



Fiscal Year (FY) 2026-2027 payment simulations for Ohio public schools and districts, including traditional public school districts, joint vocational school districts (JVSDs), and community schools, are available on the Ohio Office of Budget and Management's website. All district-by-district and school-by-school funding simulations are estimates created to forecast aggregated state budget appropriations.

**The state biennial budget bill, and the laws upon which these simulations are based, do not allocate funding to any specific school, district, or type of school.** Actual payments will be calculated based on data reported during the applicable fiscal years, including, but not limited to, student enrollment.

Ohio's current school funding formula was first implemented in FY 2022. Using the prior year, FY 2021, as a baseline, total state support for public schools will have grown by more than \$2.014 billion over the six-year formula implementation period.

- Total state support for traditional public school districts is forecasted to grow by \$1.2 billion over the six year implementation period, to \$8.38 billion by FY 2027.
- Total state support for JVSDs is forecasted to grow by \$235 million over the six-year implementation period, to \$570 million by FY 2027.
- Total support for community and STEM schools is forecasted to grow by \$576 million over the six-year implementation period, to \$1.55 billion by FY 2027.

Ohio's school funding formula funds students where they are educated, not where they live. This direct funding methodology was a key provision of the current school funding formula. Despite experiencing a 5.5% enrollment decline since 2020, funding for traditional public school districts has increased.

At the same time, school districts ended last fiscal year with more than \$10.5 billion in cash in their general funds, equivalent to nearly half (46.1%) of FY 2024 general fund expenditures. Cash that districts have on hand – both as a dollar amount and as a percentage of expenditures – has increased steadily each year since the state began reporting on this data in 2012.

It is important to remember that state funds do not represent 100% of the funds available to a school district. Schools are funded by a mix of federal funding, state funding, and local taxes like local property taxes. In recent years, a trend of increasing property values has resulted in increased capacity for districts to raise local revenue. The state formula takes this local capacity into account when determining state support.



The proposed biennial budget proposes modest reductions in “guarantee” provisions that have provided ongoing state funding despite declining enrollments and increased local revenues, allowing schools and districts to avoid necessary choices to right-size operations. Even with reductions in the guarantees to 95% and 90% in FY 2026 and 2027, respectively, we still forecast the cost of the guarantees to continue to climb, from \$348.6 million in current FY 2025 to nearly \$450 million in FY 2026, and \$607 million by FY 2027.

At the same time, enrollment in JVSDs and community/STEM schools continues to increase as families take advantage of educational choice opportunities. Since 2020, JVSD enrollment has increased by 22.6% and community/STEM school enrollment has increased by 22.9%.