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## **DEPARTMENT OF EDUCATION AND WORKFORCE**

### **I. School finance**

#### **Funding for FY 2026 and FY 2027**

- Extends, with changes, the operation of the school financing system established in 2021 by H.B. 110 of the 134<sup>th</sup> General Assembly and the payment of temporary transitional aid and the formula transition supplement.
- Requires the Department of Education and Workforce to pay both of the following supplements in each of FY 2026 and FY 2027 to city, local, and exempted village school districts:
  - An enrollment growth supplement to each district that experienced a specified percentage of growth in enrolled ADM between specified fiscal years; and
  - A per-pupil performance supplement to each district that received a specified performance rating on the most recently issued state report card.
- Requires the Department to pay a base funding supplement in each of FY 2026 and FY 2027 to each school district, STEM school, and community school.
- Requires the Department to adjust the economically disadvantaged average daily membership (ADM) used to calculate disadvantaged pupil impact aid (DPIA) for FY 2026 and FY 2027 for each school district, community school, and STEM school so that the ADM is weighted to be partially based on both:
  - The economically disadvantaged ADM reported in the district or school in FY 2025; and
  - The ADM of students certified as categorically eligible for a free meal under federal law in the fiscal year for which DPIA is calculated.

#### **DPIA plan partners**

- Qualifies a community mental health prevention provider as one of the entities with which a school district, community school, or STEM school may develop its plan for using its DPIA.

#### **Career-technical education associated services funds**

- Modifies the purposes for which school districts may use career-technical education associated services funds.

#### **Career awareness and exploration funds**

- Permits the lead district of a career-technical planning district to use career awareness and exploration funds to provide mentorship opportunities for students to learn about careers and workforce skills.
- Requires the lead district of each career-technical planning district receiving career awareness and exploration funds to report on the use of those funds to the Department.

## **Quality Community and Independent STEM School Support Programs**

- Codifies the Quality Community School Support Program and the Quality Independent STEM School Support Program.

## **Facilities funding for community and STEM schools**

- Codifies the per-student facilities payment for community schools or STEM schools.

## **Community and STEM school special education threshold cost pool**

- Establishes a separate threshold special education cost pool for community schools and STEM schools.
- Requires the Department to withhold an amount equal to 5% of each community school's and STEM school's special education funding for the pool, subject to any funding limitations enacted by the General Assembly.
- Requires the Department to redistribute any unused funds withheld for the new pool for FY 2026 and FY 2027 to community schools and STEM schools in the same proportion that the funds were originally contributed.

## **Auxiliary services funding**

- Permits a chartered nonpublic school to use auxiliary services funds to provide diagnostic and therapeutic mental health services and to hire retired Ohio peace officers as security officers.

## **Payment for districts with decreases in utility TPP value**

- Requires the Department to make a payment, for FYs 2026 and 2027, to each city, local, exempted village, or joint vocational school district that has at least one power plant within its territory and that experiences a 10% or greater decrease in the taxable value of utility tangible personal property (TPP) and an overall negative change in TPP subject to taxation.

# **II. State scholarships**

## **Autism and Jon Peterson Special Needs scholarships**

- Increases the maximum amount of an Autism Scholarship and a JPSN Scholarship from \$32,445 to \$34,000.
- Increases the categorical amounts for a JPSN Scholarship.
- Qualifies for a scholarship a child who is enrolled in a chartered or nonchartered nonpublic school, is home educated, or is older than compulsory school age and younger than 22 and is still eligible to receive transition services under the child's IEP.
- Permits multiple alternative public or registered private providers to be contracted to provide services to implement an IEP or education plan.

- Specifies that intervention services, educational services, academic services, tutoring services, aide services, and other related special education services may be provided virtually.
- Prohibits a qualified special education child who participates in JROTC maintained by the child's resident school district from being considered enrolled in that district for determining eligibility for an Autism or JPSN scholarship
- Clearly states that a child is eligible under the Autism Scholarship if that child is at least age three and younger than 22.
- Expands the individuals who may apply for a scholarship on behalf of a special education child and perform certain other duties regarding the child's participation in the Autism Scholarship Program.
- Expands eligibility for the JPSN Scholarship to three- and four-year-olds.
- Requires the Department to maintain a list of Autism and JPSN scholarship registered private providers and their locations on its publicly accessible website.

### **Nonchartered Educational Savings Account Program (VETOED)**

- Would have established the Nonchartered Educational Savings Account Program to provide eligible students with an educational savings account (ESA) beginning in the 2026-2027 school year (VETOED).

## **III. Career-technical education**

### **Waivers for middle school career-technical education**

- Requires all school districts to provide career-technical education to 7<sup>th</sup> and 8<sup>th</sup> graders on and after July 1, 2026, by eliminating waivers from that obligation.

### **Approval deadlines for career-technical programs**

- Eliminates the application and approval deadlines for new career-technical education programs.

### **Career-Technical Assurance Guides (CTAG)**

- Adds CTAG-aligned courses to the types of programs that may be considered an "advanced standing program" at school districts, other public schools, and chartered nonpublic schools.
- Requires each district and school that has students enrolled in CTAG-aligned career-technical courses to implement a policy for grading and calculating class standings for those courses in a manner that is equivalent to the district or school's policy for its other advanced standing programs.

## **Industry-recognized credentials**

- Eliminates the requirement for the Director of Education and Workforce's industry-recognized credentials and licenses committee to establish a point value system for credentials to help determine whether a student qualifies for a high school diploma.
- Requires the Director's committee to instead establish criteria under which a student may use industry-recognized credentials to help qualify for a high school diploma.

## **IV. Assessments, instruction, and tutoring**

### **Diagnostic assessment**

- Requires the Department, by June 30, 2026, to adopt a diagnostic assessment for reading for each of grades K-3 and approve a list of up to five diagnostic assessments aligned with the state academic standards for each of grades K-3 for both reading and math.
- Requires the diagnostic assessment for reading to be designed to measure student comprehension of foundational reading skills aligned to the science of reading.
- Requires public schools to administer the diagnostic assessments to their students by September 30 of each year, beginning with the 2026-2027 school year.

### **Kindergarten readiness assessment**

- Requires public schools to administer the kindergarten readiness assessment (KRA) to each kindergarten student between July 1 of the school year in which the student enrolls in kindergarten and the 20<sup>th</sup> day of instruction of that school year.
- Requires public schools to utilize and score the KRA in accordance with rules established by the Department of Children and Youth.
- Eliminates KRA data on the state report cards.

### **State assessments as public records**

- Eliminates the requirement that 40% of state assessment questions be made a public record and instead requires the Department to determine which questions, if any, are to be public record.

### **College-Level Examination Program (CLEP)**

- Adds the College-Level Examination Program (CLEP) to the programs that may be considered an advanced standing program at public and chartered nonpublic schools.
- Adds passing scores on the CLEP exams as a demonstration of post-secondary readiness on the state report card and as a qualification for the college-ready, citizenship, science, and technology diploma seals.

## **Core curriculum and evidence-based reading programs**

- Narrows the requirement for a public school to use core curriculum and instructional materials in English language arts from the Department's approved list by applying it only to curricula and materials for students in grades pre-K-5.
- Expressly requires a public school to use evidence-based reading intervention programs from the Department's approved list for students in grades pre-K-12.

## **Advanced math learning opportunities**

- Requires school districts to provide advanced math learning opportunities to students who achieve an advanced level of skill on either a math achievement assessment or an end-of-course exam.
- Exempts school districts from providing advanced math learning opportunities if the district does not offer any of those opportunities in the grade level in which the student is enrolled for the next school year.
- Requires districts to notify the parent or guardian of a student who qualifies for advanced math learning opportunities and permits the parent or guardian to opt the student out of them.

## **High-dosage tutoring**

- Permits a public school to incorporate high-dosage tutoring into a student's regular instruction time for each student on reading improvement and monitoring plans.
- Requires a locally approved high-dosage tutoring program to align with best practices identified by the Department.

## **High-quality tutoring programs**

- Requires the Department's request for qualifications for high-quality tutoring programs to include a request for program efficacy data or other evidence of program effectiveness for participating students.
- Requires the Department to remove from the high-quality tutoring program list any program that is not aligned to the Science of Reading or that uses a three-cueing approach.
- Requires the Department, at least every three years, to update and provide an opportunity for entities to submit their qualifications for consideration to be included on the list.

## **Financial literacy instruction exemptions**

- Permits a public or chartered nonpublic school to adopt a policy to excuse from the financial literacy instruction graduation requirement each student who, during high school, participates in a financial literacy program offered through the student branch of a credit union or by a bank.

## **V. Educators**

### **Use of seniority in teacher assignments**

- Prohibits the use of seniority or continuing contract status as the primary factor when assigning teachers and instead requires assignment on the basis of the best interests of students.
- Specifies that the provisions pertaining to teacher assignment prevail over conflicting provisions of collective bargaining agreements entered into on or after September 30, 2025.

### **Science of Reading professional development**

- Requires the Department to maintain an introductory Science of Reading training course and develop a competency-based training course that updates and reinforces educators' knowledge in the Science of Reading.
- Requires each teacher, administrator, or speech-language pathologist employed by a public school to complete the Department's Science of Reading training by a specified date dependent upon when the individual was hired, and every five years thereafter.

### **Educator in-service training**

- Requires each public school to develop its own youth suicide awareness and prevention in-service educator training curriculum, instead of adopting or adapting curriculum developed by the Department.
- Eliminates the express authorization for a public school to have child sexual abuse in-service training for educators provided by law enforcement officers or prosecutors, and instead requires a school to develop its own curriculum in consultation with public or private agencies.

### **Computer science educator licensure**

- Makes permanent an exception set to expire after the 2024-2025 school year that permits a licensed educator who completes specified professional development to teach computer science without otherwise being licensed in that subject area.

### **Cap on school district administrative expenses**

- Prohibits any school district from using more than 15% of its annual operating budget on administrative salaries and benefits and other costs associated with the district's administrative offices.

## **VI. Community schools**

### **High-performing community school definition**

- Revises the definition of "high-performing community school" in the law regarding the right of first refusal to purchase school district property and the involuntary disposition of school district property.

## **Dropout prevention and recovery community schools**

- Narrows the application of law regarding community schools that specialize in students enrolled in dropout prevention and recovery programs to only apply to schools that meet certain requirements established in the act.

## **Sponsor evaluations**

- Excludes all community schools whose contracts were not renewed or terminated by their sponsors before the sponsor's evaluation from the calculation of that evaluation's academic performance component.
- Eliminates the Department's authority to permit a peer review of a sponsor's adherence to quality practices component on its evaluation.
- Requires the Department to evaluate sponsors that receive an "exemplary" rating every five full school years and sponsors with a rating of "effective" every three full school years, rather than requiring both to be evaluated once every three years under prior law.
- Qualifies "exemplary" sponsors for specified continuing law incentives rather than requiring an "exemplary" rating for the two most recent school years.
- Prohibits the Department from including Alternative Education Academy in the academic component calculation of the sponsor evaluation for the Office of Ohio School Sponsorship for the 2025-2026 and 2026-2027 school years, but includes the school in that component if the Office continues to sponsor it after 2026-2027.

## **Community school opening assurances**

- Reduces from ten to five the number of days prior to opening for its first year of operation or first year of operation from a new building that a community school sponsor must provide prescribed assurances to the Department.
- Requires a community school sponsor that adds to an existing location, or an e-school that changes its location or adds a satellite location, to provide the prescribed assurances at least one day prior to operation in the new facility.

## **Multiple facilities**

- Permits any community school to be located in multiple facilities in more than one school district under the same contract.

## **Contracts and comprehensive plans**

- Eliminates the requirement that each community school submit a comprehensive plan to its sponsor and instead requires the plan's provisions be included in the contract between the school's sponsor and governing authority.

## **Classical schools and assessment administration**

- Permits a classical school to generally administer state assessments in a paper format.

## **Community school FTE reporting**

- Extends through the 2025-2026 school year the option of certain community schools to report their student enrollment on a full-time equivalent basis based partially on credits earned.

