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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 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 to pay an enrollment growth supplement in each of FYs 2026 and 2027 to each city, local, or exempted village school district that experienced a specified percentage of growth in enrolled ADM between specified fiscal years.
- Requires the Department to pay a per-pupil performance supplement to each city, local, and exempted village school district that received a specified performance rating on the state report card issued for the 2023-2024 school year.
- 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 through which students may 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, both of which annually pay qualifying community and STEM schools up to \$3,000 for each economically disadvantaged student and up to \$2,250 for each student who is not economically disadvantaged.

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

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

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

- Establishes a separate threshold special education cost pool for community schools and STEM schools.
- Requires the Department, for the purposes of the new pool, to withhold an amount equal to 5% of each community school's and STEM school's special education funding, subject to any funding limitations enacted by the General Assembly to the computation of that funding.

## **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 providers 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 3 years of age and younger than 22.
- 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.

### **III. Career-technical education and workforce development**

#### **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.

## **Graduation and career plans**

- Requires public and chartered nonpublic high school student graduation plans to also identify post-graduation career goals and to align the student's high school experience with these goals.
- Permits plans to be developed jointly by a student and a representative of an organization that has partnered with the school to provide career planning and advising supports.
- Requires a public school to ensure a graduation and career plan for a student aligns to the student's success plan.

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

### **Diagnostic assessment**

- Requires the Department to, by June 30, 2026, 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 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 the first day of July 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 list of programs that may be considered an advanced standing program at public and chartered nonpublic schools.
- Adds passing scores on the CLEP examinations as a demonstration of post-secondary readiness on the state report card.
- Adds a passing score on the CLEP examinations 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 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 advanced math learning 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 a parent or guardian to opt out their student from those opportunities.

## **Reporting of math curriculum and materials**

- Requires each public school to report its math core curriculum and instructional materials for grades pre-K through 12 through EMIS.

## **Provision of 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 program list**

- 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 uses a three-cueing approach.
- Requires the Department to, at least every three years, update and provide an opportunity for entities to submit their qualifications for consideration to be included on the list posted to the Department's website.

## **Academic intervention services and improvement plans**

- Requires school districts, community schools, STEM schools, and college-preparatory boarding schools to provide evidence-based academic intervention services, free of cost, to students who demonstrate a limited level of skill in state assessments in math or English language arts.
- Beginning with the 2025-2026 school year, and each school year thereafter, requires the Department of Education and Workforce to randomly select 5% of districts and schools for a review of their academic intervention services.
- Beginning with the 2025-2026 school year, requires districts and schools to develop a mathematics improvement and monitoring plan for each student who qualifies for math intervention services.
- Beginning with the 2025-2026 school year, requires each district or school to develop a mathematics achievement improvement plan if 51% or less of the district or school's students who took the third grade math achievement assessment attained at least a proficient score on the assessment.

## **Math curricula, instructional materials, and intervention**

- Requires the Department to review core math curricula and establish a list of high-quality math core curriculum and instructional materials and a list of evidence-based math intervention programs for districts and schools to use in providing math intervention services.
- Permits districts and schools to use the information established by the Department or to select different high-quality core curriculum and instructional materials.

## **Instruction on harmful effects of substance use**

- Requires each public school and permits each chartered nonpublic school to annually provide instruction to students in grades K-12 on the harmful effects of short-term or chronic substance use.
- Requires a school district's instruction in the harmful effects of and legal restrictions against the use of drugs of abuse to include instruction regarding marijuana, opioids, and opiates.
- Requires school districts to include bullying and hazing in its health education curriculum.
- Requires the Department of Education and Workforce to collaborate with the Department of Mental Health and Addiction Services and OneOhio Recovery Foundation to review available resources and develop a list of evidence-based curricula, materials, programs, and instructional strategies related to the required health curriculum and substance use instruction.
- Requires the Department of Education and Workforce to conduct a survey on public school compliance with the required health curriculum and substance use instruction.

## **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 after the bill's effective date.

### **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 teacher 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 expending 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**

- Redefines a dropout prevention and recovery community school and requires each community school that primarily serves students enrolled in a dropout prevention and recovery program to comply with that definition by July 1, 2027.
- Requires the Department to assign any separate community school created in compliance with the new definition its own internal retrieval number.

