DEPARTMENT OF HIGHER EDUCATION

BASE STATE SHARE OF INSTRUCTION HANDBOOK:

*METHODOLOGY FOR ALLOCATING
BASE STATE SHARE OF INSTRUCTION FUNDS
FOR FISCAL YEAR 2026*

FOR USE BY:

COMMUNITY AND TECHNICAL COLLEGES

January 2026

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Link to the SSI spreadsheets

The SSI spreadsheets are referenced heavily throughout this document and are available online at the Ohio Department of Higher Education (ODHE) website, using the following link: https://highered.ohio.gov/data-reports/hei-system/hei-data-submission/hei-ssi-info/hei-ssi-information.

Please scroll down to click on the heading "State Share of Instruction (SSI) Spreadsheets". This will take the user to the Operating Budget Details page. Click on the appropriate Operating Budget. Then, under the heading "First Half Projected SSI Distributions" or "Final SSI Distributions" please choose "Community Colleges".

Methodology For Allocating Base State Share of Instruction for use by Community and Technical Colleges

Fiscal Year (FY) 2026

Please note that this handbook describes the methodology for Base SSI. Methodologies for the PSEO Post-Graduation Employment Outcomes SSI and the Technician-Aligned Associate Degrees Employed in Ohio SSI are in separate handbooks.

I. Community and Technical College Funding Methodology Overview

The primary components of the Base SSI formula, and their relative share of the overall allocation within each sector, are based on the original recommendations of the Ohio Higher Education Funding Commission, November 2012, referenced here: https://highered.ohio.gov/data-reports/hei-system/hei-data-submission/hei-ssi-info/hei-ssi-information. Please scroll down to the section titled "Archived Information" and click on the link titled Recommendations of the Ohio Higher Education Funding Commission.

The following provides an overview of the SSI funding components for the community college sector:

- 50% of the SSI funding shall be allocated based on subsidy eligible student success as measured by course completions (aka completed FTE) as detailed below. This component is cost based and does include access weights.

- 25% of the SSI funding shall be allocated based on student success as measured by the success points as detailed below.

    - Beginning with the FY21 SSI, only students that are subsidy eligible will be included in this calculation.

    - Beginning with the FY22 SSI, student success factors shall be awarded at the institutional level for each subsidy-eligible student that successfully: (a) Completes a college-level math course within the first 30 hours of completed coursework (new for FY 2022 and later); (b) Completes a college-level English course within the first 30 hours of completed coursework (new for FY 2022 and later); (c) Completes 12 semester credit hours of college-level coursework; (d) Completes 24 semester credit hours of college-level coursework; (e) Completes 36 semester credit hours of college-level coursework.

- 25% of the SSI funding shall be allocated based on student success as measured by the completion milestone metrics. The completion milestones component of the formula includes associate degrees, baccalaureate degrees, long-term certificates (>= 30 semester credit hours), and transfers to 4-year institutions. This component is cost based and does include access weights.

- Beginning with the FY21 SSI, only students that are subsidy eligible will be included in this calculation.

The SSI spreadsheets, referenced in the **Link to the SSI spreadsheets** section of this Handbook, show the community and technical college appropriation for the fiscal year in the <parameters> tab.

Changes in the current biennium

Please note that a new development in FY 2026 is that State Share of Instruction has three separate portions that each have distinct methods for calculation of each institution's share of SSI. In FY 2026, the three separate portions of SSI are 1) the Base SSI, described in this handbook, 2) the Post-Graduation Employment Outcomes SSI, which is described in a separate handbook, and 3) the Technician-Aligned Associate Degrees Employed in Ohio SSI, which is described in a separate handbook.

The Community and Technical College Base SSI funding model for FY 2026 has not changed from the FY 2025 Community College and Technical College Base SSI funding model.

II.   Determining the Cost of Courses and Degrees

Both the course completions and the degree, certificate, and transfer completions components of the Base SSI formula have a cost basis. The determination of these costs is explained first. The steps used to calculate the model costs for courses and degrees are described below.

