



Members Brief

An informational brief prepared by the LSC staff for members and staff of the Ohio General Assembly

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State Share of Instruction Formula

The State Share of Instruction (SSI) formula is used to distribute core state operating funding for public higher education. The SSI formula is based mostly on outcomes such as course completions and degree attainment. It computes funding separately for two sectors: (1) the university main and regional campus sector, and (2) the community college sector. In FY 2025, ODHE will distribute more than \$2.12 billion in SSI among Ohio’s 61 public universities, regional campuses, and community colleges.

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Overview

The Ohio Department of Higher Education (ODHE) distributes State Share of Instruction (SSI) subsidies to all of Ohio’s 61 four-year and two-year public college and university campuses to help defray the operating costs incurred in providing higher education services to students of state institutions. Generally, SSI subsidies enable state colleges and universities to charge lower student tuition, effectively subsidizing the cost of higher education for the approximately

292,000 full-time equivalent (FTE) students enrolled in a public college or university. SSI is distributed to campuses in approximately equal monthly payments during a given fiscal year.

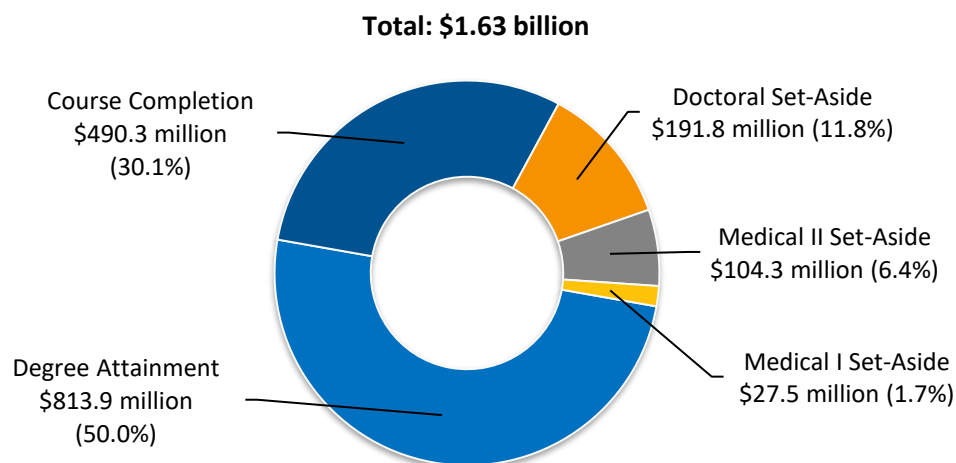
Since FY 2015, the SSI formula has provided funds through an “outcome-based” approach, focusing on degree attainment and course completions, whereas the older version was based on “inputs” such as enrollment. The SSI formula contains two separate formulas: one for universities and their regional campuses and the other for community and technical colleges. H.B. 33, the main operating budget of the 135th General Assembly, appropriates \$2.12 billion for SSI formula distribution in FY 2025 from GRF line item 235501, State Share of Instruction, under ODHE’s budget. Details of each sector’s SSI formula calculations are given below, beginning with the university sector.

University sector formula

In FY 2025, H.B. 33 earmarks \$1.63 billion, or 76.8% of the total \$2.12 billion SSI formula distribution, for the university sector. The formula for the 14 public universities and their 24 regional campuses consists of three primary funding components: degree attainment, course completions, and doctoral and medical set-asides. The degree attainment component makes up 50% of the SSI distribution for universities, followed by 30.12% for course completions, 11.78% for the doctoral program set-aside, 6.41% for the Medical II program set-aside (medical students), and 1.69% for the Medical I program set-aside (veterinary, dentistry, and podiatric students). Chart 1 shows university sector SSI funding by component for FY 2025 (before capital component adjustments). More details on each university SSI funding component are given following the chart.

77% of SSI funding in FY 2025 distributed among Ohio’s 14 public universities and their 24 regional campuses.

Chart 1. University and Regional Campus SSI Distribution, FY 2025



Degree attainment

In general, the degree attainment funding component is distributed to universities based on the proportion of the total statewide degree cost attributable to each institution. ODHE calculates costs for each degree, based on the courses that need to be completed to earn the degree. Weights are applied to the costs of degrees earned in science, technology, engineering, mathematics, and medicine (STEMM). The weights make these degrees appear costlier, giving institutions an incentive to give priority to these areas. The formula uses a three-year average of associate, baccalaureate, master's, and professional degrees awarded for the most recent three-year period that is practicable as agreed to by the Inter-University Council (IUC) and the Chancellor. Undergraduate degrees earned by out-of-state residents are included if the out-of-state resident remains in Ohio at least one year after graduation but are multiplied by 50%.