## **VII. School policies**

### **Absence intervention, truancy, and chronic absenteeism**

- Modifies the process school districts, brick-and-mortar community schools, and STEM schools must follow when addressing student absences.
- Removes whether a student has missed 10% or more of the school year as a condition for determining if that student is subject to grade level retention.
- Eliminates the timeline under which a school district attendance officer must file a complaint and instead bases the filing solely on whether a student is making satisfactory progress in improving attendance.
- Excuses a high school student enrolled in a school district to attend a driver education course.

### **Student cellphone use**

- Requires each public school to generally prohibit the use of cellphones by students during instructional hours.

### **Artificial intelligence policies**

- Requires the Department to adopt a model policy by December 31, 2025, on the use of artificial intelligence in schools.
- Requires public schools to adopt a policy by July 1, 2026, on the use of artificial intelligence.

### **Religious instruction released time policy**

- Requires a school district to permit students to attend a released time course in religious instruction for at least one period a week.
- Limits student attendance in such a course to no more than two periods per week for elementary or middle school students and two units of high school credit per week for high school students.
- Requires school districts to permit students to bring external educational and program materials from a released time course into school.

### **Interdistrict open enrollment policies**

- Exempts a student whose parent is an active duty member of the U.S. armed forces stationed in this state from any school district interdistrict open enrollment application deadline.



- Eliminates a district's authority to adopt a resolution that objects to its resident students open enrolling into another district if the student's home district is receiving Impact Aid under a repealed federal law and at least 10% of its students are included in that aid calculation.

## **VIII. Transportation**

### **Community school transportation consortium**

- Permits the governing authorities of two or more community schools to establish a consortium to provide or arrange transportation to and from school for students in participating schools.
- Requires a consortium to act on behalf of participating schools regarding student transportation and to comply with any law regarding student transportation in the same manner as a community school.
- Requires the Department to calculate and make payments to a consortium as if it were a community school using combined data submitted by the consortium's fiscal agent.

### **Student transportation via mass transit system**

- Requires a city, local, or exempted village school district in Montgomery County that uses a mass transit system to transport students to and from a community or chartered nonpublic school to ensure that the transfer between routes does not occur at the central hub for the system.

### **Multifunction school activity buses**

- Authorizes school districts, chartered nonpublic schools, and community schools to use a multifunction school activity bus to transport students between school and other school-related functions or activities.
- Prohibits a multifunction school activity bus from being used for student transportation between school and home or a designated bus stop.
- Requires a driver of a multifunction school activity bus to meet all the same standards of a regular school bus driver.
- Authorizes the purchase of a multifunction school activity bus in the same manner as other school buses.

### **Student transportation workgroup**

- Requires the Director of Education and Workforce to establish a workgroup on student transportation to monitor and review the student transportation system during the 2025-2026 school year and develop recommendations for changes that better meet transportation needs.
- Requires the workgroup to conduct a study of and develop recommendations regarding the feasibility of a school district to transport students enrolled in a community school or

nonpublic school on days that the community school or nonpublic school is open for operation with students in attendance, but the school district is not.

- Requires the workgroup to submit a report on its findings to the Governor and General Assembly by June 30, 2026, and disband following the report's submission.

### **Pupil Transportation Pilot Program**

- Extends the operation of the Montgomery County Pupil Transportation Pilot Program to the 2025-2026 and 2026-2027 school years.

### **Rural Transportation Grant Program**

- Creates the Rural Transportation Grant Program and requires the Department to award transportation grants to rural dropout prevention and recovery community schools where more than 75% of its students are economically disadvantaged.

### **Bus purchasing grants**

- Eliminates the bus purchasing grant program.

## **IX. Other**

### **State report card – Early Literacy component**

- Revises the performance measure regarding the percentage of students promoted to the fourth grade under the Third Grade Reading Guarantee so that it is based only on students who attain a promotion score on the third grade English Language Arts assessment or an alternative assessment.

### **Demand side educator employment data**

- Requires the Department, beginning September 30, 2026, to annually collect public school employment and vacancy data and to aggregate and report that data on its public website.

### **Competency-based adult education programs**

- Eliminates the Adult Diploma Program and 22+ Adult High School Diploma Program effective July 1, 2026, but permits an individual enrolled in either of them to complete that program by June 30, 2027.
- Permits an eligible provider to establish a competency-based educational program for eligible individuals to earn a high school diploma beginning July 1, 2026.
- Qualifies individuals who are at least 18 years old, have officially withdrawn from school, and who have not received a high school diploma or certificate of high school equivalence to participate in a program.
- Requires the Department to award a high school diploma to enrolled individuals who demonstrate competency through specified activities or earn specified course credits.

- Requires the Department to pay each provider up to \$7,500 per school year for each enrolled individual based on the extent of the individual's successful completion of the program's diploma requirements.

### **Aim Higher Pilot Program**

- Establishes the Aim Higher Pilot Program to provide additional funding to JVSs that operate a dropout prevention and recovery program in FY 2026.

### **Ohio Code-Scholar Program**

- Replaces the five-year Ohio Code-Scholar Pilot Program with a permanent program that outlines permissible uses of the program's appropriation, requires an annual report, and designates Southern State Community College as the lead entity to expand the program.

### **Payment of tuition for students in residential treatment facilities**

- Assigns responsibility for paying tuition for a child who is parentally placed in a residential treatment facility in consultation with and upon recommendation of the OhioRISE Program to the school district where the child's parent resides.
- Exempts a school district from the responsibility to pay tuition for a child who has been awarded a state scholarship.

### **School district operational revenue and expenditure report**

- Requires each school district to submit appropriations, revenue, and fund balance assumptions contained in the board's budget for a fiscal year, in addition to projections of expenditures, revenues, and fund balances for the three succeeding fiscal years, rather than for five years, as under prior law.
- Requires the Department and the Auditor of State to label projections regarding property tax allocation as state reimbursement for property tax credits.
- Requires the Auditor of State or the Department to examine the current budget information and projections to determine whether a district has the potential to incur a deficit during the first two years of the three-year period, rather than the first three years of the five-year period as under prior law.

### **Contracts for school district construction projects**

- Extends the school district contract bidding process for planned construction projects that exceed the competitive bidding threshold amount from work on any "school building" to work on any "building or other property."

### **Participation in interscholastic athletics at a different school**

- Eliminates the eligibility of students enrolled in a public or nonpublic school who are victims of certain qualifying offenses to participate in interscholastic athletics at a different school.

- Permits a school district superintendent to allow a student enrolled in another school district the opportunity to participate in ice hockey as an interscholastic athletic activity at a school operated by the superintendent's district under certain circumstances.

### **Online learning schools**

- Permits school districts to employ teachers and nonteaching employees, or to contract with a nonprofit or for-profit entity, to operate an online learning school.

### **Public entities and preschool children with disabilities**

- Requires certain public entities that serve preschool children with disabilities to adhere to the Step Up to Quality Program and exempts certain school districts from that requirement.

### **Aspire Program transfer**

- Transfers the Aspire Program's administration from the Department of Higher Education (ODHE) to the Department of Education and Workforce (DEW) by July 1, 2026.
- Includes the standard transfer language and addresses the transfer of ODHE employees whose primary duties include administering the program and staff resources used to administer it to DEW.
- Authorizes the OBM Director to make budget and accounting changes to implement the program's transfer.

## **I. School finance**

### **Funding for FY 2026 and FY 2027**

(R.C. 3314.08, 3317.011, 3317.012, 3317.014, 3317.016, 3317.017, 3317.018, 3317.019, 3317.0110, 3317.02, 3317.021, 3317.022, 3317.024, 3317.026, 3317.0212, 3317.0213, 3317.0215, 3317.0217, 3317.0218 (repealed), 3317.051, 3317.11, 3317.16, 3317.162, 3317.165, 3317.20, 3317.201, 3317.25, 3317.31, and 3326.44; Sections 265.215, 265.220, 265.230, 265.237, 265.239, and 265.450)

#### **Overview**

The act extends, with changes, the operation of the current school financing system to FY 2026 and FY 2027. It also establishes three additional supplements in those fiscal years. For city, local, and exempted village school districts: (1) an enrollment growth supplement for districts that experienced a specified percentage of enrollment growth between certain fiscal years and (2) a per-pupil performance supplement for districts that received specified performance ratings on the state report card issued for the 2023-2024 school year. For city, local, exempted village, and joint vocational school districts, community schools, and STEM schools, the act establishes a base funding supplement.

Finally, the act requires the Department of Education and Workforce to calculate disadvantaged pupil impact aid (DPIA) for FY 2026 and FY 2027 using a weighted economically

disadvantaged average daily membership (ADM). That weighting is based, in part, on the number of economically disadvantaged ADM reported in a school district, community school, or STEM school for FY 2025, and in part on the ADM of students directly certified as economically disadvantaged for the fiscal year for which the DPIA payment is calculated.

### **School financing system calculation revisions**

The act makes the following changes to the school financing system:

1. Increases the general phase-in and DPIA phase-in percentages from 66.67% in FY 2025 to 83.33% in FY 2026 and 100% in FY 2027;
2. Increases the minimum transportation state share percentage from 41.67% in FY 2025 to 45.83% in FY 2026 and 50% in FY 2027;
3. Eliminates gifted professional development funding for school districts;
4. Reduces the per student payment amount of career awareness and exploration funds from \$10 in FY 2025 to \$3 in both FY 2026 and FY 2027;
5. Eliminates the payment of supplemental targeted assistance to city, local, and exempted village school districts;
6. Requires a district's building leadership support in the base cost calculation to be calculated using the number of school buildings in the district for the preceding fiscal year;
7. Requires the base cost and state share percentage for joint vocational school districts to be calculated in a similar manner to city, local, and exempted village school districts;
8. Requires the use of data from the previous fiscal year to establish the target number of qualifying riders per bus for each city, local, and exempted village school district;
9. Requires the Tax Commissioner to certify the median federal adjusted gross income of a district's residents for use in making computations for the district, instead of the total federal adjusted gross income of residents as under prior law;
10. Codifies and incorporates into the system the equity supplement for community schools that are not internet- or computer-based community schools with each such school receiving a per student payment of \$500 in FY 2026 and \$400 in FY 2027; and
11. Extends the uncoded requirement that the academic co-curricular activities, supplies and academic content, athletic co-curricular activities, and building operations cost components of the base cost calculation for city, local, and exempted village school districts be based on the sum of the enrolled ADM of every district that *reported* data, rather than on *every* district as otherwise required under continuing law.

In addition, the act extends to FY 2026 and FY 2027 the payment of temporary transitional aid to school districts based on an FY 2020 funding base and a formula transition supplement based on an FY 2021 funding base to districts, community schools, and STEM schools.

For background information on the current school financing system, see:

1. The LSC [Final Analysis for H.B. 110 of the 134<sup>th</sup> General Assembly \(PDF\)](#), which enacted the system;
2. The LSC [Final Analysis for H.B. 583 of the 134<sup>th</sup> General Assembly \(PDF\)](#), which made a number of corrective and technical changes to it; and
3. The LSC [Final Analysis for H.B. 33 of the 135<sup>th</sup> General Assembly \(PDF\)](#), which extended the system to the FY 2025-FY 2026 biennium.<sup>53</sup>

### **Enrollment growth supplement**

The act requires the Department to pay an enrollment growth supplement in FY 2026 and FY 2027 to each city, local, and exempted village school district that experienced a prescribed level of growth in its enrolled ADM between certain fiscal years. More specifically, the Department must pay:

1. \$225 per student in FY 2026 to each district whose enrolled ADM grew by at least 5% from FY 2022 to FY 2025; and
2. \$250 per student in FY 2027 to each district whose enrolled ADM grew by at least 3% from FY 2023 to FY 2026.

### **Per-pupil performance supplement**

The act requires the Department to pay a per-pupil performance supplement in FY 2026 and FY 2027 to each city, local, or exempted village school district that received specified performance ratings on the state report card issued for the 2024-2025 school year for FY 2026, and the 2025-2026 school year for FY 2027.