Collect Resource Analysis Data to Develop the Statewide Average Model Cost for Each Subsidy Model

The Department of Higher Education collects cost and enrollment data from each of the campuses (all sectors). These data include a course level and subject code for each course which are used in combination to categorize courses into subsidy models based on cost and content. Each course is assigned to one of 26 cost models based on subject area and level of instruction:

- Arts & Humanities (1-6)
- Business, Education and Social Sciences (1-7)
- Science, Technology, Engineering, Math and Medical (1-9)
- Doctoral (1-2)
- Medical (1-2)

The cost and enrollment data are used to determine the average cost per FTE for each Subsidy Model for the most recent 3 years available prior to running the SSI formula for the first year of the target biennium. An FTE is defined as number of credit hours divided by 30. In determining the average cost for the FY 2026 & FY 2027 biennium, the calculation is based on data for FYs 2021, 2022, and 2023. The cost allocation is done in the Resource Analysis process described on the ODHE website at https://highered.ohio.gov/data-reports/hei-system/hei-data-submission/area-resource-analysis/hei-ra-specs.

Normalize and average historical costs, then inflate the average to the years in the biennium.

For the FY 2026 & FY 2027 biennium, costs for instruction for each model were calculated using three years (FYs 2021, 2022, and 2023) of costs in the Resource Analysis process. To make these three years of costs comparable, FY 2021 costs were inflated to FY 2023, and FY 2022 costs were inflated to FY 2023, using the Higher Education Cost Adjustment (HECA)[1]. Three-year average costs (in constant 2023 dollars) were then inflated by the three-year average HECA to yield FY 2026 and FY 2027 model costs.

The SSI spreadsheets, referenced in the **Link to the SSI spreadsheets** section of this Handbook, show the statewide average costs for each model for the biennium in the <Model Cost (courses)> tab*.*

Add Higher Education Funding Commission Priority Weightings for Science, Technology, Engineering, Mathematics, Medicine, and Graduate Courses by model

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[1] For a description of the derivation of HECA, please see the SHEEO technical paper: https://sheeo.org/wp-content/uploads/2019/04/Technical_Paper_A_HECA_1.pdf

The Higher Education Funding Commission endorsed a priority weighting for STEM and graduate models. [2]

The STEM weights were calculated in a manner that held STEM and Medical models harmless relative to the amount of state support the same instruction earned in a previous SSI methodology, using FY 2007 as the base year. In cases where this addition is negative, it is set to zero (i.e. it never reduces the SSI of a model).

The graduate weighting (used by University Main and Regional campuses) was calculated in a manner that maintained the relative amount of state support for graduate and undergraduate activity that existed in a previous, enrollment-based, SSI methodology, using FY 2009 as the base year.

The STEM and graduate model priority weightings are multiplied by the respective model cost for each of the 26 models. The SSI spreadsheets, referenced in the **Link to the SSI spreadsheets** section of this Handbook, show the Model Reimbursement Cost for each model for the biennium in the <Model Cost (courses)> tab*.*

Determine the Statewide Average Degree Costs

The cost of each degree is calculated using the statewide average cost of the SSI model for each course taken, adjusted, weighted, and inflated to the appropriate year, as described above. The costs of courses taken at any University System of Ohio (USO) university or college campus, through the year and term the degree is awarded, by students who met the following criteria, are included in these calculations.

For FY 2026 & FY 2027 degree costs, a query of HEI data is used to select degrees earned in FY 2021, FY 2022 and FY 2023 for which there is evidence that all instruction for the degree was earned at a USO campus. (Note: A student's coursework needs to be completed within the time frame of the HEI system's existence (i.e., FY 1999 and later), to be included in the calculation.) In other words, the procedure compares the credit hours earned of each degree recipient to the minimum credits required for the degree at each institution (as reported in the Academic Program file in HEI) to determine whether that degree should be included in the calculation of degree costs. Barring a few special exceptions, undergraduate enrollments do not count for graduate degrees and vice versa. Also, for graduate degrees, the course must be taken at the degree granting institution.