## **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.

## **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**

- 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.
- Aligns the definition of "chronic absenteeism" with federal law.
- Permits grade level promotion of certain truant students enrolled in community schools.
- 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.

## **Student cellphone use**

- Requires each public school to adopt a policy generally prohibiting 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.
- Permits the Department to collect data from districts and schools on their 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 33 periods per school year.
- 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 policy application deadline.
- Eliminates a provision that permits a district to adopt a resolution that objects to its native 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 enter into an agreement to establish a consortium to provide or arrange transportation to and from school for students enrolling 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.
- Permits a consortium to enter into an agreement to accept responsibility to transport students with school districts or unilaterally accept responsibility for the transportation as if it were a community school.
- Requires a consortium to designate a participating school as its fiscal agent.

- 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.

### **Multifunction school activity buses**

- Authorizes school districts, charter 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 school year.

### **Community school transportation pilot program**

- Requires the Department to establish and implement a community school transportation pilot program for the 2025-2026 and 2026-2027 school years to assist community schools to provide transportation services to their students.

### **Bus purchasing grants**

- Eliminates the bus purchasing grant program that requires the Department to distribute bus purchasing grants to school districts for FYs 2022 and 2023.

## **IX. Other**

### **Disposition of school district property**

- Adds chartered nonpublic schools located in a district and educational service centers that have territory in a school district to the list of entities that qualify for a right of first refusal to purchase real property that a school district is seeking to sell.
- Requires a school district, prior to demolishing a building worth more than \$10,000, to generally offer that building to qualifying schools located in the district under the right of first refusal law.
- Requires a school district board to accept the highest bid at a public auction of property it plans to sell or demolish.
- Modifies the definition of “unused school facility” for purposes of the law regarding the involuntary sale of unused school district real property.
- Requires the Department to annually publish a list of unused school facilities in each district based on information reported by districts.
- Requires that an unused school facility be sold by lottery for a price that is not lower than the facility’s appraised value as an educational facility if more than one qualifying entity indicates its intent to purchase it.
- Adds chartered nonpublic schools to the schools that a district must offer its unused school facilities and requires districts to prioritize the sale of unused school facilities to them in the same manner as is required for high-performing community schools.
- Establishes exemptions from the involuntary disposition law for school buildings that meet certain criteria.

### **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 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.

### **Educational Regional Service System**

#### **Initiatives**

- Requires the Educational Regional Service System (ERSS) to support state and regional workforce development initiatives in addition to supporting education initiatives.

#### **Service providers**

- Expands ERSS service providers to include career-technical planning districts, county boards of developmental disabilities, Ohio college tech prep regional centers, and community colleges.

## **Services for STEM schools**

- Requires ERSS to provide services to STEM schools.
- Permits STEM schools to enter service agreements with information technology centers.

## **Regions**

- Eliminates the 16 statutorily established ERSS regions and instead requires the Department to establish up to 16 regions within 180 days of the bill's effective date.
- Requires the Department to notify affected regions of subsequent changes at least 90 days before the fiscal year in which those changes will take effect.

## **Regional advisory councils**

- Eliminates ERSS regional advisory councils and subcommittees.

## **Fiscal agents and performance contracts**

- Permits career-technical planning districts, county boards of developmental disabilities, Ohio college tech prep regional centers, and community colleges to be the fiscal agent for an ERSS region.
- Changes the criteria the Department must consider in selecting an ERSS fiscal agent by requiring an entity to provide an assurance it will limit aggregate fees for administering a performance contract to 5% of the contract's value, rather than a demonstrated intent to limit those fees to 7% as under current law.
- Permits the Department to select an entity located in another ERSS region to be a fiscal agent for a region where no entity responded to or met the requirements in the Department's request for proposals.
- Decreases the threshold to require Controlling Board approval for aggregate personnel and program costs to be charged by an ERSS fiscal agent or its subcontractors from 4% to 3% of the value of a performance contract.
- Eliminates the requirement that, when entering into performance contracts with a fiscal agent and allocating state funds for ERSS, the Department consider the services that will be provided in a region from the Department's system of intensive, ongoing support for the improvement of school districts and school buildings.

## **School district waiver of qualified immunity**

- Eliminates a school district's qualified immunity when the district board or one of its members knowingly instructs the district superintendent to violate the law.