To be eligible for the supplement, a district must have received:

1. An overall performance rating of four “stars” or higher;
2. A performance rating of three “stars” or higher for the Progress component; or
3. A higher performance rating on the Progress component than the district received for the 2023-2024 school year for FY 2026 and the 2024-2025 school year for FY 2027 (for example, for the FY 2026 supplement, the district received a one “star” rating for the 2023-2024 school year and a “two” star rating for the 2024-2025 school year).

The Department must pay each eligible district a supplement equal to the product of the district’s enrolled ADM for the fiscal year multiplied by \$13 multiplied by the greater of the number of “stars” the district received for either the overall performance rating or the Progress component performance rating.

The table below indicates three hypothetical examples for how a district may qualify for the supplement and how the supplement would be calculated for the district in a school year.

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<sup>53</sup> All final analyses are available on the General Assembly’s website: [legislature.ohio.gov](https://legislature.ohio.gov).

Per-pupil performance supplement examples			
	School district A	School district B	School district C
State report card criteria met	4 “stars” or higher overall rating	3 “stars” or higher rating on the Progress component	Improved on the Progress component
The greater of the number of “stars” received for the overall rating or the Progress component	Overall rating – five “stars”	Progress component – three “stars”	Overall Rating – two and one-half “stars”
Enrolled ADM for the fiscal year	1,001	5,693	20,583
Calculation	$1,001 \times \$13 \times 5$	$5,693 \times \$13 \times 3$	$20,583 \times \$13 \times 2.5$
<b>Total payment amount</b>	\$65,065	\$222,027	\$668,947.50

### Base funding supplement

The act requires the Department, in each of FY 2026 and FY 2027, to pay a base funding supplement to each school district, community school, and STEM school. The supplement is calculated on a per student basis, with the district or school receiving \$27 per student in FY 2026 and \$40 per student in FY 2027.

### DPIA and economically disadvantaged student count

The act addresses how the Department must calculate DPIA for each school district, community school, and STEM school for FY 2026 and FY 2027. Specifically, it requires the Department to adjust the economically disadvantaged average daily membership (ADM) used to calculate DPIA in each of those fiscal years.

For each school district, community school that was open in FY 2025, and STEM school, that adjustment is based on two weighted factors. The first factor is the economically disadvantaged ADM reported in the district or school for FY 2025. The second is the economically disadvantaged ADM in the fiscal year for which DPIA is being calculated of students who are certified as categorically eligible for free meals under federal law. The table below indicates the weights assigned to these factors in both fiscal years.

Economically disadvantaged student ADM for FY 2026 and FY 2027		
	FY 2026	FY 2027
FY 2025 students	75%	65%
Students certified as categorically eligible for the fiscal year	25%	35%

For a community school that opens in FY 2026 or FY 2027, the Department must use only the economically disadvantaged ADM of students who are certified as categorically eligible for free meals under federal law to calculate the school's DPIA for a fiscal year.

### **DPIA plan partners**

(R.C. 3317.25)

The act adds community mental health prevention providers to the list of entities with which a school district, community school, or STEM school may partner in developing its plan to use its DPIA.

### **Career-technical education associated services funds**

(R.C. 3317.014)

Under continuing law, school districts must use career-technical education associated services funds for purposes approved by the Department. The act expressly permits the Department to approve each of the following purposes as permissible expenses for use of those funds:

- Engaging and collaborating with education and workforce stakeholders in the service area;
- Developing and maintaining a comprehensive plan to increase career-focused education activities;
- Ensuring that plans are informed by quality data and using data to expand access to career-focused activities for all students;
- Planning and allocating resources for the growth, sustainability, and enhancement of career-focused activities in the long term;
- Establishing continuous improvement and program approval processes.



## **Career awareness and exploration funds**

(R.C. 3317.014)

Under law unchanged by the act, the Department pays the lead district of a career-technical planning district (CTPD) career awareness and exploration funds to deliver relevant career awareness and exploration programs to students within the CTPD. The act adds to the approved uses of those funds the option for the lead district to provide mentorship opportunities for students to learn about careers and workforce skills.

The act also requires each lead district receiving career awareness and exploration funds to report on the use of those funds to the Department.

## **Quality Community and Independent STEM School Support Programs**

(R.C. 3317.27, 3317.28, and 3317.29; Section 265.350)

The act codifies and revises the Quality Community School Support Program and Quality Independent STEM School Support Program. Under the programs, the Department must designate community and STEM schools as “Schools of Quality” by December 31 of each fiscal year. The Department must pay each designated school up to \$3,000 per fiscal year for each economically disadvantaged student and up to \$2,250 per fiscal year for each student who is not economically disadvantaged. The Department must make periodic payments to each designated school beginning in January of that fiscal year. If the appropriation for the programs is insufficient, the act requires the Department to prorate payments so the aggregate amount appropriated is not exceeded.

### **“Community School of Quality” designation**

Under the act, to be a “Community School of Quality,” a community school must meet at least one of the following sets of conditions:

1. The community school meets all of the following:
  - a. The school’s sponsor was rated “exemplary” or “effective” on its most recent evaluation;
  - b. The school received a higher performance index score than the school district in which it is located on the two most recently issued state report cards;
  - c. The school either:
    - i. Received a performance rating of four stars or higher for the Progress component on its most recent state report card; or
    - ii. Is a school where a majority of its students are either enrolled in a dropout prevention and recovery program operated by the school or are children with disabilities receiving special education and related services, and the school did not receive a rating for the Progress component on the most recent report card.
  - d. At least 50% of the students enrolled in the school are economically disadvantaged.

2. The community school meets all of the following:

a. The school's sponsor was rated "exemplary" or "effective" on its most recent evaluation;

b. The school is either:

i. In its first year of operation; or

ii. Opened as a kindergarten school, has added one grade per year, and has been in operation for less than four school years;

c. The school is replicating an operational and instructional model used by a community school that qualifies as a Community School of Quality under the first set of conditions; and

d. If the school has an operator, its operator received a rating of three stars or better on its most recent performance report.

3. The community school meets all of the following:

a. The school's sponsor was rated "exemplary" or "effective" on its most recent evaluation;

b. The school received a higher performance index score than the school district in which the school is located on the most recent state report card;

c. The school received a performance rating of three stars or higher for the Progress component on the most recent state report card; and

d. The school received a performance rating of three stars or higher for the Achievement component on the most recent state report card.

4. The community school meets all of the following:

a. The school's sponsor was rated "exemplary" or "effective" on its most recent evaluation;

b. The school satisfies either of the following:

i. The school contracts with an operator that operates schools in other states and meets at least one of the following:

I. The operator has operated a school that received a grant funded through the federal Charter School Program within the five years prior to the date of application or receiving funding from the Charter School Growth Fund;

II. The operator meets all of the following:

- One of the operator's schools in another state performed better than the school district in which the school is located;

- At least 50% of the total number of students enrolled in all of the operator's schools are economically disadvantaged;

- The operator is in good standing in all states where it operates schools; and

- The operator does not have any financial viability issues that would prevent it from effectively operating a community school in Ohio.

- ii. The school is replicating an operational and instructional model through an agreement with a college or university used by a community school or its equivalent in another state that performed better than the school district in which it is located.

- c. The school is in its first year of operation or if replicating an operational and instructional model through an agreement with a college or university as described directly above, meets either of the following conditions:

- i. The school opened on July 1, 2022, and has not previously been designated as a community school of quality, in which case the first payment must be made on or before January 31, 2024, and be calculated based on the adjusted full-time equivalent number of students enrolled in the school for FY 2024; or

- ii. The school opened on or after July 1, 2019, and has not previously been designated as a community school of quality, in which case the first payment must be made within 30 days of the act's effective date and be calculated on the adjusted full-time equivalent number of students enrolled in the school for the fiscal year for which the payment is being made.

5. The school is a dropout prevention and recovery community school that meets all of the following criteria:

- a. The school's sponsor was rated "exemplary" or "effective" on the sponsor's most recent evaluation;

- b. The school received an "exceeds standards" on the High School Test Passage Rate Percentage performance indicator on the two most recent state report cards;

- c. The school is not an internet- or computer-based community school.

A school that is designated as a Community School of Quality maintains that designation for the two fiscal years following the fiscal year in which it is designated, except that a school designated as such with a qualifying operator or that is an operational and instructional model through an agreement with a college or university maintains that designation for the four fiscal years following the fiscal year in which it was designated. Schools that are designated as Community Schools of Quality may renew their designation each year, which extends the designation for the two fiscal years following the renewal. Furthermore, a school that was designated as a Community School of Quality for the first time for the 2022-2023 school year maintains that designation through the 2029-2030 school year and may renew its designation each year after that year.

### **Merged community schools**

The act specifically qualifies for the program the surviving community school of a merger that takes place on or after June 30, 2022, provided it otherwise qualifies as a Community School

of Quality under one of the sets of criteria described above. Payment for these schools is calculated using the adjusted full-time equivalent number of students enrolled in the school for the fiscal year as of the date the payment is made, as reported by the surviving community school, regardless of whether those students were previously enrolled in a community school that was dissolved as part of the merger.

Finally, the act qualifies a school dissolved under the merger that otherwise qualified for the program to receive and retain funds received under the program before September 30, 2025.

### **Independent STEM schools**

A STEM school is an “Independent STEM School of Quality” if it:

1. Operates autonomously;
2. Does not have a STEM school equivalent designation;
3. Is not governed by a school district;
4. Is not a community school;
5. Cannot levy taxes or issue tax-secured bonds;
6. Satisfies continuing law requirements for STEM schools; and
7. Satisfies the requirements described in the Quality Model for STEM and STEAM Schools established by the Department.

Like community schools, a STEM school that is designated as an Independent STEM School of Quality maintains that designation for the two fiscal years following the fiscal year in which it is designated. STEM schools that were designated based on the state report cards issued for the 2017-2018 and 2018-2019 school years may renew their designation each year, which extends the designation for the two fiscal years following the renewal.

### **Facilities funding for community and STEM schools**

(R.C. 3317.31)

The act codifies the law requiring the Department to pay an amount to each community school and STEM school for assistance with the cost associated with facilities. The act requires the Department to pay \$25 each fiscal year for each internet- or computer-based community school (e-school) and \$1,000 each fiscal year for each student in all other community schools or STEM schools.

Traditionally, each main appropriations act has provided, in uncodified law, a per-student facilities payment to community schools and STEM schools.

### **Community and STEM school special education threshold cost pool**

(R.C. 3317.0215)

The act establishes a separate threshold special education cost pool for community schools and STEM schools and requires the Department, to withhold an amount equal to 5% of each school’s special education funding, subject to any funding limitations enacted by the

General Assembly to the computation of that funding. The act also requires the Department to redistribute any unused funds withheld for the community and STEM school threshold special education cost pool for FY 2026 and FY 2027 to community and STEM schools in the same proportion that the funds were originally contributed.

Former law required community schools and STEM schools to withhold 10% of special education funding in the same pool as school districts.

### **Auxiliary services funding**

(R.C. 3317.06)

The act permits chartered nonpublic schools to use auxiliary services funds to provide diagnostic and therapeutic mental health services to chartered nonpublic school students. It also adds retired Ohio peace officers to the list of individuals whom a chartered nonpublic school may hire as security officers using auxiliary services funds.

### **Payment for districts with decreases in utility TPP value**

(Section 265.240)

The act requires the Department to make a payment, for FY 2026 and FY 2027, to each city, local, exempted village, or joint vocational school district that has at least one power plant within its territory and that experiences a 10% or greater decrease in the taxable value of utility tangible personal property (TPP) and an overall negative change in TPP subject to taxation. To qualify for the FY 2026 payment, a district must have experienced this decrease between tax years 2017 and 2025 or tax years 2024 and 2025. To qualify for the FY 2025 payment, a district must have experienced this decrease between tax years 2017 and 2026 or tax years 2025 and 2026.