Also, degrees earned by students who are classified as "at-risk" based on the following factors are weighted by a student-specific degree completion weight:

- academic underpreparation – ACT score of less than 17 in either Math or English or completion of developmental course work at any public college or university for students with no ACT scores;
- age – student over 22 years old when beginning college;
- minority status – student reported as African American, American Indian, or Hispanic;
- financial status – expected family contribution of less than \$2,190, based on Free Application for Federal Student Aid (FAFSA) application data; or
- first-generation postsecondary status – neither parent completed any education beyond high school.

Each student (and therefore degree credit) is placed into one of 32 categories based on which of these risk factors they have, ranging from students with zero risk factors to students with all five risk factors. The at-risk weights for undergraduate degrees are designed to reflect the decreased likelihood of students graduating based on whether they are at-risk.

When a degree includes credits earned at multiple institutions, the cost of that degree is allocated to universities based on the cost of the credits earned at each institution. When a student completes credits not earned at a university main or regional campus, the cost of those credits is credited to the degree-granting institution for the first degree earned by a student at each degree level, but are not eligible for at-risk weights and, unless the student transferred 12 or fewer credits into the institution, are limited to 12.5% of the degree cost. If a student is awarded an associate degree and later is awarded a baccalaureate degree, the formula limits the cost allocated for the baccalaureate degree to either (1) the difference in cost between the baccalaureate degree and the cost of the previously earned associate degree, or (2) if the associate degree has a higher cost than the baccalaureate degree, the cost of the credits earned by the student after the associate degree was awarded. Furthermore, if a student earns more than one degree in the same fiscal year and at the same institution and degree level (for example, two baccalaureate degrees), the highest cost degree is to be funded at 100%, but the additional degrees are to be funded at only 25%.

Course completion

Similar to the degree attainment component, the course completion funding component is distributed to universities based on the proportion of the total statewide completed course cost attributable to each institution. The SSI formula breaks the courses offered by institutions into subject areas and levels of study. This results in 24 subject/level combinations or curricular models, each with an established cost per FTE student. An FTE is 30 credit hours, which represents a student taking 15 credit hours for two semesters. In addition to the established costs for each curricular model, the formula provides weights for STEM courses and for graduate-level courses.

Only courses completed by subsidy-eligible students are included in this funding component. Generally, this includes in-state undergraduate students and all graduate students. In other words, the only group that is not eligible for the subsidy is out-of-state undergraduate students. As with the degree attainment component, course completion costs are generally calculated using a three-year average for the most recent three-year period as agreed to by the IUC and the Chancellor. Courses completed by students who are considered “at-risk” based on academic underpreparation or financial status are weighted by (1) a subsidy model-specific statewide weight that is determined by calculating the difference between the percentage of traditional students who complete a course and the percentage of at-risk students who complete the same course and (2) an institution-specific index that captures the extent of the “at-risk” student population at each institution in all the combinations of the various risk categories.

Doctoral and medical set-asides

The calculations for the degree attainment and course completion components do not include doctoral or medical courses and degrees. These areas are funded through separate set-asides. In H.B. 33, the formula sets aside up to 11.78% of the university SSI appropriations for the doctoral models and 8.10% for the medical models in each fiscal year.

Doctoral set-aside allocations

The SSI formula allocates the doctoral set-aside based on each campus’ share of three different factors: total statewide doctoral degrees, research grant activity, and course completions. Twelve campuses are eligible for funding through the doctoral set-aside, including the 11 universities with doctoral programs and the University of Toledo’s medical school. Specifically, this component allocates SSI funding as follows:

- 50% of the doctoral set-aside is allocated in proportion to each campus’ share of total statewide doctoral degrees, weighted by the cost of the doctoral discipline. Like the other components, the doctoral degree totals are based on the three-year average for the most recent three-year period as agreed to by the IUC and the Chancellor.
- 25% of the doctoral set-aside is allocated in proportion to each campus’ share of research grant activity. Funding is allocated to each eligible university in proportion to its share of National Science Foundation research grant activity. Grant awards from the Department of Health and Human Services are weighted at 50%.