## **Demand side educator employment data**

- Requires the Department of Education and Workforce annually to 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 school district, community school, community college, state community college, technical college, university branch campus, or Ohio technical center (“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 competency-based educational program.
- Permits a provider to generally enroll an eligible individual in a program for three school years and request extension from the Department for an individual due to a hardship that necessitates additional time to meet the diploma requirements.
- Requires a provider to contact individuals who receive a diploma under a program to collect data on the individual’s career and educational outcomes and report that data to the Department.
- 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 JVSDs that operate a dropout prevention and recovery (DOPR) program in FY 2026.
- Requires the Department to pay to each participating JVSD the following for each newly enrolled student in FY 2026 and 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.
- Requires the Department to pay a one-time grant of \$250,000 to each participating JVSD with a DOPR program in its first three years of operation and that requests it.

## 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 payment of tuition for a child that is parentally placed in a residential treatment facility in consultation with and upon recommendation of the OhioRISE Program to the school district in which 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 current law.
- Requires the Department and the Auditor of State to jointly adopt rules governing the submission of current budget information and three-year projections.
- Requires the Department and the Auditor of State to label projections regarding property tax allocation as state reimbursement for property tax credits.
- Adds current budget information to provisions of law where three-year forecasts are used or required.
- 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 current 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, and 265.450)

### Overview

The bill extends, with changes, the operation of the current school financing system to FY 2026 and FY 2027. It also establishes two 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.

Finally, the bill 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, as of June 1, 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 bill 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 as city, local, and exempted village school districts;
8. Requires the use 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 current 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 uncodified 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 bill extends to FYs 2026 and 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>55</sup>

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<sup>55</sup> All final analyses are available on the General Assembly's website: [legislature.ohio.gov](http://legislature.ohio.gov).

## Enrollment growth supplement

The bill 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 bill 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 2023-2024 school year.

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 2022-2023 school year (in effect, the district received a one “star” rating for the 2022-2023 school year and a “two” star rating for the 2023-2024 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 \$26 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.

Per-pupil performance supplement examples			
	School district A	School district B	School district C
State report card criteria met	Four “stars” or higher overall rating	Three “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”

Per-pupil performance supplement examples			
	School district A	School district B	School district C
Enrolled ADM for the fiscal year	1,001	5,693	20,583
Calculation	1,001 X \$26 X 5	5,693 X \$26 X 3	20,583 X \$26 X 2.5
<b>Total payment amount</b>	\$130,130	\$444,054	\$1,337,895

### DPIA and economically disadvantaged student count

The bill 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, as of June 1, 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.

Continuing law requires the Department to calculate and pay DPIA to each district, or school each fiscal year. DPIA is calculated based on the number and concentration of economically disadvantaged students enrolled in a district or school. As a general matter, a district or school that has a high concentration and large number of economically disadvantaged students will receive a larger amount of DPIA than a district or school that does not. The law

requires the Department to define which students qualify as economically disadvantaged and, traditionally, the Department has identified students as economically disadvantaged if they are eligible for a free or reduced price school lunch under federal guidelines.

Generally, a student is eligible for a free or reduced price lunch if the student's household income is at or below an established income threshold based on the federal poverty level. However, federal law also establishes CEP, which permits a district or school to elect to have *all* of its students be eligible for a free lunch if at least 25% of its students are categorically eligible for a free lunch. A student is categorically eligible if the student automatically qualifies for a free lunch because the student's household participates in specified means-tested programs, the student is homeless, a foster child, a migrant, or a runaway child, or the student is a Headstart enrollee.

For more information on the calculation of DPIA, see the LSC [Categorical Add-On Aid to Ohio Schools \(PDF\)](#) Members Brief, which is also available on LSC's website at [lsc.ohio.gov](http://lsc.ohio.gov). For more information about CEP, see the [Community Eligibility Provision Factsheet](#), which is also available on the federal Food and Nutrition Service's website at [fns.usda.gov](http://fns.usda.gov).

## **DPIA plan partners**

(R.C. 3317.25)

The bill 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 bill specifically identifies each of the following purposes the Department may approve for the 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)

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 all students within the CTPD. The bill adds the option for the lead district to provide mentorship opportunities through which students may learn about careers and workforce skills to the list of approved uses of career awareness and exploration funds.