Once the cost of degrees earned in each subject and level is calculated then the degrees are aggregated as shown below. A statewide average degree cost is then calculated for each level of the aggregation.

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[2] Ohio 127th General Assembly, Main Operating Budget for FY 2008 – FY 2009, H.B. 119, SECTION 375.30.20.(C) State Share of Instruction. https://search-prod.lis.state.oh.us/api/v2/general_assembly_127/legislation/hb119/08_EN/pdf/ see page 1,745.

Table Below Shows Aggregation of Degrees into Technology Areas for Associate Degrees, and Aggregation of Degrees into Subject and Discipline Levels for Bachelor's Degrees and Above. A Statewide Average Degree Cost is then Calculated for each Level of Aggregation.

Technology Areas	Discipline Areas	Subject Fields
Business Technologies	Business	
Engineering Technologies	Engineering	
Health Technologies	Health	
Public Service Technologies		Public Administration and Services
		Protective Services
Agriculture Technologies		Agriculture
Natural Science Technologies	Natural Science and Math	Exclude Agriculture
Liberal Arts	Arts & Humanities	
	Education	
	Social and Behavioral Sciences	Exclude Public Administration and Services
Other	Unclassified	Exclude Protective Services

The statewide average degree cost is calculated by degree level. Different degree levels have different aggregation categories. Associate degrees are grouped into the various technical areas, plus Liberal Arts.

Bachelor's, master's, and professional degrees are grouped by Subject Field (based on the CIP code as reported in the DC file).

Doctoral degrees are grouped by Discipline Area (which is broader than Subject Field), because there are too few degrees in some Subject Fields.

The category into which a degree falls is determined by the level and the subject code (or CIP code) under which it is reported by the institution in the Degrees and Certificates Awarded (DC) file.

The costs (sum of costs of courses taken) of degrees earned in the given technology area, subject field, or discipline (as appropriate given the degree level) are averaged to determine the statewide average cost for degrees that fall into that category. The SSI spreadsheets, referenced in the **Link to the SSI spreadsheets** section of this Handbook, show the statewide average costs for degrees in each category, and for the biennium, in the <completions model costs> tab.

III.   Course Completion Component of the Formula

Collect subsidy eligible completed FTEs and access completed FTEs and calculate the 3-year averages:

For the FY 2026 SSI, FTEs from FY 2023, FY 2024, and FY 2025 were used. The first two years are actual FTEs and the latest year's FTEs are projected until actual data are available. An FTE for subsidy purposes is defined as 30 semester credit hours. Please note that high school students and credits earned at the college while students are in high school are included in the SSI formula. FTEs are included in the formula unless the course is designated ineligible in the Eligible for Subsidy field in the Course Inventory (CI) file, shown at the following link, https://highered.ohio.gov/data-reports/hei-system/hei-file-doc/hei-enrollment/hei-ci, or the student is designated ineligible in the Student Subsidy Eligibility Status field in the Student Enrollment (SN) file, shown at the following link, https://highered.ohio.gov/data-reports/hei-system/hei-file-doc/hei-enrollment/hei-sn.

Three-year averages of subsidy eligible completed FTE and access subsidy eligible completed FTE counts are generated for each Institution/ Subject Field/ Level of Instruction combination. The completed FTEs, access FTEs, and resulting averages used in SSI calculations can be viewed in the SSI spreadsheets, referenced in the **Link to the SSI spreadsheets** section of this Handbook, in the <subject level FTE> tab*.* A method using projected data is used for the first 6 months of SSI payments. In the method using projected FTE data the first two years are actual FTEs and the latest year's FTEs are projected until actual data are available. A model using all actual data is used for the second six months of SSI payments. Typically, the model using all actual FTE data should be available in the late fall of the fiscal year (so, for example, actual data for the FY 2026 distributions should be available in late Fall of calendar year 2025).

Define and Weight the access completed FTE:

Students are considered access students for course completions if they have any of the following characteristics:

- **Age:** The student was 25 or over when they began at this college. This calculation uses the difference between the year first enrolled and year of birth as full birth dates are not available for all students.