### **Eligibility determination**

The Tax Commissioner must determine which districts are eligible for this payment no later than May 15, 2026 (for the FY 2026 payment) or May 15, 2027 (for the FY 2027 payment). For each eligible district, the Commissioner must certify the following information to the Department:

1. If the district is eligible for the FY 2026 payment, its total taxable value for tax year 2025 and the change in taxes charged and payable on the district's total taxable value for tax years 2017 and 2025; and
2. If the district is eligible for the FY 2027 payment, its total taxable value for tax year 2026 and the change in taxes charged and payable on the district's total taxable value for tax years 2017 and 2026; and
3. If the district is eligible for either payment, the taxable value of the utility TPP decrease and the change in taxes charged and payable on the change in taxable value.

### **Payment amount**

The act requires the Department, for purposes of computing the payment, to replace the three-year average valuations used in computing a district's state education aid for FY 2019 with

the district's total taxable value for tax year 2025 (for the FY 2026 payment) or tax year 2026 (for the FY 2027 payment). It then must recompute the state education aid for FY 2019 without applying any funding limitations enacted by the General Assembly.

The amount of a district's payment is the *greater* of 1 or 2 as described below:

1. The lesser of either:

a. The positive difference between the district's state education aid for FY 2019 prior to the recomputation and the district's recomputed state education aid for FY 2019; or

b. The absolute value of the change in taxes charged and payable on the district's total taxable value for tax years 2017 and 2025 (for the FY 2026 payment) or for tax years 2017 and 2026 (for the FY 2027 payment).

2. 0.50 times the absolute value of the change in taxes charged and payable on the district's total taxable value for tax years 2017 and 2023 (for the FY 2026 payment) or for tax years 2017 and 2024 (for the FY 2027 payment).

### **Payment deadline**

The Department must make FY 2026 payments between June 1 and June 30, 2026, and must make FY 2027 payments between June 1 and June 30, 2027.

### **Codified law payment**

The act prohibits the Department from calculating or making a similar payment prescribed under codified law for FYs 2026 and 2027.<sup>54</sup>

## **II. State scholarships**

### **Autism Scholarship maximum amount**

(R.C. 3317.022(A)(12))

The act increases the maximum scholarship amount a student may receive under the Autism Scholarship from \$32,445 to \$34,000.

### **Jon Peterson Special Needs Scholarship amount**

(R.C. 3317.022(A)(13))

The act increases the category amounts for a Jon Peterson Special Needs (JPSN) Scholarship as follows:

- Increases the Category 1 amount from \$2,395 to \$2,855;
- Increases the Category 2 amount from \$5,280 to \$5,879;
- Increases the Category 3 amount from \$11,960 to \$12,879;
- Increases the Category 4 amount from \$15,787 to \$16,890;

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<sup>54</sup> R.C. 3317.028, not in the act.

- Increases the Category 5 amount from \$21,197 to \$22,560; and
- Increases the Category 6 amount from \$30,469 to \$31,932.

The act also increases the maximum scholarship amount from \$32,445 to \$34,000.

### **Autism and Jon Peterson Special Needs scholarship programs**

(R.C. 3310.41, 3310.413, 3310.51, 3310.52, 3310.523, 3310.58, and 3310.64)

The act makes the following changes to the Autism and JPSN scholarship programs:

1. Qualifies a child for a scholarship if:

a. The child is enrolled in a chartered or nonchartered nonpublic school, is home educated, or is older than compulsory school age and younger than 22 and received a home education and has not yet received a diploma from the child's parent or guardian;

b. The child is still eligible to receive transition services under the child's IEP; and

c. For the Autism scholarship, the child has an IEP developed that includes services related to autism.

In uncodified law that is effective June 30, 2025, the act requires the Department to accept applications and award scholarships for the 2025-2026 school year for any child who is at least age 18 and younger than 22 and meets the requirements listed above.

2. Permits multiple alternative public or registered private providers to provide services to implement an IEP or education plan, as determined necessary and associated with educating the child by the eligible applicant and providers.

3. Specifies that a qualified special education child is not limited to receiving services from a single provider for any services identified in the IEP, including a single type of service.

4. Specifies that intervention services, educational services, academic services, tutoring services, aide services, and other related special education services may be provided virtually.

5. Permits a teacher or substitute teacher licensed by the State Board of Education to provide virtual services to a qualified special education child.

6. Adds an educational aide or assistant with a valid permit and an instructional assistant with a valid permit in the list of professionals who can provide services under a special education program.

7. For billing purposes, requires services provided by a teacher or substitute teacher licensed by the State Board to be classified as academic services and not aide services and requires the Department to use this differentiation to simplify monthly audit procedures.

8. Permits supervision of a qualified, credentialed provider to be conducted virtually.

Additionally, the act prohibits a qualified special education child who participates in a Junior Reserve Officer Training Corps program (JROTC) maintained by the child's resident school district from being considered enrolled in that district for purposes of determining eligibility for an Autism or JPSN scholarship.

## **Autism Scholarship Program**

The act expands the individuals who may apply for a scholarship on behalf of a special education child and perform certain other duties regarding the child's participation in the Autism Scholarship Program. Specifically, the act extends that authority to include:

1. The guardian of a qualified special education child, when a court has appointed a guardian for the child;
2. The surrogate parent appointed for a qualified special education child; and
3. A qualified special education child, if the child does not have a custodian or guardian and is at least 18 and younger than 22.

### **Qualified special education child**

The act clearly states that a child is eligible under the Autism Scholarship Program who is at least age three and younger than 22, which is already the case under continuing law.

## **Jon Peterson Special Needs scholarship program**

The act expands eligibility for the JPSN Scholarship to three- and four-year-olds.

### **List of registered private providers**

The act requires the Department of Education and Workforce to maintain a list of Autism and JPSN Scholarship registered private providers and their locations on its publicly accessible website.

## **Nonchartered educational savings account program (VETOED)**

(R.C. 3310.037, 3310.21, 3310.22, 3310.23, 3310.24, 3310.25, 3310.26, 3310.412, 3310.51, 3313.975, 3317.02, 3317.022, 3317.03, and 5747.72)

The Governor vetoed a provision that would have established the Nonchartered Educational Savings Account Program to begin operating in the 2026-2027 school year for eligible students enrolling in participating nonchartered nonpublic schools. The Treasurer of State would have administered the program with the assistance of the Department of Education and Workforce. Under the program, the Treasurer of State would have established an education savings account for participating students to purchase educational goods and services, including tuition at participating nonchartered nonpublic schools. The Department would have funded those accounts in a manner similar to how other state scholarship programs are funded under continuing law.

A detailed description of the vetoed provisions is available on pages 234 to 240 of the LSC analysis of [H.B. 96, As Passed by the House \(PDF\)](#), which is available on the General Assembly's website at [legislature.ohio.gov](http://legislature.ohio.gov).



### **III. Career-technical education**

#### **Waivers for middle school career-technical education**

(R.C. 3313.90)

Beginning July 1, 2026, the act eliminates waivers from a city, local, or exempted village school district's obligation to provide a career-technical education to seventh and eighth grade students.

Law in effect until that date permits a district to receive a waiver from the requirement to provide career-technical education to seventh and eighth grade students by annually adopting a resolution announcing its intent to not offer career-technical education to those grades for that school year.

#### **Approval deadlines for career-technical education programs**

(R.C. 3317.161)

The act eliminates the application and approval deadlines for a new career-technical education program. The eliminated deadlines include:

- The March 1 deadline for the lead district of a career-technical planning district to approve or disapprove a school district's, community school's, or STEM school's career-technical education program application;
- The March 15 deadline for a district or school to appeal to the Department the lead district's decision or failure to take action on a career-technical education program application; and
- The May 15 deadline for the Department to approve or disapprove a career-technical education program for the next fiscal year.

Because the May 15 deadline no longer applies, the act also eliminates the Department's authority to identify circumstances under which it may approve or disapprove a career-technical education program after that former deadline.

#### **Career-Technical Assurance Guides**

(R.C. 3313.6013, 3313.6031, 3314.03, 3326.11, and 3328.24)

The act adds high school courses aligned to the Chancellor of Higher Education's Career-Technical Assurance Guides (CTAG) to the list of programs that may be considered an "advanced standing program" at school districts, other public schools, and chartered nonpublic schools. Under continuing law, each district or school must provide high school students with an opportunity to participate in advanced standing programs. Other advanced standing programs are the College Credit Plus Program (CCP), Advanced Placement (AP) courses, International Baccalaureate (IB) courses, and early college high school programs.

The act also requires each district or school that has students enrolled in CTAG-aligned courses to implement a policy for grading and calculating class standings for those courses in a manner that is equivalent to the district's or school's policy for CCP, AP, IB, or honors courses.

Continuing law requires the Chancellor to establish criteria, policies, and procedures to permit a student to transfer credit for qualifying career-technical courses to a state institution of higher education from a public secondary or adult career-technical institution or another state institution “without unnecessary duplication or institutional barriers.” This credit transfer initiative is known as the Career-Technical Assurance Guides or “CTAG.”<sup>55</sup>

### **Industry-recognized credentials**

(R.C. 3301.17, 3313.618, 3313.6113, and 3313.6114)

The act eliminates the requirement that the Director of Education and Workforce’s industry-recognized credentials and licenses committee assign a point value for each of its approved credentials and establish the total number of points that a student must earn to satisfy certain high school graduation requirements. Instead of point values, the committee must establish the criteria under which a student may use industry-recognized credentials to help qualify for a high school diploma.

## **IV. Assessments, instruction, and tutoring**

### **Diagnostic assessment**

(R.C. 3301.079, 3301.0715, and 3313.608; Section 733.30)

The act requires the Department, by June 30, 2026, to adopt diagnostic assessments in reading and approve a list of up to five diagnostic assessments aligned with state academic standards for both reading and math for each of grades K-3. The list of approved assessments must include the three most widely used reading diagnostic assessments approved by the Department for use as a comparable tool under the Third Grade Reading Guarantee prior to September 30, 2025. The reading diagnostic assessments must be designed to measure student comprehension of foundational reading skills aligned to the science of reading, in addition to the requirement under continuing law that the assessments be designed to measure student comprehension of academic content and mastery of related skills for relevant subject areas and grade levels.

The act eliminates:

1. The option for high-performing public schools (school districts, community schools, and STEM schools) to administer alternative diagnostic assessments and the authority to use an alternative assessment to measure reading skills under the Third Grade Reading Guarantee.
2. The requirement that adopted diagnostic assessments be aligned with the state model curriculum and with state academic standards for first and second grade in writing and mathematics, and for third grade in writing.
3. The requirement that blank copies of diagnostic assessments be public records and that upon completion of each assessment, the Department must inform each public school of its completion and make the assessment available to that district or school.

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<sup>55</sup> See R.C. 3313.90; 3333.162, not in the act.

Under the act, all public schools must use the assessments adopted or approved by the Department and must administer the diagnostic assessments by September 30 of each year, beginning with the 2026-2027 school year. The act also eliminates the exemption from public schools having to administer diagnostic assessments to students with significant cognitive disabilities and, instead, requires schools to administer diagnostic assessments to such students in accordance with guidelines adopted by the Department.

Finally, under the act, each district and school must utilize and score each diagnostic assessment in accordance with rules established by the Department.

### **Kindergarten readiness assessment**

(R.C. 3301.0714, 3301.0715, and 3302.03)

The act requires public schools to administer the kindergarten readiness assessment (KRA) to each kindergarten student between July 1 of the school year in which the student enrolls in kindergarten and the 20<sup>th</sup> day of instruction of that school year. Each school must utilize and score the KRA in accordance with rules established by the Department of Children and Youth.

Continuing law requires each public school to report the results of diagnostic assessments administered to each student enrolled in grades K-3. The act eliminates an exemption from reporting the results of kindergarten students if the student's parent requests the school not to report the results. It also eliminates the requirement that the Department of Education and Workforce disaggregate the results of kindergarten students by race and socioeconomic status. In addition, it limits the requirement that chartered nonpublic schools report KRA results so that they only have to report them to the Department of Children and Youth, rather than both that Department and the Department of Education and Workforce as under prior law.

The act eliminates the requirement that the Department of Education and Workforce include data from the kindergarten readiness assessment on the district or school's state report card.