The bill 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 bill 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 community school and STEM school that is designated as a “School of Quality” up to \$3,000 per fiscal year for each student identified as economically disadvantaged and up to \$2,250 per fiscal year for each student who is not identified as 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 are insufficient, the bill requires the Department to prorate payments so the aggregate amount appropriated is not exceeded.

### “Community School of Quality” designation

Under the bill, to be a “Community School of Quality,” the 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 recent report cards issued;
  - c. The school 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 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, 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.

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 2027-2028 school year and may renew its designation each year after that year.

### **Merged community schools**

The bill 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 bill qualifies a school dissolved under the merger that otherwise qualified for the program to receive and retain funds received under the program before the bill's effective date.

### **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 as Independent STEM Schools of Quality based on the 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 bill 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 bill requires the Department to pay \$25 each fiscal year for each internet- or computer-based community school (e-school) and \$1,100 in FY 2026 and \$1,200 in FY 2027 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. Generally, that payment has increased in each biennium for community schools that are not e-schools and STEM schools. Specifically, for community schools that are not e-schools and STEM schools, H.B. 110 of the 134<sup>th</sup> General Assembly, June 30, 2021, required a payment of \$500 per student in each fiscal year and H.B. 33 of the 135<sup>th</sup> General Assembly, effective July 4, 2023, required a payment of \$1,000.

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

(R.C. 3317.0215)

The bill 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 community and STEM school's special education funding, subject to any funding limitations enacted by the General Assembly to the computation of that funding. Current law requires those schools to withhold 10% of special education funding in the same pool as school districts. Continuing law requires the Department to withhold 10% of the special education funding for each district, subject to any limitation enacted by the General Assembly, to support the existing special education threshold cost pool.

Funds in the special education cost pools are used to partially reimburse districts and schools for the exceptionally high cost of providing services to some individual students with disabilities.

## **Auxiliary services funding**

(R.C. 3317.06)

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

Under continuing law, auxiliary services funds are used to purchase goods and services for students who attend chartered nonpublic schools, such as textbooks, digital texts, workbooks, instructional equipment, library materials, or tutoring and other special services. A chartered nonpublic school may elect to receive these such funds directly from the Department. Otherwise, by default, a chartered nonpublic school receives the funds through the school district in which it is located.<sup>56</sup>

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

(Section 265.240)

The bill 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. 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:

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<sup>56</sup> R.C. 3317.024 and 3317.062, neither in the bill.

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 bill 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 bill prohibits the Department from calculating or making a similar payment prescribed under codified law for FYs 2026 and 2027.<sup>57</sup>

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<sup>57</sup> R.C. 3317.028, not in the bill.

## II. State scholarships

### Autism Scholarship maximum amount

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

The bill increases the maximum scholarship amount a student may receive under the Autism Scholarship to \$34,000 for both FY 2026 and FY 2027, and each fiscal year thereafter. Under current law, the maximum amount is \$32,445.

The bill maintains the requirement that a student's scholarship amount must equal the lesser of (1) the tuition charged by the student's special education program or (2) the maximum scholarship amount.

### Jon Peterson Special Needs Scholarship amount

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

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

The bill also increases the maximum scholarship amount for a JPSN Scholarship to \$34,000 for both FY 2026 and FY 2027, and each fiscal year thereafter. Under current law, the maximum amount is \$32,445.

The bill maintains the requirement that a student's scholarship must equal the least of (1) the fees charged by the student's alternative public provider or registered private provider, (2) the sum of the base amount and the student's category amount, or (3) the maximum amount.

### 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 bill 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 less than 22 years of age 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.

2. Permits multiple alternative public providers or registered private providers to be contracted to provide services to implement an IEP or education plan as the eligible applicant and providers determine are necessary and associated with educating the qualified special education child.

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. Includes 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 of Education and Workforce to use this differentiation to simplify monthly audit procedures.

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

The bill makes effective immediately the changes made to the Autism Scholarship Program.

