for certain “wraparound” services, including mental health services, physical health care services, mentoring, and family engagement and support services.

Overall, H.B. 166 appropriates $275 million in FY 2020 and $400 million in FY 2021 for SWSF, supported by transfers from the GRF.
Lottery Profits Comprise About 10% of State Spending on Primary and Secondary Education

Lottery Profits as Share of Spending for K-12 Education

- Lottery profits in Ohio have always been a relatively small percentage of total GRF and lottery spending on primary and secondary education. After reaching a peak of 16.9% in FY 1991, this percentage fell to a low of 7.6% in FY 2007 and has since increased to 10.8% in FY 2020.
- In 1973, voters amended the Ohio Constitution to allow the creation of the Ohio Lottery. In 1987, voters approved an additional constitutional amendment that permanently earmarked lottery profits for education.
- Generally, lottery profits are combined with the GRF to support primary and secondary education in Ohio.
- Lottery profits spending on education reached a record high of $1.15 billion in FY 2020, with an average growth rate of 2.3% for the five-year period since FY 2016.
- Video lottery terminals (VLTs) at Ohio’s seven horse racetracks (known as racinos), the first of which opened in June 2012, contributed about $275 million to lottery profits in FY 2020.²
- From FY 1988 to FY 2020, total GRF and lottery spending on primary and secondary education increased by $7.2 billion (208.2%). Of this growth, $715.7 million (10.0%) was provided by the lottery.
- Total FY 2020 lottery sales and VLT net revenues were $4.3 billion, a decrease of 2.9% ($126.3 million) from FY 2019, which was driven by declining racino revenue due to the COVID-19 pandemic. Individually, traditional ticket revenue increased 3.3% while VLT net revenue decreased 22.5%.

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¹ In FY 2010 and FY 2011, GRF spending includes federal stimulus of $417.6 million and $515.5 million, respectively. There is no federal stimulus in prior or later years.
² This is a decline from previous years largely due to effects of the COVID-19 pandemic, as racinos were closed for part of March, all of April and May, and part of June in 2020.
School Choice Program Spending Sees Largest Increase Since FY 2016

Total spending on Ohio school choice programs increased by 3.8% ($46.2 million) to $1.27 billion in FY 2020. The increase in FY 2020 is the largest since FY 2016. School choice programs include community and STEM schools, the Educational Choice (EdChoice) Scholarship Program, the Autism Scholarship Program, the Cleveland Scholarship and Tutoring Program (CSTP), and the Jon Peterson Special Needs (JPSN) Scholarship Program.

Community and STEM schools, the largest component of school choice in Ohio, are funded primarily through state education aid transfers. Such transfers increased 0.2% ($1.4 million) to $873.4 million in FY 2020 after four consecutive years of decreases. These transfers represent 69.0% of school choice spending. Approximately 106,700 students were enrolled in community and STEM schools in FY 2020.

The state also provides various scholarships for students to obtain education services from private providers. Scholarship payments increased 12.9% ($44.8 million) in FY 2020 to $392.8 million.

Within the EdChoice Scholarship Program, 29,503 students received scholarships under the traditional “low-performing school” criteria and 11,506 students received scholarships under income-based criteria in FY 2020. Scholarship payments for each group of students totaled $147.9 million and $50.9 million in FY 2020, respectively, for a total of $198.8 million, or 15.7% of total school choice spending.

A combined 17,453 students received a total of $194.0 million in scholarships under the remaining three programs in FY 2020: the Autism Scholarship Program (3,668 students, $88.2 million), the JPSN Scholarship Program (6,449, $67.6 million), and CSTP (7,335, $38.2 million). Spending for these three programs comprised 15.3% of total school choice spending in FY 2020.
At the end of FY 2020, 44% of school districts and joint vocational school districts (JVSDs) had completed projects that fully addressed their facility needs as assessed by the Ohio Facilities Construction Commission (OFCC). These include 275 (45%) of the 610 regular school districts and 15 (31%) of the 49 JVSDs.

Another 18% of districts have been funded, but their projects are not complete. These include 116 (19%) regular districts and one (2%) JVSD. These districts have buildings in the design or construction phase.

An additional 17% of districts have been offered funding, but have either deferred the offer, allowed it to lapse because they were unable to secure the required local share, or are currently seeking the required local share within the 13-month window allowed by law. These include 100 (16%) regular districts (71 deferred, 28 lapsed, and one seeking) and 11 (22%) JVSDs (nine deferred and two lapsed). Deferred and lapsed districts will be eligible for funding in the future.

The final 21% of districts have not yet been offered funding. These include 119 (20%) regular districts and 22 (45%) JVSDs. Of these, 22 regular districts and three JVSDs are participating in the Expedited Local Partnership Program (ELPP), whereby local funds spent on master facility plans now will be credited to the districts’ local shares when they become eligible for state funding. Overall, more than 100 districts have participated in ELPP.

The total estimated cost of all projects funded by the end of FY 2020 was $21.6 billion. Of that total, the state share was $12.8 billion (59%) and the local share was $8.8 billion (41%).

