

# Greenbook

## LBO Analysis of Enacted Budget

### State Board of Education

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#### TABLE OF CONTENTS

Quick look.....	1
Agency overview .....	1
Analysis of FY 2026-FY 2027 budget .....	2
Operating Expenses (ALI 210602) .....	2
Title II A/Supporting Effective Instruction (ALI 210601) .....	3
<b>Other budget provisions .....</b>	<b>4</b>
Ohio Teacher Residency Program assessment eliminated .....	4
Licensure provisions.....	4
School district territory transfers.....	4

Attachment:

Appropriation Spreadsheet

# LBO Greenbook

## State Board of Education

### Quick look...

- The State Board of Education (SBE) licenses educators and other school staff, administers the educator disciplinary process, operates teacher and school counselor evaluation systems, and oversees school district territory transfers, among other responsibilities.
- The budget gradually reduces the State Board's membership from 19 members (11 elected and eight appointed by the Governor), to five members, all appointed by the Governor. The State Board's operations are overseen by the Superintendent of Public Instruction, who is appointed by the State Board.
- The State Board employs 57 full-time employees and issues about 140,000 educator credentials annually.
- Total appropriations: \$16.4 million in FY 2026 and \$16.9 million in FY 2027.
  - Budget sources: dedicated purpose funds (91.8%) and federal grants (8.2%).
  - The State Board receives no GRF funding.
- The budget shifts the State Board's primary operating fund from the State Board of Education Licensure Fund (Fund 4L20) to the Occupational Licensing and Regulatory Fund (Fund 4K90), a shared operating fund used by various state occupational licensing and regulatory boards.

Fund Group	FY 2024 Actual*	FY 2025 Actual*	FY 2026 Appropriation	FY 2027 Appropriation
Dedicated Purpose	\$14,805,143	\$13,935,453	\$15,010,991	\$15,519,872
Federal	\$0	\$1,109,645	\$1,355,000	\$1,355,000
Total	\$14,805,143	\$15,045,098	\$16,365,991	\$16,874,872
% change	--	1.6%	8.8%	3.1%

\*For comparison purposes, the FY 2024 and FY 2025 actuals include spending from ALI 200681, Teacher Certification and Licensure, in the Department of Education and Workforce budget, during the State Board's transition to a separate state agency.

### Agency overview

The Ohio Constitution establishes the State Board of Education and requires a Superintendent of Public Instruction to be appointed by the State Board. The selection and terms of members of the State Board, as well as the powers and duties of the State Board and the Superintendent are prescribed by law. The State Board carries out responsibilities associated with educator licensure; enrollment of educators in the Ohio Attorney General's Retained Applicant Fingerprint Database (RAPBACK), a continuous criminal record monitoring service for Ohio educators and other school staff; the educator disciplinary process; teacher and school counselor evaluation systems; the Educator Standards Board; and school district territory transfers. It also must make recommendations to the Director of Education and Workforce regarding priorities for primary and secondary education.

The budget gradually decreases the membership of the State Board from 19 members, 11 of which were elected and eight of which were appointed by the Governor, to five members who are all appointed by the Governor. The budget decreases membership by abolishing the offices of the elected State Board members when their current terms expire or the offices become vacant and by abolishing the offices of the first three appointed members whose terms expire or who vacate their offices. The budget also eliminates the requirement that the chairs of the House and Senate committees that primarily deal with education serve as nonvoting ex officio members of the State Board. One of the five remaining members must represent each of a rural, suburban, and urban school district; a community school; and a chartered nonpublic school. State Board members receive compensation for the performance of official duties and travel reimbursement.

The State Board must employ personnel to carry out its duties and powers. The Superintendent is the State Board's executive officer and may serve as an adviser to the Director of Education and Workforce. The Superintendent exercises general supervision of the State Board's employees and may appoint them, fix their salary, and terminate their employment. The State Board is staffed by 57 full-time employees.

## Analysis of FY 2026-FY 2027 budget

The State Board's operations are funded by appropriations that total \$16.4 million in FY 2026 and \$16.9 million in FY 2027 across two line items. Most of the State Board's budget (91.8%) is supported by fees. Federal funds make up the remaining 8.2% of the budget.

### Operating Expenses (ALI 210602)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
<b>Fund 4K90 ALI 210602, Operating Expenses</b>					
\$0	\$0	\$0	\$0	\$15,010,991	\$15,519,872
% change	N/A	N/A	N/A	N/A	3.4%
<b>Fund 4L20 ALI 210600, Operating Expenses</b>					
\$0	\$0	\$8,152,155	\$13,913,382	\$0	\$0
% change	N/A	N/A	70.7%	-100.0%	N/A
<b>Fund 4L20 ALI 200681, Teacher Certification and Licensure (under DEW budget)</b>					
\$12,227,102	\$12,768,475	\$6,652,988	\$22,071	\$0	\$0
% change	4.4%	-47.9%	-99.7%	-100.0%	N/A
<b>Total</b>					
\$12,227,102	\$12,768,475	\$14,805,143	\$13,935,453	\$15,010,991	\$15,519,872
% change	4.4%	16.0%	-5.9%	7.7%	3.4%

The budget establishes line item 210602, from the Occupational Licensing and Regulatory Fund (Fund 4K90), as the main source of support for the State Board of Education's operating costs beginning in FY 2026. This line item will mainly fund educator licensure activities, the educator disciplinary process, and costs for continuous criminal record monitoring of educators through the Retained Applicant Fingerprint Database (RAPBACK). The State Board issues a variety of licenses for educators, administrators, and related staff, including several alternative credentials with an accelerated pathway to licensure and supplemental licenses for educators who already hold an active license. On average, the State Board issues about 140,000 credentials annually, including renewals. As part of the educator disciplinary process, it also funds the cost of assistant attorneys general that represent the state in administrative hearings for educator misconduct and appeals.