Additionally, the bill prohibits a qualified special education child who participates in 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**

For the Autism Scholarship Program, the bill removes the definition of "parent" and instead defines "eligible applicant," which includes all of the following:

1. Either of the natural or adoptive parents of a qualified special education child;
2. The custodian of a qualified special education child when a court has granted custody of the child to an individual other than either of the natural or adoptive parents of the child, or to a government agency;
3. The guardian of a qualified special education child, when a court has appointed a guardian for the child;
4. The grandparent of a qualified special education child;
5. The surrogate parent appointed for a qualified special education child; and

6. A qualified special education child, if the child does not have a custodian or guardian and the child is at least 18 and less than 22 years of age.

As a result, under the bill, in certain cases, a qualified education child may apply for and be awarded scholarships under the law instead of the parent of the child.

### **Qualified special education child**

The bill clearly states that a child is eligible under the Autism Scholarship Program if that child is at least 3 years of age and younger than 22, which is already the case under current law.

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

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

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

The bill 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.

## **III. Career-technical education and workforce development**

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

(R.C. 3313.90)

Beginning July 1, 2026, the bill 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.

Continuing law generally requires each district to provide career-technical education to students in grades 7 through 12. Under current law, however a district board may 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 bill eliminates the application and approval deadlines for a new career-technical education program. The deadlines eliminated under the bill 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.
- 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 under the bill, the bill 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 (CTAG)**

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

The bill 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 bill 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.

### **Background**

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 Guide or "CTAG."

Thus, students who complete CTAG-aligned career-technical courses at a public high school, and who meet certain other criteria (normally including earning a proficient score on a related WebXam), are often awarded college credit upon enrollment in a state institution. A chartered nonpublic school student may participate in career-technical programs at public high schools without any financial assessment, charge, or tuition that is not otherwise charged to resident public school students in such programs.<sup>58</sup>

## **Industry-recognized credentials**

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

The bill 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.

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<sup>58</sup> See R.C. 3313.90 and 3333.162, not in the bill.

Continuing law permits a student to fulfil certain graduation requirements by (1) earning an industry-recognized credential diploma seal or (2) earning industry-recognized credentials as a “foundational” option when using alternative demonstrations of competency. Under the bill, qualifying industry-recognized credentials for either option must be based on the criteria established by the committee rather than point values established under current law.

## **Graduation and career plans**

(R.C. 3313.617)

School districts and other public and chartered nonpublic schools are required to adopt a policy regarding students who are at risk of not qualifying for a high school diploma. As part of that policy, districts and schools must develop a graduation plan for each student enrolled in grades 9 through 12. Along with continuing law that requires graduation plans to address a student’s pathway to meeting curriculum and graduation requirements, the bill requires graduation plans to identify post-graduation career goals for the student and to align the student’s high school experience with these goals.

The bill requires that a district or school ensures that a student and a representative of the district or school or a representative of an organization with which the district or school partners for career planning and advising supports jointly develop the plan with the student. Current law requires just a representative of a district or school to jointly develop the plan.

The bill requires a district to ensure that a graduation and career plan conforms to, rather than supplements, its policy on career advising, and aligns to any student success plan developed for the student.

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

### **Diagnostic assessment**

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

The bill addresses diagnostic assessments for each of grades K-3. Specifically, it 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. 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.

Under the bill, all public schools must use the assessments adopted or approved by the Department. The bill eliminates the option for high-performing districts and schools to administer alternative diagnostic assessments and the authority to use an alternative assessment to measure reading skills under the Third Grade Reading Guarantee. Current law permits a district or school to use alternative diagnostic assessments if the district or school received a performance rating of four stars or higher on the state report card for the preceding school year.

The Department is already required under continuing law to adopt diagnostic assessments designed to measure student comprehension of academic content and mastery of related skills for relevant subject areas and grade levels. In addition to applying that requirement

to the approved diagnostic assessments, the bill requires reading diagnostic assessments to be designed to measure student comprehension of foundational reading skills aligned to the science of reading. It also eliminates law that requires adopted diagnostic assessments to 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.

The bill also removes the requirement that blank copies of diagnostic assessments be public records and that upon completion of each assessment, the Department must inform each district or school of its completion and make the assessment available to that district or school.

Under the bill, districts and schools must administer the diagnostic assessments by September 30 of each year, beginning with the 2026-2027 school year. It also requires districts and schools to administer diagnostic assessments to a student with significant cognitive disability in accordance with guidelines adopted by the Department.

