



Eastwood Local Schools

Understanding School Funding



The Growing Role of Local Funding in Ohio Schools

Ohio's system for funding public schools has evolved over time, with a growing reliance on local communities to support education.

In 1997, the Ohio Supreme Court ruled in the DeRolph case that the state's funding system was unconstitutional due to its heavy dependence on local property taxes. While changes have been made since that decision, the overall structure continues to rely significantly on locally generated revenue.

Over the past two decades, the state's share of school funding has declined:

In **1999**, the State of Ohio provided
45.7%
of total school funding

By **2023**, that share had decreased to
32.2%

As the state contribution has declined, a greater share of the responsibility for funding public schools has shifted to local communities. Today, locally generated revenue, particularly from property taxes, plays a larger role in supporting schools than it did in previous decades.

This shift is reflected in Ohio's national standing.

8th

Ohio's ranks 8th in the nation in reliance on property taxes to fund public education

20th

Ohio ranks 20th nationally in per-pupil spending

While overall spending levels are near the national average, the way schools are funded in Ohio differs from many other states. Nationally, states provide approximately 45% of public education funding. In Ohio, the state share is significantly lower, increasing reliance on local funding sources.



Local Support in Eastwood Local Schools

As the role of state funding has changed over time, local funding has become an increasingly important part of how school districts operate.

In Eastwood Local Schools, one example is the earned income tax renewal approved by voters in **November 2025**.

Originally passed in **2006**, this **5-year renewal** generates **APPROXIMATELY \$2.5 MILLION ANNUALLY** and represents about 10% of the district's operating budget.



Because this was a renewal, it continues an existing funding source rather than creating a new tax. Revenue from the levy supports day-to-day operations, including staffing, utilities, instructional materials, and supplies.

This local funding helps provide stability for the district and supports consistent opportunities for students.



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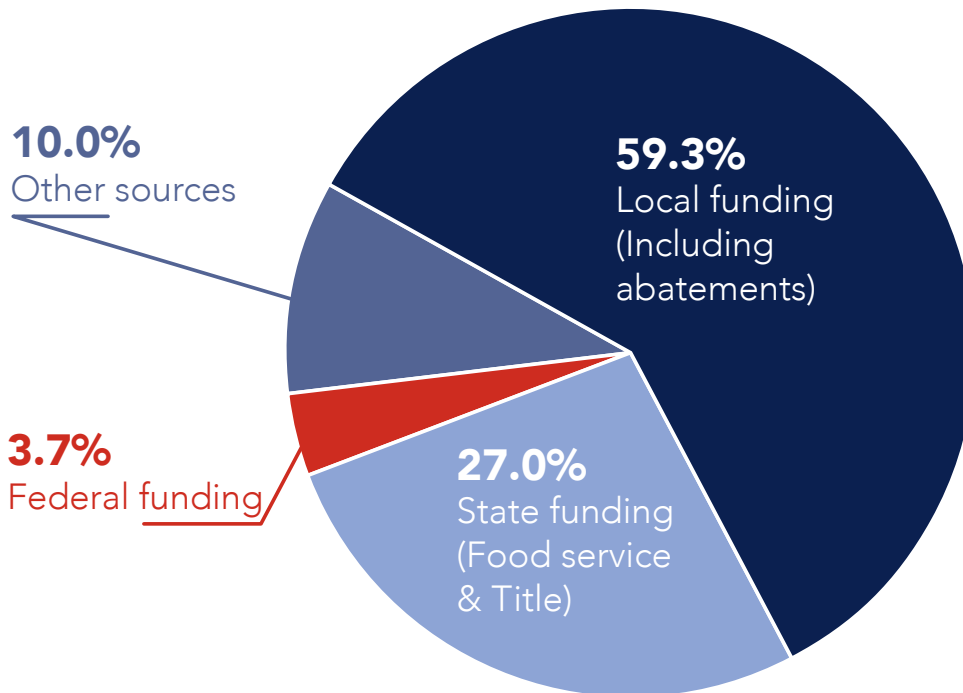
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How Eastwood Local Schools is Funded

Eastwood Local Schools relies on a combination of revenue sources.