### **State assessments as public records**

(R.C. 3301.0711)

Beginning with state assessments administered in the spring of the 2025-2026 school year, the act eliminates the requirement that at least 40% of questions on the assessment used to compute a student's score be made a public record. Instead, the Department must determine which questions, if any, are a public record. The act also eliminates related out-of-date provisions that make questions on state assessments public records.

### **College-Level Examination Program (CLEP)**

(R.C. 3302.03, 3313.6013, and 3313.6114)

The act adds the College-Level Examination Program (CLEP) as a qualifier or criteria for different programs. Those include:

1. The list of programs that may be considered an “advanced standing program” at public and chartered nonpublic schools. Advanced standing programs are programs that enable students to earn credit toward a degree from a higher education institution while in high school.

2. A passing score as demonstration of post-secondary readiness on the state report card.

3. A passing score as qualification for the college ready, citizenship, science, and technology diploma seals.

The act requires that the passing score be determined by the Department of Education and Workforce.

### **Core curriculum and evidence-based reading programs**

(R.C. 3313.6028)

The act establishes a limit on the law that requires each school district, community school, and STEM school to only use core curriculum and instructional materials in English language arts from a list of high-quality curricula, materials, and programs aligned to the Science of Reading and developed by the Department. Specifically, it narrows that requirement so that it applies to core curriculum and instructional materials for students in grades pre-K through 5.

The act expressly requires each district or school to use evidence-based reading intervention programs from that list for students in grades pre-K through 12.

### **Advanced math learning opportunities**

(R.C. 3313.6032)

The act requires each school district to provide each student who achieves an advanced level of skill on either a math achievement assessment or an end-of-course exam with advanced math learning opportunities in the following school year. An “advanced level of skill” is the highest level on the range of scores a student may receive on those assessments or exams. If a student takes an advanced math course, the student must take any corresponding required achievement assessment or end-of-course exam for that course.

Under the act, “advanced learning opportunities in math” or “advanced math course” refers to learning opportunities or a course that provides academic content or rigor that exceeds the standard math curriculum for the student’s grade level, including a mathematics course that is two grade levels above the student’s current grade level.

If a district does not offer any advanced learning opportunities in math for the grade level in which the student is enrolled for the next school year, the act exempts that district from the requirement.

The act requires each district to notify the parent or guardian of a student who qualifies for advanced math learning opportunities. A parent or guardian may submit a written request to opt out the student from advanced math learning opportunities. If a parent or guardian submits an opt out request, the district is not required to provide that student with advanced math instruction.

## **High-dosage tutoring**

(R.C. 3313.608)

The act eliminates the requirement that high-dosage tutoring provided to students on reading improvement and monitoring plans by school districts, community schools, and STEM schools be provided outside of the student's regular instruction time. As a result, the act expressly permits a district or school to incorporate high-dosage tutoring into a student's regular instruction time.

The act also requires a locally approved high-dosage tutoring program to align with best practices identified by the Department.

## **High-quality tutoring program list**

(R.C. 3301.136)

When compiling the list of high-quality tutoring vendors, continuing law requires the Department to request the qualifications of public and private entities that provide tutoring programs for students. The act requires those qualifications to include program efficacy data or other evidence of program effectiveness for students who participate in the tutoring programs.

The act requires the Department to remove immediately from the list any English language arts tutoring program that the Department determines is not aligned to the science of reading or that uses a three-cueing approach.

Every three years after the initial list is posted, the Department must provide an opportunity for entities to submit their qualifications for consideration to be included in the list and post an updated list of tutoring programs on the Department's website.

## **Financial literacy instruction exemptions**

(R.C. 3313.603)

The act allows a school district, other public school, or chartered nonpublic school to adopt a policy to excuse from the financial literacy instruction graduation requirement each student who participates in a financial literacy program offered through the student branch of a credit union or by a bank during high school. A program must meet or exceed the state standards and model curriculum for financial literacy and entrepreneurship instruction and a student must participate in it for at least 60 hours of instruction to qualify for the exemption.

Under the act, by July 1, 2026, the Department must adopt and post on its website a model policy and guidelines for districts and schools to use in developing a policy.

## **V. Educators**

### **Use of seniority in teacher assignments**

(R.C. 3319.173)

The act requires each school district superintendent to assign teachers to positions based on the best interests of the district's students. It also prohibits the superintendent from using seniority or continuing contract status as the primary factor in assigning, reassigning, or

transferring teachers, regardless of whether the teacher is assigned, reassigned, or transferred voluntarily.

Under the act, these new provisions prevail over conflicting provisions of collective bargaining agreements entered into on or after September 30, 2025. As such, any current collective bargaining agreements that assign teachers based on other factors, including seniority or continuing contract status as a primary factor, are unaffected for the remainder of the agreement's duration.

## **Science of Reading professional development**

(R.C. 3319.2310)

### **Development of training course**

The act requires the Department to (1) maintain an introductory Science of Reading training course for licensed educators and (2) develop a competency-based training course that updates and reinforces educators' knowledge in the Science of Reading.

### **Training requirement**

The act requires each teacher, administrator, or speech-language pathologist employed by a school district or other public school to complete the Department's Science of Reading training as follows:

1. An individual hired as a teacher or administrator prior to July 1, 2025, must complete the training by June 30, 2030, and every five years thereafter.
2. An individual hired as a teacher or administrator on or after July 1, 2025, must complete the training within one year after the date of hire, and every five years thereafter. However, the act provides an exemption for individuals who either already completed that training or a similar training or completed appropriate coursework in the Science of Reading as part of the individual's educator or licensure preparation program, as verified by the district or school.
3. An individual employed as a school psychologist or speech-language pathologist must complete the training by June 30, 2027, and every five years thereafter.

### **Professional development**

The act requires local professional development committees to count Science of Reading training towards professional development requirements for educator licensure renewal. Additionally, a committee must permit an individual to apply any hours earned over the minimum required hours of professional development coursework for licensure renewal to the next renewal period for that license. Under continuing law, a district or school must establish a local professional development committee for the purpose of determining if a teacher's proposed coursework meets the licensure renewal requirements set by the State Board of Education.<sup>56</sup>

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<sup>56</sup> R.C. 3319.22, not in the act.

## **Educator in-service training**

(R.C. 3319.073)

### **Youth suicide awareness and prevention training**

The act requires each school district or other public school to develop its own youth suicide awareness and prevention in-service educator training curriculum instead of adopting or adapting curriculum developed by the Department. Additionally, the act eliminates the option for an educator to accomplish the training through self-review of suitable suicide prevention materials approved by the district or school.

### **Child sexual abuse training**

The act eliminates the express authorization for a district or school to have child sexual abuse in-service training for educators provided by law enforcement officers or prosecutors that have experience in handling cases involving child sexual abuse or child sexual violence. Instead, it requires each district or school to develop its own curriculum in consultation with public or private agencies or persons involved in child sexual abuse prevention or child sexual violence prevention.

## **Computer science teacher licensure**

(R.C. 3313.6033 (codifying Section 733.61 of H.B. 166 of the 133<sup>rd</sup> G.A.) and 3319.236)

The act codifies and makes permanent an exception to the general requirement that an individual be licensed in computer science to teach computer science courses. Under that exception as amended by the act, a school district, community school, or STEM school may permit a validly licensed educator to teach computer science in any of grades K-12, if, in the last five years, the educator has completed an approved professional development program that provides computer science content knowledge specific to the course the educator will teach. To continue teaching computer science under this exception, the educator must complete the program every five years in accordance with educator licensure recertification.

The superintendent or principal must approve any professional development program endorsed by the College Board, the organization that creates and administers the national Advanced Placement exams, as appropriate for the course the educator will teach. The educator may teach computer science only in the same district or school where the educator was employed upon completing the professional development program.

An individual who does not satisfy the criteria for this exception may teach a computer science course only if the individual:

1. Holds a valid license in computer science;
2. Has a licensure endorsement in computer technology and a passing score in a computer science content exam; or

3. Has an industry professional teaching license to teach computer science for up to 40 hours per week.<sup>57</sup>

The exception was initially enacted by H.B. 166 of the 133<sup>rd</sup> General Assembly and applied only to the 2019-2020 and 2020-2021 school years. Subsequent main appropriations acts extended the exception through the 2024-2025 school year.<sup>58</sup>

### **Cap on school district administrative expenses**

(R.C. 3315.063)

The act prohibits any school district board of education from using more than 15% of its annual operating budget on administrative salaries and benefits and other costs associated with the district's administrative offices.

## **VI. Community schools**

### **High-performing community school definition**

(R.C. 3313.413)

The act revises the definition of "high-performing community school" for the law regarding the right of first refusal to purchase school district property and the involuntary disposition of school district property. Under the act, a community school is high performing if it meets at least one of the following sets of conditions:

1. The community school:

a. Received a higher performance index score than the school district in which it is located on the two most recently issued state report cards; and

b. Either:

i. Received a performance rating of four stars or higher for the Progress component on its most recent report card; or

ii. Is a dropout prevention and recovery community school and did not receive a rating for the Progress component on its most recent state report card.

2. The community school serves only grades K through 3 and received a performance rating of four stars or higher for the Early Literacy component on its most recent state report card;

3. The community school has not commenced operations or has been in operation for less than one school year and:

a. The school is replicating an operational and instructional model used by another high-performing community school; and

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<sup>57</sup> R.C. 3319.236, not in the act.

<sup>58</sup> H.B. 110 of the 134<sup>th</sup> General Assembly and H.B. 33 of the 135<sup>th</sup> General Assembly.



b. The school either:

i. Has an operator that received an overall rating of three stars or higher, or a “C” or higher, on its most recent performance report; or

ii. Does not have an operator and its sponsor was rated “exemplary” or “effective” on the sponsor’s most recent evaluation.

Formerly, a “high-performing community school” was a community school that met one of the following:

1. The school received:

a. A performance rating of three stars or higher for the Achievement component on the state report card or increased its performance index score in each of the three previous years of operation; and

b. A performance rating of four stars or higher for progress on its most recent state report card.

2. Served only grades K through 3 and received either a performance rating of four stars or higher for the Early Literacy component on its most recent state report card;

3. Primarily served students enrolled in a dropout prevention and recovery program and received a rating of “exceeds standards” on its most recent state report card; or

4. Was a newly established community school implementing a community school model with a track record of high-quality academic performance, as determined by the Department.

### **Dropout prevention and recovery community schools**

(R.C. 3314.02, 3314.362, and 3314.383; conforming changes in R.C. 3301.0712, 3301.0727, 3302.03, 3302.034, 3302.20, 3314.013, 3314.016, 3314.017, 3314.034, 3314.05, 3314.261, 3314.29, 3314.35, 3314.351, 3314.46, 3314.361, 3314.38, 3314.381, 3314.382, 3317.163, 3317.22, and 3319.301)

Continuing law establishes various provisions that apply to community schools that specialize in serving students enrolled in school-operated dropout prevention and recovery programs (the “DOPR law”).

The act limits the application of the DOPR law so that it applies to community schools that enroll only students who are between ages 14 and 21, and who, at the time of their initial enrollment, are at least one grade level behind their cohort age groups or experience crises that significantly interfere with their academic progress such that they are prevented from continuing their traditional educational programs. Under prior law, the DOPR law generally applied to community schools in which a majority of students were enrolled in a school-operated dropout prevention and recovery program.

The act permits a community school that the DOPR law applied to under prior law, but which does not meet the new requirements, to continue to operate for the 2025-2026 and 2026-2027 school years. However, on and after July 1, 2027, each such school must meet the new requirements.

Prior to that date, each school that does not meet the new requirements, upon approval of the school's sponsor, must (1) transfer those grades that do not comply to a separate community school or (2) cease offering those grades. The Department must assign a unique internal retrieval number to any separate community school created. Schools must assist students who are not eligible to attend a under the new requirements with transferring to the separate community school or enrolling in a different school.