Finally, under the bill, 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 bill requires districts and schools to administer the kindergarten readiness assessment to each kindergarten student between the first day of July 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 district or school must utilize and score the kindergarten readiness assessment in accordance with rules established by the Department of Children and Youth.

Continuing law requires each district or school to report the results of diagnostic assessments administered to each student enrolled in grades kindergarten through 3. The bill eliminates an exemption from reporting the results of kindergarten students if the parent of that student requests the district or school not to report the results. It also eliminates the requirement that the Department disaggregate the results of kindergarten students by race and socioeconomic status.

The bill eliminates the requirement that the Department 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 bill 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 bill requires the Department to determine which questions, if any, are a public record. It 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 bill 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 bill 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)

Current law requires each school district, community school, and STEM school to only use core curriculum and instructional materials in English language arts and evidence-based reading intervention programs from a list of high-quality curricula, materials, and programs aligned to the Science of Reading and developed by the Department.

The bill limits that requirement by only requiring the use of a core curriculum and instructional materials from the list for students in grades pre-K through 5. However, it 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 bill requires each school district to provide advanced math learning opportunities to each student who achieves an advanced level of skill on either a math achievement assessment or an end-of-course exam 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 bill, “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, as determined by the district.

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 bill exempts that district from the requirement to provide advanced learning opportunities.

The bill requires each district to notify the parent or guardian of a student who qualifies for advanced math learning opportunities. The parent or guardian may then submit a written request to opt out their student from the 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.

### **Reporting of math curriculum and materials**

(R.C. 3301.0714)

The bill requires each public school to report the core curriculum and instruction materials it is using for math for grades pre-K through 12 through the Education Management Information System (EMIS).

Continuing law already requires each public school to also report what core curriculum instructional materials it is using for English language arts for grades pre-K through five and the reading intervention programs for grades pre-K through 12 through EMIS.

### **Provision of high-dosage tutoring**

(R.C. 3313.608)

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

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

### **Background**

Under the Third-Grade Reading Guarantee, districts and schools must annually assess the reading skills of each student in grades K through 3 and identify students who are reading below their grade level. Each district or school must provide intervention services for each student identified as reading below grade level, including developing a reading improvement and monitoring plan (RIMP) for each student. Each RIMP must include instruction time outside of a student's regular instruction time of at least three days a week, or at least 50 hours over 36 weeks, of high-dosage tutoring provided by a state-approved vendor on the list of high-quality tutoring vendors compiled by the Department or through a locally approved program that aligns with high-dosage tutoring best practices.

### **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 bill requires those qualifications to include program efficacy data or other evidence of program effectiveness for students who participate in the tutoring programs.

The bill 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 it 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.

## **Academic intervention services**

(R.C. 3302.131, 3302.132, and 3313.6035; conforming changes in R.C. 3314.03, 3326.11, and 3328.24)

The bill requires each school district, community school, STEM school, and college-preparatory boarding school to provide, directly or through a contracted vendor, or as a combination of both, evidence-based academic intervention services, free of cost, to qualifying students. A student qualifies for those services by demonstrating a limited level of skill on a state assessment in math or English language arts, or both. However, a student who has an individualized education program (IEP) that includes services related to a traumatic brain injury or who attends a dropout prevention and recovery community school does not qualify. A district or school must annually notify the Department of Education and Workforce, through the education management information system (EMIS), of all of the following:

1. The number of qualifying students enrolled in the district or school;
2. The number of qualifying students receiving academic intervention services in math, English language arts, or both;
3. The number of qualifying students receiving academic intervention services from the district or school directly, through a vendor, or a combination of both options.

The bill clarifies that academic intervention services provided to a student may encompass a variety of evidence-based supports, including:

1. High-dosage tutoring opportunities aligned with classroom instruction through a state-approved vendor or a locally approved opportunity that aligns with high-dosage tutoring best practices. High-dosage opportunities must include additional instructional time of at least three days a week or at least 50 hours over 36 weeks. To the extent practicable, districts and schools must endeavor to provide each of a student's tutoring supports with the same tutor.

2. Additional instruction time;
3. An extended school calendar;
4. Participation in a learning support program; or
5. Any other academically centered support service that the district or school determines will improve the student's academic performance.