- **Financial:** The student was Pell eligible at any time during their enrollment at a USO college or university. This information is based on FAFSA data. If a student received Pell according to the Unit Record Financial Aid (UF) file, they are also included in this category.

- **Race:** If the student was reported as African American, American Indian, or Hispanic from the Student Entrance (SE) table.

- **Academic Preparation:** The student was enrolled for the first time in a community college in Fall 2013 or after and was reported as underprepared for Mathematics, as defined by the remediation free standards. A description of the process to determine the remediation free standards, as well as the assessments and thresholds established, is available in the following two references.

   https://highered.ohio.gov/data-reports/data-and-reports-sa/college-readiness/college-readiness

For the FY 2026 Base SSI, this factor is based only on academic preparation in math. The OACC funding committee will continue to meet to determine how and when to include academic preparation in English.

Any course completed (measured by FTEs) by an at-risk student is included in the at-risk add-on as described below.

Access Students are given additional weighted FTEs using an access weight that recognizes the difference in course completion rates for access students compared to the course completion rates for non-access students. For course completions, a student is considered an access student if they have one or more of the access factors described above, and non-access if they have none of the factors. There is no distinction based on the number of factors, or which factors a student might have. This weight is sector wide, and for FY 2026 Base SSI, this additional weight = 15%, i.e. an FTE completed by an access student counts as 1.15 FTE.

The access add-on weight can be viewed, in the SSI spreadsheets, referenced in the **Link to the SSI spreadsheets** section of this Handbook, in the <subject level FTE> tab*.*

Calculate the Course Completions SSI by Institution, Subject Field, and Level of Instruction:

The percentage of the SSI appropriation that is allocated to course completions (shown in section **I. Community and Technical College Funding Methodology Overview**, above and equal to 50% of the sector appropriation for FYs 2026 & 2027) is prorated to each combination of institution, subject, and level reimbursement amount. First the 3-year average completed FTE for each combination is multiplied by the appropriate model cost (calculated as described above) to determine the reimbursement cost for each combination. Then a calculation of the access add-on FTE is performed as described above, multiplied by the appropriate model cost. The ratio of the total reimbursement cost calculated for each institution, subject, and level to the total reimbursement cost for the sector is multiplied by the course completion allocation to determine the SSI distributed for that institution/subject/level combination. The sector total used for the ratio is the sum of the reimbursement costs for completed FTE and for the access add-on FTE.

This calculation can be viewed in the SSI spreadsheets, referenced in the **Link to the SSI spreadsheets** section of this Handbook, in the <subject level FTE> tab. The appropriation being prorated and the total reimbursement cost for the sector are seen at the bottom of the columns.

The <CC Summary> tab in the SSI spreadsheets sums the course completions SSI distributions by institution to show the total allocation amount each institution earned from course completions.

IV. Success Points Component of the Formula

Success Points are used to allocate funding associated with student success as measured by the accumulation of credit hours earned, and completion of college-level math or English. Success points are intended to measure the significant steps that students take toward higher education achievement. Please note that high school students and credits earned at the college while students are in high school are included in this section. Success points data are lagged one year from the year for which SSI is being calculated. Data from FY 2022, FY 2023, and FY 2024 are used in the FY 2026 SSI calculations.

The percentage of the SSI appropriation that is allocated to success points (shown in section **I. Community and Technical College Funding Methodology Overview**, above and equal to 25% of the sector appropriation for FYs 2026 & 2027) is prorated to each institution.

1. The credit accumulation success points each award a point to the institution for each student who reaches or exceeds the given credit threshold.
   a. Only college level (non-Developmental) credits are included.
   b. Only credits earned at the given institution are included.
   c. The credit thresholds are:
      i. 12 semester credit hours.
      ii. 24 semester credit hours; and
      iii. 36 semester credit hours.
   d. The only time limit on these credits is the age of the HEI system. For example, the student could have earned one credit per year until they reached 12 credits in 2018 and the institution would get the point in 2018.
   e. A student can earn up to 3 credit accumulation points (one for each threshold) for a given institution.
   f. A student can earn each of these only once per institution.
   g. A student can earn each of these for multiple institutions.