### **Sponsor evaluations**

(R.C. 3314.016 and Section 733.70; conforming changes in R.C. 3314.021 and 3314.034)

#### **Academic performance component calculation**

The act excludes all community schools whose contracts were not renewed or terminated by their sponsor before the sponsor's evaluation from the calculation of the academic performance component of the evaluation. Continuing law already excludes from that calculation schools that have been in operation for less than two full school years and certain schools that enroll a majority of children with disabilities receiving special education and related services.

#### **Peer review**

The act eliminates the Department's authority to permit a peer review of a sponsor evaluation's adherence to quality practices component.

#### **Sponsor evaluation cycles**

The act prohibits the Department from evaluating entities with an overall rating of "exemplary" for five full school years and entities with a rating of "effective" for three full school years after the rating was received. Prior law required them both to be evaluated once every three years.

The act qualifies a community school sponsor with an overall rating of "exemplary" for specified incentives under continuing law, rather than requiring the sponsor to receive an overall rating of "exemplary" for the two most recent years for which the sponsor was evaluated to qualify as under former law.

The act also requires the Department to annually publish academic performance data for each sponsor, regardless of whether the sponsor is being evaluated for that school year. Finally, it requires the Department to evaluate all community school sponsors for the 2025-2026 school year and to use these ratings to determine the sponsor's evaluation cycle.

#### **Office of Ohio School Sponsorship evaluation**

The act prohibits the Department from including Alternative Education Academy (OHDELA) in the academic component calculation of the sponsor evaluation for the Office of Ohio School Sponsorship for the 2025-2026 and 2026-2027 school years. However, that school must be included in that component if the Office continues to sponsor it after the 2026-2027 school year.

## **Community school opening assurances**

(R.C. 3314.19)

The act reduces from ten to five the number of days prior to opening for its first year of operation or first year of operation from a new building that a community school sponsor must provide prescribed assurances to the Department. Under continuing law, a sponsor must submit the list of assurances for each school once when the school first opens for operation and, in the case of a brick-and-mortar school, once again if it begins operating from a new building.

The act also requires the sponsor of a community school that adds a facility to an existing location, or an internet- or computer-based community school that changes its location or adds a satellite location, to provide the prescribed assurances at least one day prior to the operation in the new facility.

## **Multiple facilities**

(R.C. 3314.05; conforming changes in R.C. 3314.411 and 3314.191)

The act permits any community school to maintain multiple facilities in more than one school district under the same contract. Prior to this change, a community school generally could be established in only one school district under the same sponsorship contract.

As under continuing law, the governing authority of a community school that maintains facilities in more than one school district must designate one of those districts to be considered the school's primary location and to notify the Department of that designation. If the governing authority elects to modify a community school's primary location, it must notify the Department of that modification.

## **Contracts and comprehensive plans**

(R.C. 3314.03; conforming changes in R.C. 3314.015, 3314.021, 3314.034, and 3314.07)

The act eliminates the requirement that each community school submit a comprehensive plan to its sponsor. Instead, it requires that plan's provisions to be included in the contract between the school's sponsor and governing authority. Under continuing law, those provisions include the following:

1. The process for future governing authority member selection;
2. The management and administration of the school;
3. If the community school is a currently existing public school or educational service center building, alternative arrangements for students who choose not to attend the converted school and for teachers who choose not to teach in the school or building after conversion;
4. The instructional program and educational philosophy of the school; and
5. Internal financial controls.

## **Classical schools and assessment administration**

(R.C. 3301.0711)

The act permits a classical school to generally administer paper assessments in a paper format. However, any student whose individualized education program (IEP) or plan developed under Section 504 of the federal Rehabilitation Act of 1973 specifies that taking the assessment in an online format is an appropriate accommodation for the student may take the assessment in an online format. Under the act, a “classical school” is a community school that is a member of the Ohio Classical School Association or its successor organization and uses a curriculum substantially similar to that of a nationally recognized classical school network.

## **Community school FTE reporting**

(Section 5 of H.B. 554 of the 134<sup>th</sup> G.A., amended in Sections 630.30 and 630.31)

The act extends through the 2025-2026 school year the option for a qualifying community school to elect to report its number of students to the Department on a full-time equivalent basis using the lesser of:

1. The maximum full-time equivalency for the portion of the school year for which a student is enrolled in the school; or
2. The sum of  $\frac{1}{6}$  of the full-time equivalency based on attendance for the portion of the school year for which a student is enrolled and  $\frac{1}{6}$  of the full-time equivalency for each credit of instruction earned during the enrollment period, up to five credits.

For more information on the provision and the community schools that qualify under it, see the [LSC Final Analysis \(PDF\)](#) for H.B. 554 of the 134<sup>th</sup> General Assembly, which is also available at [legislature.ohio.gov](http://legislature.ohio.gov). H.B. 33 of the 135<sup>th</sup> General Assembly extended this provision through the 2024-2025 school year.

## **VII. School policies**

### **Absence intervention, truancy, and chronic absenteeism**

The act substantially modifies the process in which school districts, brick-and-mortar community schools, and STEM schools must engage when addressing student absences by replacing several more structured statutory requirements and timelines related to the absence intervention process with a similar set of district-led requirements. It also makes other changes.

#### **District and school responsibilities for student absences**

(R.C. 3321.191, repealed and reenacted, and 3321.19; conforming changes in R.C. 2151.27, 3320.04, and 3321.16)

The act repeals the structured statutory requirements and timelines related to the absence intervention process established under prior law. Instead, it replaces that process with a requirement to adopt a policy in consultation with the juvenile court that:

1. Acknowledges that student absences from school for any reason, whether excused or unexcused, take away from instructional time and have an adverse effect on student learning;

2. Identifies strategies to prevent students from becoming chronically absent;
3. Includes procedures for notifying a student's parent, guardian, or custodian, when the student has been absent from school for a number of hours determined by the board, which cannot exceed 5% of the minimum number of hours required in the school year;
4. Establishes a tiered system that provides more intensive interventions and supports for students with greater numbers of absences and includes resources to help students and their families address the root causes of the absences;
5. Provides for one or more absence intervention teams to work with students at risk of becoming chronically absent and their families to improve the students' attendance at school;
6. Prohibits suspending, expelling, or otherwise preventing a student from attending school based on the student's absences; and
7. Permits consultation or partnering with public, nonprofit, or private entities to provide assistance to students and families in reducing absences.

### **Chronic absenteeism definition**

(R.C. 3321.191(A))

The act defines "chronically absent" as missing at least 10% of the minimum number of hours required in the school year, regardless of whether the absence is excused or unexcused.

### **Grade level promotion**

(R.C. 3313.609)

The act eliminates a policy requirement that, as a condition of generally subjecting a student to retention rather than grade level promotion, a school district or community school determine whether that student has been absent without excuse for more than 10% of the required attendance days of the school year.

### **Filing truancy complaint in juvenile court**

(R.C. 3321.16; conforming changes in R.C. 3321.22)

As part of its repeal of the structured statutory requirements and timelines related to the absence intervention process, the act eliminates the requirement that if the student's absences persist after the school has made meaningful attempts to reengage the student, the school must file a complaint in juvenile court not later than 61 days after the absence intervention team's plan was implemented. Instead, the act requires a complaint only if the school district determines that the student is not making satisfactory progress in improving the student's attendance at school. When a complaint is filed, it must allege that the child is an unruly child for being an habitual truant and that the parent or guardian has violated the duty to cause the child to attend school.

Under continuing law, an “habitual truant” is a student of compulsory school age who is absent *without legitimate excuse* for 30 or more consecutive hours, 42 or more hours in one school month, or 72 or more hours in a school year.<sup>59</sup>

### **Student absences for driver education**

(R.C. 3321.043)

Under the act, a school district must excuse up to eight hours of absences for the sole purpose of a high school student attending a private driver training course approved by the Director of Public Safety. The allotment must not exceed two hours per day for not more than four consecutive or nonconsecutive days. The district must require the student to complete any classroom assignments missed during that time.

The act prohibits a student from being released from a core curriculum subject course to attend the driver education course.

### **Student cellphone use**

(R.C. 3313.753 and 5502.262)

The act requires each public school’s (any school district, community school, STEM school, or college-preparatory boarding school) policy governing the use of cellphones by students during school hours to outright prohibit student cellphone use during the instructional day. This prohibition replaces the requirement imposed by H.B. 250 of the 135<sup>th</sup> General Assembly, effective August 14, 2024, to adopt a cellphone policy that (1) emphasizes limited use during school hours and (2) reduces use-related distractions in classroom settings.

The act maintains an exception that permits cellphone use for student learning or to monitor or address a health concern if determined appropriate by the school’s governing body or if that use is included in a student’s individualized education program (IEP) or section 504 plan. The act also permits a student to use a cellphone or other electronic communications device to monitor or address a health concern if the school receives a written statement from the student’s physician requiring such use.

Each school that does not already have a compliant policy must adopt one by January 1, 2026. The act also eliminates the requirement that the Department develop a model policy that accounts for available research on the effects of student cellphone use in school settings.

### **Emergency management plan protocol**

Under the act, each public school administrator must include a protocol that addresses student cellphone use during an active threat or emergency in the comprehensive emergency management plan for each building under the administrator’s control. The act suspends the cellphone prohibition for a school building during an active threat or emergency if the building’s comprehensive emergency management plan permits it.

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<sup>59</sup> R.C. 2151.011(B)(18), not in the act.

## **Artificial intelligence policies**

(R.C. 3301.24; conforming changes in R.C. 3314.03, and 3326.11)

The act requires the Department to develop a model policy on the use of artificial intelligence in schools by December 31, 2025. The policy must address appropriate use of artificial intelligence by students and staff for educational purposes.

By July 1, 2026, each school district, community school, and STEM school must adopt an artificial intelligence policy. Districts and schools may choose to adopt the model policy created by the Department.

## **Religious instruction released time policy**

(R.C. 3313.6022)

The act requires each school district, under its released time courses in religious instruction policy established under continuing law, to add minimum and maximum time parameters that:

1. Permit students to attend such a course for at least one period a week; and
2. Limit that attendance to no more than two periods per week for elementary or middle school students and no more than two units of high school credit per week for high school students.

Under the act, a school's policy also cannot prohibit students from bringing external educational and program materials into school.

## **Interdistrict open enrollment policies**

(R.C. 3313.98)

### **Enrollment of military students**

The act prohibits a school district from requiring a student whose parent is an active duty member of the U.S. armed forces stationed in Ohio to comply with any application deadline established in the district's interdistrict open enrollment policy.

### **Objection to students enrolling in other districts**

The act eliminates a school district's authority to adopt a resolution to object to its resident students open enrolling into another district if it is receiving federal Impact Aid under a repealed federal law and at least 10% of its students meet the requirements to be included in the calculation of that aid.

## **VIII. Transportation**

### **Community school transportation consortium**

(R.C. 3314.093)

The act permits the governing authorities of two or more community schools to enter into an agreement to establish a consortium to provide or arrange transportation to and from school for students enrolled in participating schools. A consortium must act on behalf of each

participating school regarding student transportation and comply with continuing law on student transportation in the same manner as a community school.

A consortium may do both of the following in the same manner as a community school:

1. Enter into an agreement with a school district that has resident students enrolled in a participating school, under which the consortium accepts responsibility to provide or arrange for the transportation of those students;
2. Unilaterally accept responsibility for the transportation of students enrolled in participating schools.

A consortium must designate one of the participating schools as a fiscal agent. The fiscal agent must use the Department's data collection system to report all combined data necessary for the Department to calculate transportation payments for the consortium. The Department must calculate and make transportation payments to a consortium in the same manner as for a community school.

### **Student transportation via mass transit system**

(R.C. 3327.017)

The act requires a city, local, or exempted village school district located in a county with a population between 530,000 and 540,000 according to the most recent federal decennial census (currently only Montgomery County) and that uses mass transit systems to transport students to and from a community school or chartered nonpublic school to ensure that any transfer between routes does not occur at the central hub for the mass transit system. The act does not specify a particular school year or special effective date for the requirement. However, the new requirement would not impact any current contracts between a school district and a mass transit system for student transportation until those contracts are renewed or a new contract is entered after September 30, 2025.