Current revenue breakdown:



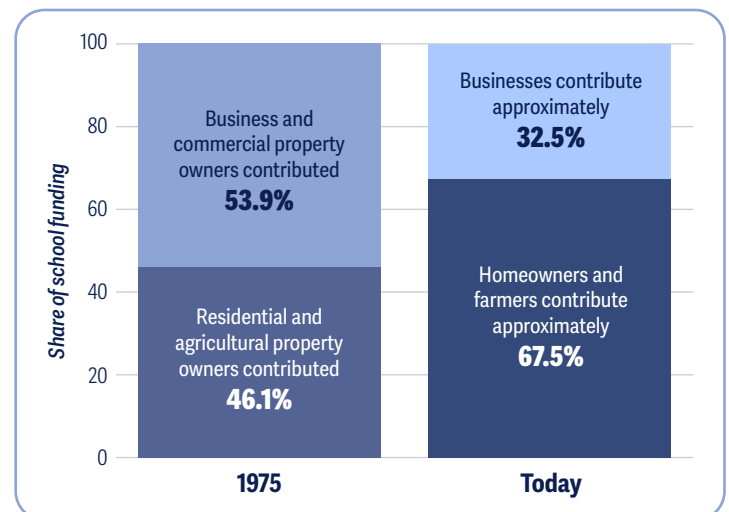
This mix of funding sources reflects a system where local revenue plays a central role in supporting daily operations, educational programs, and services for students.



Who Funds Public Education Today

In addition to changes in funding sources, there has also been a shift in who contributes to public education. Over time, the way public schools are funded has shifted, changing who carries the greatest share of the responsibility.

These changes reflect broader shifts in Ohio's funding system. Compared to previous generations, local homeowners now contribute a significantly larger share toward supporting public education.





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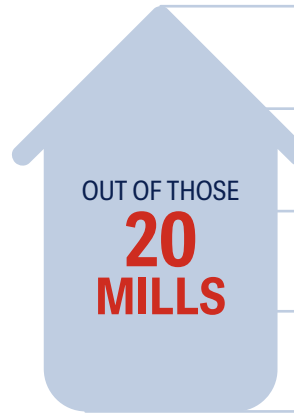


Understanding the 20-Mill Floor

Another important part of Ohio's school funding system is known as the 20-mill floor.

In Ohio, school districts are funded in part through property taxes measured in "mills," with one mill equal to \$1 of tax for every \$1,000 of a property's assessed value. State law sets a minimum level of operating millage at 20 mills for each district.

Once a district reaches this 20-mill threshold, tax rates can no longer be reduced under House Bill 920 when property values increase. As a result, districts at or above the 20-mill floor may begin to see some growth in revenue as property values rise.



10 mills are constitutionally permitted and do not require voter approval



The remaining mills are approved by local voters through levies



Eastwood Local Schools currently operates at approximately **20 operating mills**



Of that amount, approximately **5 mills** are inside millage

Even with this structure, revenue growth remains limited and does not necessarily keep pace with rising costs.



Schools Face Rising Costs Each Year

Like school districts across Ohio, Eastwood Local Schools experiences increasing costs each year to maintain programs, services, and safe learning environments for students.

These costs include staffing and benefits, utilities and fuel, transportation, facilities maintenance, instructional materials, technology, and student support services.

Staffing and benefits make up approximately **81%** of the district's total budget, representing the largest portion of district expenditures.

Many of these expenses are influenced by factors outside the district's control, such as inflation and rising healthcare and energy costs. While costs continue to increase, school funding does not automatically adjust to keep pace.

Since **2005**,



inflation has increased by approximately **66.5%**



state education funding has grown by about **59%**

This gap creates ongoing challenges in maintaining programs and services within available resources.



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Recent State Policy Changes and Their Impact

Two key pieces of legislation include:

Recent changes to Ohio law are expected to affect how school districts receive funding in the coming years.

In 2025, state lawmakers passed new property tax legislation designed to provide tax relief to homeowners. While these changes may reduce tax burdens for individuals, they also place additional limits on how much revenue school districts can generate locally.



House Bill 186

- Limits the growth of school district property tax revenue by tying increases to inflation rather than property value growth
- Expands certain tax credits for homeowners



House Bill 335

- Requires reductions to certain inside millage when property values increase faster than inflation
- May further limit the ability of districts to benefit from increases in property values

Because school funding in Ohio already relies heavily on local revenue, these changes may reduce or slow the growth of funding available to districts, even as costs continue to rise.

Unlike some other forms of tax relief, the State of Ohio does not fully replace or reimburse school districts for revenue that may be reduced through these changes.

Sources: Eastwood Local Schools Five-Year Forecast and Annual Financial Reports; U.S. Census Bureau; NEA Rankings & Estimates; OEPI; Ohio Department of Taxation; Ohio Department of Education and Workforce; U.S. Bureau of Labor Statistics (CPI-U), 2005–2025; Ohio GRF and Lottery funding for primary and secondary education, FY2005–FY2025; Ohio Legislative Service Commission.

Planning for the Future



Eastwood Local Schools continues to plan for the future in a funding environment that continues to change, with shifts in state support, rising costs, and new state policies.



The district is committed to careful financial planning, open communication with the community, and responsible use of public resources. Decisions are made with a focus on supporting student learning, maintaining safe and effective school environments, and planning for long-term stability.



As these factors continue to evolve, the district will continue working to align resources with the needs of students and the priorities of the Eastwood community.