- 25% of the doctoral set-aside is allocated in proportion to each campus' share of doctoral program course completions. Generally, course completion earnings are determined by multiplying the total curricular model amounts and graduate weights by the number of applicable subsidy-eligible doctoral FTEs for the most recent three-year period practicable as agreed to by the IUC and the Chancellor.

Medical set-aside allocations

The Medical I and Medical II models also receive set-asides from the SSI funds appropriated to universities. Ohio's six universities with medical schools (Cincinnati, NEOMED, Ohio, Ohio State, Toledo, and Wright State) are eligible for the medical model set-asides. In FY 2025, 6.41% of the university portion of the SSI appropriation is reserved for Medical II FTEs (professional level medical students). This set-aside is allocated to the six universities with medical schools in proportion to their share of the statewide total of each institution's three-year average Medical II FTE course completions. Only 5% of Medical II course completion FTEs may be made up of students repeating terms.

In FY 2025, 1.69% of the university portion of the SSI appropriation is reserved for Medical I FTEs. This set-aside is allocated to universities in proportion to their share of the statewide total of each institution's three-year average Medical I FTE course completions. H.B. 33 earmarks 12.34% of the Medical I set-aside in each fiscal year for universities that have a college of podiatric medicine (Kent State only) and 87.66% of the Medical I set-aside in each fiscal year for universities that have colleges of dentistry and veterinary medicine (Ohio State only).

University SSI funding by component

Table 1 lists the amount of SSI funding each university receives in FY 2025, broken down by formula component. For example, Ohio State receives a total of \$437.8 million in SSI funding in FY 2025, the most of any university. Of that amount, \$183.0 million (41.8%) derives from the degree attainment component, followed by \$118.3 million (27.0%) from course completions, \$93.4 million (21.3%) from the doctoral set-aside, \$19.0 million (4.3%) from the medical II set-aside, and \$24.1 million (5.5%) from the medical I set-aside.

Table 1. SSI Funding (in millions) for Universities by Component, FY 2025*

Universities	Degree Attainment	Course Completion	Doctoral Set-Aside	Medical II Set-Aside	Medical I Set-Aside	Total
Akron	\$46.2	\$25.3	\$6.1	\$0	\$0	\$77.6
Bowling Green	\$52.5	\$34.0	\$6.7	\$0	\$0	\$93.2
Central State	\$2.9	\$1.5	\$0.0	\$0	\$0	\$4.4
Cincinnati	\$127.5	\$77.4	\$34.7	\$16.8	\$0	\$256.4
Cleveland State	\$48.3	\$29.1	\$4.0	\$0	\$0	\$81.4

Table 1. SSI Funding (in millions) for Universities by Component, FY 2025*

Universities	Degree Attainment	Course Completion	Doctoral Set-Aside	Medical II Set-Aside	Medical I Set-Aside	Total
Kent State	\$88.3	\$49.8	\$15.0	\$0	\$3.4	\$156.5
Miami	\$52.1	\$30.9	\$5.3	\$0	\$0	\$88.3
NEOMED	\$4.0	\$2.8	\$0.3	\$14.4	\$0	\$21.5
Ohio	\$85.1	\$50.3	\$10.7	\$23.0	\$0	\$169.2
Ohio State	\$183.0	\$118.3	\$93.4	\$19.0	\$24.1	\$437.8
Shawnee State	\$7.9	\$5.4	\$0.0	\$0	\$0	\$13.2
Toledo	\$49.9	\$28.8	\$8.7	\$19.5	\$0	\$106.9
Wright State	\$34.5	\$19.3	\$4.9	\$11.6	\$0	\$70.4
Youngstown	\$31.7	\$17.6	\$1.9	\$0	\$0	\$51.2
Total	\$813.9	\$490.3	\$191.8	\$103.3	\$27.5	\$1,627.9

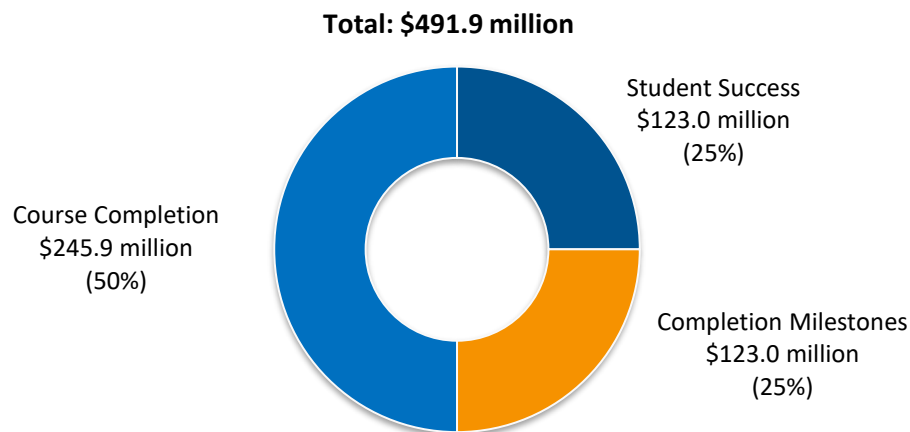
*FY 2025 amounts for universities and their regional campuses, according to ODHE's website: higher.ed.ohio.gov.