### **Multifunction school activity buses**

(R.C. 3327.08, 3327.10, 4511.01, 4511.75, 4511.76, 4511.77, 4511.771, and 4511.78)

The act authorizes school districts, chartered nonpublic schools, and community schools to purchase and use a multifunction school activity bus to transport students between school and other school-related functions or activities (e.g., field trips, sports competitions, club events, etc.). A multifunction school activity bus is a type of school bus; however, it does not include the traffic control devices like a stop-arm or the typical school bus flashing lights.



*Multifunction school activity buses. Photo credit: Thomas Built Buses, [thomasbuiltbuses.com](http://thomasbuiltbuses.com).*



In compliance with federal law and because a multifunction school activity bus does not have the requisite safety equipment to control traffic, the act prohibits it from being used to transport students between school and home or between school and designated bus stops.<sup>60</sup>

Other than not being used for regular bus routes, the requirements and authorizations for multifunction school activity buses are similar to regular school buses. For example, a driver of a multifunction school activity bus must meet all the standards of a regular school bus driver (e.g., hold a valid commercial driver's license, pass the requisite background checks, and complete specified student transportation training). Additionally, a school board or a governing authority of a chartered nonpublic school or community school may purchase a multifunction school activity bus in the same manner as a regular school bus.

### **Student transportation workgroup**

(Section 733.80)

The act requires the Director of Education and Workforce to establish a workgroup on student transportation. The workgroup must consist of members selected by the Director, including representatives from:

1. The chairs and ranking members of the House and Senate Education Committees;
2. School districts, including districts from rural, small town, suburban, and urban typologies;
3. Career-technical education centers;
4. Educational service centers;
5. Community schools;
6. Chartered nonpublic schools; and
7. The Ohio Association for Pupil Transportation.

The workgroup must monitor and review the student transportation system during the 2025-2026 school year and develop recommendations for changes to better meet the transportation needs of Ohio students. It also must conduct a study of and develop recommendations on the feasibility of each school district providing transportation to students enrolled in a community school or nonpublic school on days that the community school or nonpublic school is open for operation with students in attendance, but the district is not. The workgroup must submit a report on its findings and recommendations to the Governor and the General Assembly by June 30, 2026, and disband after submitting the report.

### **Pupil Transportation Pilot Program**

(Section 265.550 of H.B. 33 of the 135<sup>th</sup> G.A., as amended in Sections 620.10 and 620.11)

The act extends the operation of the Montgomery County Pupil Transportation Pilot Program to the 2025-2026 and 2026-2027 school years. Under the pilot program, an educational

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<sup>60</sup> 49 C.F.R. 571.3, 571.108, and 571.131.

service center provides transportation to qualifying students in lieu of the students receiving transportation from their resident school district. For more information on the pilot program, see the LSC [Final Analysis for H.B. 33 \(PDF\)](#), which is available on the General Assembly's website: [legislature.ohio.gov](http://legislature.ohio.gov).

The act additionally requires the Department of Education and Workforce to evaluate the Montgomery County Pupil Transportation Pilot Program and issue a report of its findings by September 15, 2027.

## **Rural Transportation Grant Program**

(Section 265.600)

The act creates the Rural Transportation Grant Program for FYs 2026 and 2027. Under the program, the Department of Education and Workforce must award rural transportation grants to dropout prevention and recovery community schools that meet both of the following requirements:

1. More than 75% of the school's students are economically disadvantaged, as determined by the Department; and
2. The school's territory is in three counties and contains more than 12 school districts.

The Department must determine the amount of each grant, but a grant cannot exceed \$450,000 for any fiscal year. Schools must use the grants for student transportation.

## **Bus purchasing grants**

(R.C. 3317.071, repealed)

The act eliminates the bus purchasing grant program, under which the Department last distributed grants to city, local, and exempted village school districts in FY 2022 and FY 2023.

## **IX. Other**

### **State report card – Early Literacy component**

(R.C. 3302.03)

Under continuing law, the percentage of students promoted to fourth grade under the Third Grade Reading Guarantee is a performance measure for the Early Literacy component for public schools' state report card. The act revises the measure so that it is based only on students who attain a promotion score on the third grade English Language Arts assessment or an alternative assessment, rather than any student who attains a promotion score or otherwise qualifies for an exemption from retention as under former law.

### **Demand side educator employment data**

(R.C. 3301.82)

#### **Collection of data**

Beginning September 30, 2026, the act requires the Department annually to collect school district, community school, and STEM school employment and vacancy data for:

1. Teachers;
2. Related services providers and other providers of specialized services;
3. Principals and assistant principals;
4. Paraprofessionals;
5. Bus drivers; and
6. Any other positions as determined by the Department.

**Report aggregate data**

The act requires the Department to report the number of vacant positions aggregated by:

1. Type of position;
2. Subject area;
3. Geographic area, including rural and urban areas;
4. The number of educator positions filled by long-term substitute teachers, unlicensed individuals, or educators with emergency credentials disaggregated by school, grade level, and endorsement;
5. The reasons why a position was vacant, which may include:
  - a. Retirement;
  - b. New position;
  - c. Repeated poor teacher evaluations;
  - d. Position is no longer necessary;
  - e. Reduction in force.
6. Methods used to fill vacant positions, which must include:
  - a. Hiring of short- or long-term substitutes;
  - b. Hiring retired educators;
  - c. Hiring educators from alternative licensure program candidates;
  - d. Contracting with an educational service center or other entity;
  - e. Hiring personnel with emergency credentials or who are unlicensed; and
  - f. Other methods determined by the Department.
7. Positions that remain unfilled.

**Statewide data on educators**

The act also requires the Department annually to collect and report the following statewide data on educators:

1. Educator preparation program enrollment and completion data annually, disaggregated by endorsement area and grade level;
2. The number of new educator licenses issued by the State Board of Education annually, disaggregated by licensure pathway and including those issued through reciprocity with another state;
3. Educator retention at one-year, three-year, five-year, and ten-year rates; and
4. Educator demographic data aggregated at the district and state level.

### **Publish collected data**

The Department annually must publish and summarize the collected data on its public website. To the extent possible, the Department must report that data at the state, district, and school level.

### **Competency-based adult education programs**

(R.C. 3313.902, 3314.38, and 3345.86, all repealed and reenacted; R.C. 3317.036, 3317.23, 3317.231, and 3317.24, all repealed; conforming changes in R.C. 3317.01; Section 733.20)

### **Eliminate existing programs**

The act eliminates the Adult Diploma Program and 22+ Adult High School Diploma Program, effective July 1, 2026. The act allows individuals enrolled in those programs to complete their program in accordance with its requirements prior to its repeal, so long as they complete it by June 30, 2027. Alternatively, beginning July 1, 2026, the act allows an individual to instead complete a competency-based program as established in it. The Department is required to pay an eligible institution or eligible provider as required by the program an individual completes.

### **Competency-based educational programs**

#### ***Definition***

Under the act, a “competency-based educational program” is any system of academic instruction, assessment, grading, and reporting in which individuals receive credit based on demonstrations and assessments of their learning rather than the amount of time they spend studying a subject. A competency-based educational program must encourage accelerated learning among individuals who master academic materials quickly while providing additional instructional support time for individuals who need it.

#### ***Providers***

The act permits a city, local, or exempted village school district or community school that operates a dropout prevention and recovery program, the Buckeye United School District operated by the Department of Youth Services, the Ohio Central School System operated by the Department of Rehabilitation and Correction, a joint vocational school district that operates an adult education program, a community college, a state community college, a technical college, a university branch campus, or an Ohio technical center (“provider”) to establish a competency-based educational program for eligible individuals to earn a high school diploma.

An individual is eligible to enroll in a competency-based education program if they are at least 18 years old, have officially withdrawn from school, and have not been awarded a high school diploma or certificate of high school equivalence. Eligible individuals are prohibited from being assigned to classes or setting with individuals who are under age 18.

A provider may enroll an individual for up to three consecutive school years. In the event of a hardship experienced by the individual, a provider may request that the Department allow additional time to meet the diploma requirements.

A provider must comply with standards adopted by the Department and establish a career plan for each individual enrolled in the program that specifies their career goals and describes how the individual will demonstrate competency or earn course credits to earn a diploma and attain career goals.

The provider must report each individual enrolled in this program to the Department. Further, the provider must contact each diploma recipient to collect data on the individual's career outcomes at 6, 12, and 18 months after the diploma is awarded. This must include whether the individual is gainfully employed, participating in an apprenticeship, enrolled in postsecondary education, or servicing in the military, and the data collected must be reported to the Department.

### ***High school diploma requirements***

An individual enrolled in a program may earn a diploma by either completing three demonstrations of competency or completing two demonstrations of competency and completing course credits in specified subject areas.

Demonstrations of competency include:

1. Attaining a competency score, as determined by the Department, on the Algebra I or English language arts II end-of-course exams;
2. Attaining a workforce readiness score, as determined by the Department, on the nationally recognized job skills assessment (WorkKeys);
3. Obtaining an industry-recognized credential, or group of credentials, that qualify the student for a high school diploma or an industry-recognized credential that is aligned to a technical education program provided by Ohio technical center;
4. Earning a cumulative score of proficient or higher on three or more state technical assessments (WebXams);
5. Completing a pre-apprenticeship program aligned with the student's career field and then providing evidence of acceptance into a registered apprenticeship in that field, or completing an apprenticeship registered with the Ohio State Apprenticeship Council;
6. Completing 250 hours of work-based learning experience with evidence of positive evaluations; or
7. Obtaining an OhioMeansJobs-readiness seal.

The course credits include:

1. Four credits in English language arts;
2. Four credits of math, one credit of which may be a career-based math course aligned to the individual's career plan;
3. Three credits in science;
4. Three credits in social studies; and
5. One-half credit in financial literacy, which may be applied to the number of math or social studies credits.

An individual who qualifies for a diploma using three demonstrations of competency must either attain a competency score on Algebra I and English language arts II end-of course exams or attain a workforce readiness score on the WorkKeys. A student who qualifies for a diploma using two demonstrations of competency and course credits may use any two demonstrations of competency.

### ***Department responsibilities***

The Department must adopt rules as necessary to administer the program, such as program standards, requirements for determining amounts paid to providers, and guidelines for approving hardship requests for program participants. Annually, the Department must certify the enrollment and attendance of each individual and pay the provider up to \$7,500 per school year based on the extent of the individual's completion of diploma requirements. The Department must award a high school diploma to individuals who successfully qualify for one under the program.

### **Aim Higher Pilot Program**

(Section 265.560)

The act requires the Department to establish the Aim Higher Pilot Program to provide additional funding to each joint vocational school district (JVSD) that operates a dropout prevention and recovery program (DOPR) in FY 2026. To participate, an eligible JVSD must notify the Department of its intent to participate.

The Department must pay each participating JVSD the following for each newly enrolled student in the JVSD's DOPR in FY 2026 or FY 2027: \$500 for each credit earned and \$2,500 for each completed industry-recognized credential, or group of credentials, that meet the criteria to help the student qualify for a high school diploma. For each JVSD with a DOPR program in its first three years of operation and that requests it, the Department must also pay a one-time grant of \$250,000. A JVSD that receives the one-time grant must designate \$175,000 for career-technical education equipment and \$75,000 of the grant for building renovation. A JVSD must spend any of the payments it receives under the pilot program by July 1, 2027.

### **Ohio Code-Scholar Program**

(R.C. 3313.905)

The act replaces the five-year Ohio Code-Scholar Pilot Program established in 2021 with a permanent program and prescribes that the program be a hands-on educational initiative

designed for students in grades 4 through 12 with an emphasis on experiential learning in computer science, coding, and digital literacy. Under the act, Southern State Community College facilitates the program, and the act outlines permissible uses of the program's appropriation.