Fund 4K90 is a shared operating fund for many occupational licensing and regulatory boards and commissions that are primarily supported by license fees, fines, penalties, and other assessments. The budget requires the State Board's operating expenses to be primarily paid from, and the fees it receives from teachers and school or district staff for licenses, certificates, and permits to be deposited into, this fund. The State Board is required to establish license fee amounts that, along with any appropriations made by the General Assembly, will be enough to cover its annual estimated operating expenses. Under former law, the State Board was required to establish fee amounts sufficient to cover the cost of operating the licensure system.

In accord with the changes to the State Board's operating funding, the budget also, at the beginning of FY 2026, transfers the cash balance of the State Board of Education Licensure Fund (Fund 4L20) to Fund 4K90 and then abolishes Fund 4L20. The State Board operated from Fund 4L20 in FY 2024 and FY 2025, the first two years that it was a separate state agency following the restructuring of K-12 education governance in H.B. 33 of the 135<sup>th</sup> General Assembly. During those years, the State Board's operating expenses generally were supported by Fund 4L20 line item 200610, Operating Expenses. However, some of the State Board's expenditures continued to be paid from Fund 4L20 line item 200681, Teacher Certification and Licensure, in the Department of Education and Workforce budget, during the transition process.

## Title II A/Supporting Effective Instruction (ALI 210601)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
<b>Fund 3IS0 ALI 210601, Title II A/Supporting Effective Instruction</b>					
\$0	\$0	\$0	\$1,109,645	\$1,355,000	\$1,355,000
% change	N/A	N/A	N/A	22.1%	0.0%

This line item provides federal Title II, Part A funds to support programs related to educator evaluation and licensure. It primarily funds the Ohio Teacher Evaluation System, online educator licensure through the Connected Ohio Records for Educators (CORE) system, technical support staff, and Ohio Teacher of the Year supports. The State Board receives a transfer of a portion of DEW's state activity funds under Title II, Part A to carry out the activities described above. The State Board's work is guided by a memorandum of understanding with DEW that will be reviewed annually.

## **Other budget provisions**

### **Ohio Teacher Residency Program assessment eliminated**

The budget eliminates the Resident Educator Summative Assessment (RESA) portion of the resident educator program for new teachers. Instead, the budget expressly permits the use of evaluations under a teacher evaluation system established in accordance with continuing law as a measure of appropriate progression under the program and makes various conforming changes related to the removal of the RESA. The RESA required a teacher to submit a 20-minute video to demonstrate the candidate's teaching abilities, which was scored by licensed teachers with at least ten years of teaching experience. A resident educator was required to successfully complete the RESA to receive a professional educator license. According to the State Board, about 99% of teachers passed the RESA. The elimination of the RESA is expected to decrease State Board expenditures by about \$1.1 million per year.

### **Licensure provisions**

The budget makes permanent an exception that permits a licensed teacher who completes specified professional development to teach computer science without otherwise being licensed in that subject area. The exception was set to expire after the 2024-2025 school year. In addition, the budget eliminates the July 1, 2028 sunset date for the prohibition on the State Board limiting the subject areas for which an alternative resident educator license is issued.

The budget requires the State Board to consult with the Department of Administrative Services on utilizing the Ohio Professional Licensing System. As part of the consultation, the State Board must consider opportunities to reduce the number of license and certification types. The Ohio Professional Licensing System (often called eLicense Ohio) is an online management system for professional and occupational licenses operated by the Department of Administrative Services. According to the eLicense Ohio website, the Department currently provides services to 23 state licensure boards, including providing a secure platform for online applications, license management, online payment, address management, and notices.

### **School district territory transfers**

In general, the law provides the State Board with discretion in approving or disapproving proposed school district territory transfers. The budget requires the State Board to approve a proposed school district territory transfer if (1) the territory is being transferred to an adjacent school district, (2) the district from which the territory is being transferred has received an overall performance rating of less than two stars for two or more consecutive school years, and (3) no party opposing the proposed transfer has presented to the State Board clear and convincing evidence that any information used to facilitate the transfer is incorrect or inaccurate. One school district, Jefferson Township Local School District in Montgomery County, meets the report card criteria based on the report cards for the 2022-2023 and 2023-2024 school years.

**FY 2026 - FY 2027 Final Appropriations  
All Fund Groups - Detail**

**H.B. 96 - Main Operating Appropriations Bill**

Detail by Agency			FY 2024	FY 2025	Appropriation FY 2026	Appropriation FY 2027	FY 2025 to FY 2026 % Change	FY 2026 to FY 2027 % Change
<b>SBE State Board of Education</b>								
4K90	210602	Operating Expenses	\$0	\$0	\$15,010,991	\$15,519,872	N/A	3.39%
4L20	210600	Operating Expenses	\$8,152,155	\$13,913,382	\$0	\$0	-100.00%	N/A
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$8,152,155</b>	<b>\$13,913,382</b>	<b>\$15,010,991</b>	<b>\$15,519,872</b>	<b>7.89%</b>	<b>3.39%</b>
3IS0	210601	Title II A/Supporting Effective Instruction	\$0	\$1,109,645	\$1,355,000	\$1,355,000	22.11%	0.00%
<b>Federal Fund Group Subtotal</b>			<b>\$0</b>	<b>\$1,109,645</b>	<b>\$1,355,000</b>	<b>\$1,355,000</b>	<b>22.11%</b>	<b>0.00%</b>
<b>State Board of Education Total</b>			<b>\$8,152,155</b>	<b>\$15,023,027</b>	<b>\$16,365,991</b>	<b>\$16,874,872</b>	<b>8.94%</b>	<b>3.11%</b>