The bill also permits intervention services to be offered in combination with integrated student supports. Integrated student supports are an evidence-based approach under which schools intentionally and systematically leverage and coordinate resources and relationships

available in the school and the surrounding community to address comprehensive student strengths, interests, and needs.

The bill also requires that all academic intervention services provided to a qualifying student must align with the academic instruction the student receives. English language arts instruction must specifically align with the science of reading as defined under continuing law.

The bill further requires districts and schools to ensure that academic intervention services provided to qualifying students do not supplant the student's core academic instructional time.

### **Math improvement and monitoring plans**

The bill requires a district or school, beginning in the 2025-2026 school year and each school year thereafter, to develop a math improvement and monitoring plan for qualifying students within 60 days after receiving the student's results on the third grade state assessment in math. The district or school must involve the student's parent or guardian and classroom teacher in developing the plan.

Under the bill, a math improvement and monitoring plan must include all of the following:

1. Identification of the student's specific math deficiencies;
2. A description of the additional instructional services and support that will be provided to the student to remediate the identified math deficiencies;
3. Opportunities for the student's parent or guardian to be involved in the student's instructional services and support;
4. A process for monitoring the extent to which the student receives the instructional services and support;
5. A math curriculum during regular school hours that assists students in math at grade level, provides scientifically based and reliable assessment, and provides initial and ongoing analysis of each student's progress;
6. High-dosage tutoring opportunities aligned with classroom instruction through a state-approved vendor or a locally approved opportunity that aligns with high-dosage tutoring best practices. High-dosage opportunities must include additional instructional time of at least three days a week or at least 50 hours over 36 weeks.

The bill requires districts or schools to continue to implement a student's math improvement and monitoring plan until the student achieves the required level of skill in math for the student's current grade level. A district or school must report any information requested by the Department about the math improvement and monitoring plans developed under the bill in a manner required by the Department.

### **Parent and guardian notification requirements**

The bill requires each district or school to notify the parent or guardian of a qualifying student that the student will receive academic intervention services prior to providing services

to the student. This notification must include a description of which intervention or interventions the qualifying student will receive and who will provide services to the student.

The bill also requires each district or school to periodically update the parent or guardian on the academic intervention services provided to the student and must provide resources and recommendations for ways the parent or guardian may assist the student.

### **Department review**

Beginning with the 2025-2026 school year, and each school year thereafter, the bill requires the Department to randomly select not more than 5% of all schools operated by school districts, community schools, and STEM schools for a review of their academic intervention services for qualifying students. A school may not be selected for review more than once every three years. The review must include, at a minimum, a document review, interviews with district and school staff, and observations of interventions.

The bill requires a review to assess:

1. Whether qualifying students receive academic intervention services in accordance with the bill's requirements;

2. The types and methods of academic intervention services that qualifying students receive; and

3. The quality of the academic intervention services provided by the district or school or the contracted vendor. To determine quality, the Department may consider the length and duration of the intervention, specific programs and curriculum being used, the credentials and training of intervention providers, and data regarding student progress.

Within 75 days of completing a review, the Department must provide a report to the district or school containing the review's results. Each report must include an assessment of the efficacy of the academic intervention services provided to qualifying students and any recommendations the Department considers necessary. The Department must also include a school's review as part of the student opportunity profile measure included on the state report card. The bill requires each district and school to post a copy of the report on its website and to make the report available upon request to any person.

The bill expressly permits the Department to contract with an organization that has documented expertise in supporting school improvement and academic intervention services to help with conducting the review.

### **Eligibility for services**

The bill states that a student is no longer a qualifying student for academic intervention services when the student achieves a level of skill higher than limited on a state assessment or diagnostic assessment in math or English language arts taken for the grade level in which the student is enrolled.

But the bill further clarifies that if a qualifying student is receiving academic intervention services in both math and English language arts and demonstrates a skill greater than limited in one, but not both, subject areas, that the student must continue to receive academic intervention

services for the subject area in which the student continues to demonstrate a limited level of skill.

Additionally, if a high school student fails to demonstrate a level of skill greater than limited on an end-of-course examination in math or English language arts and is not required to retake the exam, then the student must continue to qualify for intervention services. The bill requires the district or school to align those services with the student's selected graduation pathway.

The bill expressly states that it does not prevent a district or school from providing academic intervention services to students who are not qualifying students.