### **Use of program funds**

The act permits funds to be used for curriculum development and alignment, teacher training and resource creation, coordination with K-12 schools statewide, and partnership development with other educational institutions, workforce agencies, and regional employers. Program funds may also be used to implement and scale the program statewide, prioritizing outreach to underserved and rural areas, particularly within Ohio's Appalachian region. Finally, the funds may be used to provide ongoing institutional support for Southern State Community College, including operational needs that enhance its educational mission, technology and infrastructure upgrades, community outreach, and services that strengthen the college's regional impact in the Appalachian corridor.

### **Annual report**

Southern State must submit an annual report to the Director of Education and Workforce and the General Assembly by June 30 that includes (1) the number of students and districts served by the program, (2) progress toward statewide implementation, (3) regional economic and educational impact, and (4) use of funds for both programmatic and general operational support.

### **Departmental oversight**

The act requires the Director of Development to oversee the allocation and use of funds and permits the Director of Education and Workforce to establish guidelines to ensure compliance with the act.

### **Payment of tuition for students in residential treatment facilities**

(R.C. 3313.64)

The act addresses payment of tuition for educational services when a child is placed in a home located in a district different from the district where the child's parent resides (or a similarly licensed facility in another state). For purposes of determining district residency, a "home" is a foster home, a group home, or a residential facility. In this case, the school district where a child's parent resides must pay tuition to the home or facility if (1) the child was parentally placed in the home or facility in consultation with, and upon the recommendation of, the Ohio Resilience through Integrated Systems and Excellence Program (OhioRISE) and (2) the home or facility provides education services that meet the minimum education standards established by the Director of Education and Workforce (or substantially similar requirements of the jurisdiction in which an out-of-state facility is located), except that reduction in the minimum number of instructional hours is permitted only as necessary to accommodate the child's treatment program.

## **Notice of admission and collaborative reentry plan**

When a child is admitted to a home or out-of-state facility, it must notify the district where the child's parent resides and the district where the home or facility is located that the home or facility will be provided educational services to the child until the child is discharged. When the child is discharged, the home or facility must notify the district where the child's parent resides and collaborate on a supportive reentry plan.

## **Payment structure**

The act requires the district where the parent resides to continue to enroll the student and excuse the child from attendance until the child is discharged. The total educational cost the district must pay will be determined by a formula approved by the Department. The Department must design the formula to calculate a per diem cost for the educational services provided each day. The formula also must reflect the total actual cost incurred in providing those services. The Department must certify that cost to both the home or facility and the district responsible for tuition. The act requires the Department to deduct the certified amount from the state basic aid funds payable to the responsible district and pay that amount to the home or facility. The district must continue to report the child in its enrollment for funding purposes.

## **Change in parent's residence**

The act provides that if the parent's residence changes during the child's stay the Department may re-determine the responsible school district based on evidence provided by the district currently responsible for tuition.

## **Discharge procedures**

When a child is discharged, the home or facility must immediately notify the responsible district and the Department and provide both parties with a certified transcript of all coursework completed during the child's admission. The responsible district must accept all completed coursework and award credit in accordance with the district's policy.

## **Diploma requirements**

When a high school student is discharged and returns to the parent's residence, the child must meet requirements for receiving a high school diploma that are no more stringent than those that apply to students who enroll in a public or chartered nonpublic high school after receiving a home education.<sup>61</sup>

## **State scholarship recipients**

Finally, the act exempts a school district from the responsibility to pay tuition for a child admitted to a home or facility who has been awarded a state scholarship.

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<sup>61</sup> See R.C. 3313.618; R.C. 3321.042, not in the act.



## **School district operational revenue and expenditure report**

(R.C. 5705.391; conforming changes in R.C. 3313.489, 3316.031, 3316.043, 3316.08, 3316.16, and 5705.412; Section 265.660)

The act eliminates the requirement that each school district annually submit five-year projections of operational revenue and expenses and, instead, requires them to submit appropriations, revenue, and fund balance assumptions contained in the district's budget for that year, in addition to projections of expenditures, revenues, and fund balances for the three succeeding fiscal years. Each district must submit this information by August 31 of each fiscal year and updated information and projections by the last day of February. For FY 2026, districts must make the initial submission by October 15, 2025.

The Department and the Auditor of State must jointly adopt rules governing the submission of current budget information and three-year projection submissions. The rules must specify the information required for the submissions and any additional financial and operating information necessary for the audits and analyses conducted by the Auditor of State or the Department, including special and federal funds expenditures, revenues, and balances.

The Department and the Auditor of State, beginning with submissions for FY 2026, must label the projections regarding property tax allocation in the projection as "state reimbursement for property tax credits," rather than "state share of local property taxes" as under former law.

The act also adds current budget information to provisions of law where a district's three-year forecasts are used or required, including for determinations of the district's financial solvency. The act also requires the Auditor of State or the Department to examine the current budget information and three-year projections to determine whether a district has the potential to incur a deficit during the first two years of the three-year period, rather than the first three years of the five-year period, as under former law.

## **Contracts for school district construction projects**

(R.C. 3313.46)

The act expands the types of school district construction projects that are subject to the contract bidding process prescribed under continuing law. The act applies the contract bidding process to any "building or other property," rather than any "school building" as under prior law, that will exceed the statutory competitive bidding threshold.

## **Participation in interscholastic athletics at a different school**

(R.C. 3313.5313)

The act modifies the eligibility criteria for students who are victims of certain qualifying offenses to participate in interscholastic athletics at a different school. Specifically, it eliminates the eligibility of public and nonpublic school students but maintains the eligibility of home-educated students.

Under continuing law, a qualifying offense includes any of the following committed by a school official, employee, volunteer, or another student:

1. Harassment, intimidation, or bullying;<sup>62</sup>
2. An offense of violence;<sup>63</sup>
3. A violation of state importuning law;<sup>64</sup>
4. An attempt to commit an offense of violence or to violate state importuning law;

5. Conduct by a school official, employee, or volunteer that violates that Licensure Code of Professional Conduct for Ohio Educators developed by the State Board of Education. See the [Licensure Code of Professional Conduct for Ohio Educators \(PDF\)](#), which is available on the State Board of Education website: [sboe.ohio.gov](http://sboe.ohio.gov).

## **Participating in ice hockey at other schools**

(R.C. 3313.536)

The act permits the superintendent of a school district to allow a student enrolled in another district the opportunity to participate in ice hockey as an interscholastic athletic activity at a school within the superintendent's district if:

1. The district in which the student is enrolled does not offer ice hockey as an interscholastic athletic activity;
2. The district in which the student is enrolled is located less than 20 miles away from the superintendent's district; and
3. The superintendents of both districts enter into an agreement approving the student's participation in ice hockey at the district in which the student is not enrolled.

The act expressly states that the student does not have to be enrolled in or a resident of the district offering ice hockey to participate. However, the student must be of the appropriate age and grade level for the school at which the student participates in ice hockey, as determined by the superintendent of that district, and to fulfill and be subject to the same academic, nonacademic, and financial requirements as any other participant, including trying out for a position on the team.

## **Online learning schools**

(R.C. 3302.42)

The act explicitly permits a school district that operates an online learning school to employ teachers and nonteaching employees for that school or to contract with a nonprofit or for-profit entity to operate it, including by providing personnel, related services, curriculum, supplies, equipment, or facilities.

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<sup>62</sup> R.C. 3313.666, not in the act.

<sup>63</sup> R.C. 2901.01, not in the act.

<sup>64</sup> R.C. 2907.07, not in the act.

## **Public entities and preschool children with disabilities**

(Section 265.190)

The act mandates that the Department require certain public entities that serve preschool children with disabilities to adhere to the Step Up to Quality Program, Ohio's quality rating and improvement system for early learning and development programs. Those entities include educational service centers (ESCs), county boards of developmental disabilities, specified other state institutions, and qualifying school districts. A school district that serves preschool special education students is exempt from the requirement unless it receives funds under the Early Childhood Education Grant Program or provides publicly funded childcare.

The last several main operating appropriations acts have had similar mandates but, under those mandates, the Department had to require *all* school districts, ESCs, county boards of developmental disabilities, and specified state institutions serving preschool children with disabilities to:

1. Adhere to Ohio's early learning program standards;
2. Participate in the Step Up to Quality Program; and
3. Document child progress using research-based indicators prescribed by the Department and annually report the results.<sup>65</sup>

Under continuing law, the Department must make annual payments for preschool children with disabilities who are enrolled in city, local, and exempted village school districts and special education programs at institutions under the jurisdiction of the departments of Behavioral Health, Development Disabilities, Youth Services, and Rehabilitation and Correction. The Department also must make a payment to an ESC or county board of development disabilities that provides services to preschool children with disabilities under an agreement with a city, local, or exempted village school district using funds deducted from the school district.<sup>66</sup>

## **Aspire Program transfer**

(Section 525.60)

The act requires the transfer of the Aspire Program's administration from the Department of Higher Education (ODHE) to the Department of Education and Workforce (DEW) by July 1, 2026.

The Aspire Program provides grants to eligible education providers to develop and administer courses for adults that focus on instruction in basic literacy, workplace literacy, family literacy, English for speakers of other languages (ESOL), and preparation for high school equivalency tests. The program is funded through the U.S. Department of Education under the

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<sup>65</sup> See Section 265.240 of H.B. 33 of the 135<sup>th</sup> General Assembly, Section 265.190 of H.B. 110 of the 110<sup>th</sup> General Assembly, Section 265.190 of H.B. 166 of the 133<sup>rd</sup> General Assembly, and Section 265.190 of H.B. 49 of the 132<sup>nd</sup> General Assembly.

<sup>66</sup> R.C. 3317.0213. See also R.C. 3323.091, not in the act.

Adult Education and Family Literacy Act (Title II of the Workforce Innovation Opportunity Act) and state matching funds.

By July 1, 2026, the DEW Director and the Chancellor of Higher Education must identify the duties, functions, and staff resources within ODHE that pertain to the program. The Director and Chancellor may enter into a memorandum of understanding to implement the transfer of those duties, functions, and resources and the transfer of any responsibilities required to obtain federal grant funds to support the program.

### **Transfer of employees**

All employees whose primary responsibilities include administering the Aspire Program and staff resources used to administer it transfer to DEW, as determined by the DEW Director. Subject to the layoff provisions of the State Personnel Law, transferred employees who are not subject to the Public Employees Collective Bargaining Law (PECBL) are assigned job classifications as discussed below. Transferred employees retain their accrued benefits. The DEW Director may do any of the following with respect to transferred employees:

- Establish, change, and abolish positions whose primary responsibilities include administering the Aspire Program;
- Assign, reassign, classify, reclassify, transfer, reduce, promote, or demote all DEW employees who are not subject to the PECBL;
- With respect to an employee who is subject to the state job classification plan but exempt from collective bargaining, assign or reassign that employee to a bargaining unit for collective bargaining purposes if the DEW Director determines that is the appropriate bargaining unit.

If an employee in the E-1 pay range is assigned, reassigned, classified, reclassified, transferred, reduced, or demoted to a position in a lower classification, both of the following apply:

- The DEW Director, or if the employee is transferred outside of DEW, the DAS Director, must assign the employee to the appropriate classification and place the employee in pay step X.
- The employee cannot receive any increase in compensation until the maximum rate of pay for that classification exceeds the employee's compensation.

Actions taken in connection with transferring employees are not appealable to the State Personnel Board of Review.<sup>67</sup>

### **OBM Director**

Pursuant to continuing law governing budget adjustments, the OBM Director must make budget and accounting changes to implement the Aspire Program's transfer. The OBM Director may rename funds, create new funds, transfer funds, consolidate funds, or make other

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<sup>67</sup> By reference to R.C. 124.152, and R.C. 124.321 to 124.328, not in the act.

administrative changes. The OBM Director may, if necessary, cancel or establish encumbrances or parts of encumbrances in FY 2027 in the appropriate funds and appropriation items for the same purposes and for payment to the same vendors. The act appropriates any encumbrances the OBM Director establishes. If necessary for the continued efficient administration of the program, the OBM Director may transfer appropriations between ODHE and DEW to continue levels of program services and efficiently deliver funding to the program as appropriated.<sup>68</sup>

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<sup>68</sup> By reference to R.C. 126.15, not in the act.