Community college sector formula

In FY 2025, H.B. 33 earmarks \$491.9 million, or 23.2% of the total \$2.12 billion SSI formula distribution, for the community college sector, which includes community colleges, state community colleges, and technical colleges. Similar to the one for universities, the SSI formula for the 23 community and technical colleges focuses on outcomes, instead of enrollment. The formula earmarks 50% of the community college allotment of funds for course completion, 25% for student success factors, and the remaining 25% for completion milestones.

23% of SSI funding in FY 2025 distributed among Ohio's 23 public community colleges.

For each of the three components, the total amount allocated to that component is divided among the colleges in proportion to the college's share of the component's statewide total. In general, the components use three-year averages. Only subsidy-eligible students are included (that is, the formula excludes out-of-state students). Also, much like the "at-risk" weights for universities, the SSI formula for community colleges adds "access" weights to the course completion and completion milestone components. The chart below breaks out community college sector funding for FY 2025 (before capital component adjustments). More details on each funding component are given following the chart.

Chart 2. Community and Technical College SSI Distribution, FY 2025

Course completion

As with the course completion component for universities, the one for community colleges is distributed based on the proportion of the total statewide completed course cost attributable to each institution. The course costs use the same costs, including the STEM weights, that are used for universities, although at-risk weights are calculated differently. Currently, for community colleges, courses completed by students who are in one or more of the following access categories are given an additional weight of 15% based on:

- financial status – student eligible for federal Pell grants at any time during their enrollment, based on FAFSA data;
- minority status – student reported by community college as African American, American Indian, or Hispanic;
- age – student was 25 or over when they began at the community college; or
- academic underpreparation – student enrolled for the first time in a community college in, or after, fall 2013 and was reported as underprepared for mathematics, as defined by the remediation free standards.

Student success factors

Student success factors are measured on a point system. Generally, one point is awarded for each subsidy-eligible student who successfully completes one of the following:

- the first 12 semester hours of college-level coursework;
- the first 24 semester hours of college-level coursework;
- the first 36 semester hours of college-level coursework;
- a college-level English class within the first 30 hours of completed coursework; or
- a college-level math class within the first 30 hours of completed coursework.

The funding is distributed according to the proportion of points earned by each institution from the total number of points earned by all institutions in the sector.

Completion milestones

The completion milestones component includes four measures. All four measures use the same degree costs as universities. The first two measures are the completion of an associate or baccalaureate degree. For the first degree earned by a student, the total model cost of the degree is credited to the college. For each subsequent degree earned by the student, 50% of this cost is credited to the college. The third measure is completion of a technical certificate that requires over 30 credit hours. For the first certificate earned by a student, 50% of the associate degree model cost is credited to the college. For each subsequent certificate, 50% of this cost is credited to the college. The fourth measure takes into account transfers to a four-year institution after a student completes at least 12 semester hours of college-level coursework at the two-year college. For each transfer, 25% of the average model cost of all associate degrees is credited to the college. The completion milestone measures are weighted for students in the four access categories used for course completions. The weight is 25%, if the student is in one category; 66%, if the student is in two categories; 150%, if the student is in three categories; and 200%, if the student is in all four categories.

Community College SSI funding by component

Table 2 lists the amount of SSI funding each community and technical college receives in FY 2025, broken down by formula component. For example, Columbus State receives a total of \$79.0 million in FY 2025, the most of any community college. Of that amount, \$39.5 million (50.0%) derives from the course completion component, followed by \$21.0 million (26.6%) from student success factors and \$18.5 million (23.4%) from completion milestones.