The credit hour-based success points are determined by calculating the total cumulative number of college level credits earned as of the end of given year and the total cumulative college credits earned prior to the given year. If the total including the given year is greater than or equal to the threshold (12, 24, or 36) and the total prior to the given year was less than the threshold, then a success point is earned.

2. The completion of college-level math or English success points each award a point to the institution for each student who:
   a. Completes a college-level math course within the first 30 hours of completed coursework (new for FY 2022); or
   b. Completes a college-level English course within the first 30 hours of completed coursework (new for FY 2022).
   c. A student can earn each of these only once per institution.

The completion of college-level math or English success points are determined by querying whether a student completes a college-level (non-developmental) math or English course for academic credit during a term in which they are subsidy eligible. The number of course hours completed for academic credit prior to the term in which the college-level math or English course was taken is then determined. If the sum of these course hours is less than 30, a success point is awarded to the institution. Hours taken at any USO college or university are included in the course hours completed for academic credit prior to the term in which the college-level course was taken.

The three-year average of each of these Success Point counts are used to calculate each Community and Technical College's share of the student success point funding. For each fiscal year, the most recent three-year lagged average is used.

This calculation can be viewed in the SSI spreadsheets, referenced in the **Link to the SSI spreadsheets** section of this Handbook, in the <success points FTE> tab. The <CC Summary> tab shows the total allocation amount each institution earned from success points.

V. Completion Milestones Component of the Formula

This section provides the methodology for allocating the degree completion component of the SSI formula, as shown in section **I. Community and Technical College Funding Methodology Overview**, above (25% of the appropriation in FYs 2026 and 2027).

The completion milestones component of the formula includes associate degrees, baccalaureate degrees, long-term certificates (>= 30 semester credit hours), and transfers to 4-year institutions. Please note that high school students and credits or awards earned at the college while students are in high school are included in this section.

Transfers to any 4-year institution (within or outside the USO) are eligible to be included in the formula if the student earned at least 12 hours at the college prior to transfer.

Determine the Number of Degrees and Certificates Earned and the Number of Students Eligible to be Considered a Transfer at Each College:

Degrees and long-term certificates data are lagged one year from the year for which SSI is being calculated. Degrees and long-term certificates earned in FY 2022, FY 2023, and FY 2024 are counted in the FY 2026 SSI calculations. Long term certificates are those reported as level 02 in the DC file. If there is a prior award at the same level since FY 2010, that degree or certificate is multiplied by 0.5. If two or more awards at the same level are earned in the same term, the highest cost one is counted as 1 and any others are counted as 0.5.

An institution gets credit for a transfer if a student enrolls for the first time in a 4-year college or university in the given year and has (before or during the given year) earned at least 12 college level credits at the institution. Starting in FY 2015, National Student Clearinghouse (NSC) data were used to obtain information on transfers to schools outside the USO. This includes in-state private schools, for-profit schools, and out-of-state schools.

First, data on students who are enrolled for the first time at a 4-year college or university in the given year are collected. For Ohio public institutions this includes all main and regional campuses of the universities. For the out-of-system schools, this includes any school reported as 4-year by NSC. Then these students' records are examined to see if they earned at least 12 college level credits at one or more community colleges either in the same year they first enrolled at the 4-year institution or in prior years. If so, then that college gets credit for a transfer. A student can count as a transfer at multiple community colleges.

Determine which Completions at each College are Eligible for Access Funding:

Access degrees, certificates, and transfers are defined as those from above that were earned by students with any of the access characteristics (Age, Financial, Race, and/or Academic Preparation) which are defined/described above in section **III. Course Completion Component of the Formula.**

For the completion milestones component, a student can be in one access category, two categories, three categories, or all four categories. The completions are classified based on how many access

categories the given student falls into. Access completions and which access level they go into are identified in the selection of degrees, certificates, and transfers. The access weights for Completions were determined based on comparing the likelihood of students in each access level completing compared to that of non-access students.