Through the end of FY 2020, the General Assembly has appropriated $13.8 billion and OFCC has disbursed a total of $12.6 billion for school facilities projects.
Nearly 80% of Districts Receive C or Higher Overall Grade on Report Card

<table>
<thead>
<tr>
<th>Component</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>5%</td>
<td>28%</td>
<td>46%</td>
<td>20%</td>
<td>1%</td>
</tr>
<tr>
<td>Graduation Rate</td>
<td>60%</td>
<td>26%</td>
<td>9%</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>Prepared for Success</td>
<td>2%</td>
<td>4%</td>
<td>10%</td>
<td>42%</td>
<td>42%</td>
</tr>
<tr>
<td>Gap Closing</td>
<td>33%</td>
<td>41%</td>
<td>10%</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Progress</td>
<td>18%</td>
<td>32%</td>
<td>14%</td>
<td>29%</td>
<td>7%</td>
</tr>
<tr>
<td>Achievement</td>
<td>3%</td>
<td>12%</td>
<td>34%</td>
<td>48%</td>
<td>3%</td>
</tr>
<tr>
<td>K-3 Literacy</td>
<td>2%</td>
<td>13%</td>
<td>54%</td>
<td>30%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Ohio Department of Education

- For school year 2018-2019, nearly 80% of school districts received a C or higher overall report card grade. The most common overall report card grade was a C, at 46% (282 districts), while 33% (200) received A’s or B’s, and 21% (126) received D’s or F’s.
- These results closely track those from the 2017-2018 school year. The combined share of A’s and B’s decreased by three percentage points (19 districts) while the share of F’s decreased by two percentage points (10 districts). The share of C’s increased by five percentage points (29 districts). There was no change in the share of D’s.
- For the report card components, districts fared the best on the graduation rate and struggled most with prepared for success, which measures how well prepared Ohio’s students are for work or college. While 85% of districts received A’s or B’s on the graduation rate component, 84% received D’s or F’s on the prepared for success component. These results mirror those from school year 2017-2018.
- Districts have improved in recent years on the gap closing component, which is designed to measure achievement gaps between certain designated groups and all students. The percentage of districts receiving A’s or B’s on this component was 74%, compared with 19% for school year 2016-2017, while the percentage receiving D’s or F’s was 15%, compared with 63% for school year 2016-2017.
- Districts mostly scored towards the higher or lower range of grades on the progress component, which measures academic growth. Half of districts received A’s or B’s and 36% received D’s or F’s.
- Districts struggled on the achievement component, which measures performance and proficiency on state tests, and the K-3 literacy component, which measures district success helping off-track readers read at grade level. The total percentage of D’s or F’s was 51% on the achievement component and 31% on the K-3 literacy component whereas the total percentages of A’s or B’s on these measures were each 15%.
Total school enrollment in Ohio has declined every year during the past six years. Overall, it decreased by 48,371 students (2.6%) from 1.87 million in FY 2015 to 1.82 million in FY 2020.

The average annual decrease from FY 2015 to FY 2020 was 9,674 students, although FY 2020 saw the smallest decrease over the period at 8,107 students.

Of the total enrollment decrease since FY 2015, 82.9% (40,115) occurred in public schools (school districts, community schools, and STEM schools) and 17.1% (8,256) occurred in chartered nonpublic schools. This represents a 2.4% decline in public school enrollment during this period compared to a 4.8% decline in chartered nonpublic school enrollment.

The share of total enrollment that nonpublic schools account for has remained fairly steady since FY 2015. That year nonpublic school students represented 9.3% of the state’s student body, compared to 9.1% in FY 2020.

Both public and nonpublic school enrollments have decreased every year since FY 2015. During this period, the largest annual decrease in public school enrollment was 9,301 students in FY 2017 while the smallest annual decrease was 6,087 students in FY 2020. The comparable figures for nonpublic school enrollment were 2,335 students in FY 2018 and 40 students in FY 2016.

The largest public school enrollment decreases occurred in rural school districts, as the number of students residing in these areas dropped by 6.9% (18,309 students). The number of students residing in small town and urban areas also decreased by 3.7% (13,781) and 3.5% (17,162), respectively. The number of students residing in suburban districts increased by 1.6% (9,132).
The percentage of Ohio high school graduates going directly to college decreased in recent years, according to projections made by the Pell Institute. Ohio’s percentage decreased 1.4 percentage points from 58.9% in 2016 to 57.5% in 2018. Conversely, the national average remained the same over the same period, at 60.4%.

The percentage of Ohio high school graduates going directly to college has been below the national average in every year since 2000 except for 2002. In 2018, Ohio’s percentage was 2.9 percentage points below the national average.

In fall 2018, 42% of graduates from Ohio public high schools enrolled directly in an Ohio college or university — approximately 32% in a four-year institution and 10% in a two-year institution.

In fall 2018, 26.8% of Ohio public high school graduates enrolled directly in Ohio colleges and universities were taking remedial mathematics or English courses, down from 27.6% in fall 2017 and 28.1% in fall 2016.

ACT and SAT scores are benchmarks used in college admissions. From 1996 to 2017, ACT and SAT scores for Ohio high school seniors were consistently higher than the national average. Beginning in 2018, Ohio’s ACT scores dropped below the national average, likely due in large part to the state-funded administration of college admissions tests to all high school juniors. The vast majority of school districts choose the ACT. States that have lower test participation typically have a higher average score because only those college-bound students elect to take the test.

The average Ohio ACT score was 20.0 in 2019, in comparison with the national average of 20.7. Ohio’s mean score on the new SAT that debuted in 2016 was 1097 in 2019, in comparison with the national mean score of 1059.