Table 2. SSI Funding (in millions) for Community and Technical Colleges by Component, FY 2025*

Community and Technical Colleges	Course Completion	Student Success	Completion Milestones	Total
Belmont	\$1.7	\$0.8	\$0.9	\$3.3
Central Ohio	\$5.0	\$2.9	\$3.0	\$10.9
Cincinnati State	\$15.9	\$7.3	\$7.6	\$30.8
Clark State	\$7.5	\$4.2	\$4.4	\$16.0
Columbus State	\$39.5	\$21.0	\$18.5	\$79.0
Cuyahoga	\$28.3	\$13.8	\$17.0	\$59.1
Eastern Gateway**	\$9.6	\$7.2	\$6.5	\$23.3
Edison State	\$6.4	\$4.1	\$2.9	\$13.5

Table 2. SSI Funding (in millions) for Community and Technical Colleges by Component, FY 2025*

Community and Technical Colleges	Course Completion	Student Success	Completion Milestones	Total
Hocking	\$5.2	\$2.8	\$2.8	\$10.8
James A. Rhodes	\$6.0	\$2.7	\$2.4	\$11.0
Lakeland	\$8.1	\$4.2	\$5.1	\$17.4
Lorain County	\$14.8	\$6.9	\$8.1	\$29.9
Marion	\$4.5	\$2.1	\$2.1	\$8.7
North Central	\$4.6	\$2.4	\$2.4	\$9.4
Northwest State	\$10.6	\$3.5	\$1.9	\$15.9
Owens State	\$14.3	\$5.4	\$6.9	\$26.7
Rio Grande	\$3.6	\$1.7	\$1.8	\$7.1
Sinclair State	\$29.6	\$14.9	\$14.2	\$58.7
Southern State	\$3.4	\$2.0	\$1.7	\$7.2
Stark State	\$16.8	\$7.9	\$7.6	\$32.3
Terra State	\$3.5	\$1.5	\$1.6	\$6.6
Washington State	\$4.1	\$1.8	\$1.9	\$7.8
Zane State	\$2.9	\$1.9	\$1.7	\$6.5
Total	\$245.9	\$123.0	\$123.0	\$491.9

*FY 2025 amounts for community colleges, according to ODHE's website: higher.ed.ohio.gov.

**Eastern Gateway officially closed at the end of October 2024. According to ODHE, SSI distribution to Eastern Gateway in FY 2025 will be used for close-out costs.

Capital component adjustment

SSI allocations for all institutions may be decreased due to the capital component adjustment. This adjustment reduces a campus' subsidy if, in the past, the campus requested and received capital appropriations greater than its formula-allocated capital appropriation share. From 1999 to 2012, ODHE implemented an incentive-based capital funding policy that provided each campus a formula-determined capital appropriation share based on the amount and age of

space, the number of student enrollments, and the total capital appropriations available. The capital component adjustment reduces a campus' SSI subsidy if it requested and received capital appropriations greater than its formula-determined amount. The amount to be reduced equals the difference between a campus' formula-determined debt service amount and the actual debt service amount for the campus. Although this capital funding policy was discontinued in 2013, the adjustment continues for outstanding debt issued for capital appropriations prior to that year. Table 3 shows that the capital component adjustment decreased the SSI amounts for five universities and four community colleges by a total of \$2.0 million in FY 2025.

The amount of the reduced SSI subsidy is deducted from GRF line item 235501, State Share of Instruction, and transferred to GRF line item 235552, Capital Component. Item 235552 provides capital funding for campuses that requested and received capital appropriations lower than their formula-determined capital appropriation amount in the capital formula used prior to 2013.

Table 3. Capital Component Adjustment of SSI Allocation in FY 2025*			
Institution	FY 2025 SSI Allocation	Capital Component Adjustment	Revised FY 2025 SSI Total
Lorain County Community College	\$29,897,217	(\$527,261)	\$29,369,956
Ohio State University	\$437,766,552	(\$393,434)	\$437,373,118
Bowling Green State University	\$93,161,074	(\$340,912)	\$92,820,162
Terra State Community College	\$6,582,503	(\$261,115)	\$6,321,387
Youngstown State University	\$51,206,809	(\$192,191)	\$51,014,618
Miami University	\$88,287,210	(\$98,665)	\$88,188,545
Central Ohio Technical College	\$10,874,803	(\$83,281)	\$10,791,522
Wright State University	\$70,379,365	(\$74,916)	\$70,304,449
Edison State Community College	\$13,450,805	(\$73,821)	\$13,376,984
Total	\$801,606,338	(\$2,045,596)	\$799,560,742

*FY 2025 SSI and Capital Component amounts, according to ODHE's website: highered.ohio.gov.