Completions counts are shown in 5 groupings: overall counts, counts of those earned by students in one access category, those with two access categories, those with three access categories, and those with all four access categories. The counts in the access groupings are subsets of the overall counts and are used to calculate the add-ons in the formula. The Access add-on is calculated as follows: the number of completers with one access factor * 25% + the number of completers with 2 access categories * 66% + the number of completers with 3 access factors * 150% + the number of completers with 4 access factors * 200%.

The resulting degree and certificate counts can be viewed in the SSI spreadsheets, referenced in the **Link to the SSI spreadsheets** section of this Handbook, in the <Completions> tab.

Calculate the "Reimbursement Costs" and the Appropriations for Milestone Completions:

The degree costs are calculated as described in section **II. Determining the Cost of Courses and Degrees**. For the certificates earned, the cost is ½ of the cost of a degree in the same technology area. The cost of transfers is ¼ of the total average degree costs for degrees earned in the years used to calculate degree costs. These completion costs can be viewed in the SSI spreadsheets, referenced in the **Link to the SSI spreadsheets** section of this Handbook, in the <completions model costs> tab*.

A "Reimbursement Cost" for completions is calculated by multiplying the completions model cost by the three-year average number of completions. A "Reimbursement Cost" for Access Completions is an add-on which is calculated by multiplying the completions model cost by the Access add-on completions.

The allocation for completions is calculated by multiplying the total appropriation for Milestone Completions by a ratio of the "Reimbursement Cost" for completions for each combination of institution, subject, and level (degree, certificate, or transfer) divided by the total "Reimbursement Cost" of all completions. The allocation for the add-on for access completions is calculated by multiplying the total appropriation for Milestone Completions by a ratio of the "Reimbursement Cost" for add-on access completions for each combination of institution, subject, and level (degree, certificate, or transfer) divided by the total "Reimbursement Cost" of all completions. The total "Reimbursement Cost" of all completions used for the denominator of the ratio is the sum of the costs for completions overall plus the costs of the add-on access completions.

The results of the calculation of the appropriation for completions can be viewed in the SSI spreadsheets, referenced in the **Link to the SSI spreadsheets** section of this Handbook, in the <Completions> tab.

The <CC Summary> tab in the SSI spreadsheets sums the appropriations for completions by institution to show the total amount each institution earned from completions and from the add-on for access completions.

VI.   Summary tabs in the SSI spreadsheets

Other tabs in the SSI spreadsheets, referenced in the **Link to the SSI spreadsheets** section of this Handbook, gather and summarize the values calculated as described above. The <CC Summary> tab, in the SSI spreadsheets and mentioned several times in the text above, sums the SSI distributions by institution to show the total amount each institution earned from each of the components described in this Handbook. This tab also compares the overall total current year values to the totals from the previous SSI year. The <output> tab of the SSI spreadsheets provides a simple summary of the totals by institution and compares the current year totals to the previous year totals. It also shows the percentage of SSI each institution received by component (completed FTE, degrees, and total) or each institution's share of the funding for FTE, degrees, and overall. The first tab in the SSI spreadsheets, the <parameters> tab, shows the total SSI appropriation and the amounts for universities and for community colleges. This information is used extensively throughout the SSI calculations.

VII.   Apply the Capital Deduction for each Institution (as applicable) prior to Distributing the State Share of Instruction Allocation

This step of the calculation reduces the State Share of Instruction allocation for institutions that have negative adjustments that are the result of the implementation of the Regents' incentive-based capital funding policy. As part of this policy, campuses with debt service costs (for qualifying capital projects) that exceed their formula-determined capital allocation have that difference deducted from their State Share of Instruction allocation. Under the prior agreement and included in the budget bill, funds from this capital deduction are to be transferred to the Capital Component line item. This transfer allows the Capital Component to be fully funded. This is not shown in the SSI spreadsheets but does affect the actual distributions.