### **Math achievement improvement plans**

The bill requires a school district or community school, beginning in the 2025-2026 school year and each school year thereafter, to establish and submit to the Department a math achievement improvement plan if 51% or less of the district's or school's students who took the third grade state assessment in math scored proficient on it. However, this does not apply to a student who has an individualized education program (IEP) that includes services related to a traumatic brain injury or who attends a dropout prevention and recovery community school. A district or school is released from the requirement to submit an improvement plan when at least 51% of its students scored at least proficient on the third grade state assessment in math.

The bill requires the Department to establish guidelines prescribing the content of and deadlines for math achievement improvement plans. The guidelines must require each plan to include, at a minimum, an analysis of relevant student performance data, measurable student performance goals, strategies to meet specific student needs, a staffing and professional development plan, and instructional strategies for improving student performance. Finally, the Department must post all improvement plans submitted in a prominent location on its website.

### **Math curricula, instructional materials, and intervention**

(R.C. 3313.6036)

The bill requires the Department to review core math curricula and establish a list of high-quality math core curriculum and instructional materials and a list of evidence-based math intervention programs, that are aligned with state standards and best practices, for districts and schools to use in providing math intervention services. The bill permits school districts, community schools, and STEM schools to use the information established by the Department or to select different high-quality core curriculum and instructional materials.

### **Instruction on the harmful effects of substance use**

The bill requires each school district, community school, STEM school, and college-preparatory boarding school to annually provide instruction to students in grades K-12 about how short-term or chronic substance use to alter one's mood is harmful to an individual's health. Each district and school also must do all of the following with regard to the instruction:

- Determine the manner in which the instruction is provided to students;

- Ensure the instruction is age and developmentally appropriate;
- Conform the instruction to prevention best-practice frameworks;
- Focus the instruction on addressing changes in knowledge, attitude, and skills as a child develops.

For the purposes of the instruction, “substance use” includes the use of marijuana, alcoholic beverages, opioids, opiates, and tobacco, including electronic smoking devices, and any substance derived from a source external to the human body that is not legally permitted or authorized for use without a prescription.

The bill permits a chartered nonpublic school to provide this instruction in the same manner.

## **Health curriculum**

### **Instruction on drugs of abuse, alcoholic beverages, and tobacco**

Under the bill, “drugs of abuse” specifically includes marijuana, opioids, and opiates for the purposes of the continuing law requirement that, as part of a school district’s health curriculum, the school district provides instruction in the harmful effects of and legal restrictions against the use of drugs of abuse, alcoholic beverages, and tobacco, including electronic smoking devices.

### **Instruction on bullying and hazing**

The bill includes instruction in bullying and hazing as part of a school district’s health curriculum requirements.

## **Department’s list of resources**

The bill requires the Department of Education and Workforce to collaborate with the Department of Mental Health and Addiction Services and OneOhio Recovery Foundation to review available resources and develop a list of evidence-based curricula, materials, programs, and instructional strategies related to the required health curriculum and substance use instruction that districts or schools may use. The Department also must highlight evidence-based resources on the list and periodically review and update it.

## **Survey on health curriculum compliance**

The bill modifies the current law requirement that school districts and schools report to the Department of Education and Workforce on prevention-focused programs, services, and supports aimed at increasing student awareness of the dangers and consequences of substance abuse, suicide, bullying, and other harmful behaviors.

Under the bill, districts and schools are required to report this information on an annual survey conducted by the Department, rather than in a manner prescribed by the Department as under current law. The survey must also include a description of the ways in which the district or school is complying with the bill’s requirement to provide instruction on the harmful effects of substance use to alter one’s mood.

School districts specifically also must report on the ways in which the district is complying with continuing law requirements to provide instruction on (1) the harmful effects of and legal restrictions against the use of drugs of abuse, alcoholic beverages, and tobacco and (2) prescription opioid abuse prevention.

The bill permits chartered nonpublic schools to elect to participate in the Department's annual survey.

The bill requires the Department to analyze the substance abuse case data and the information on the programs, services, and supports collected in the survey each year to determine the overall effectiveness of these programs, services, and supports at preventing substance abuse cases over time and identify best practices for prevention education.

## **V. Educators**

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

(R.C. 3319.173)

The bill requires each school district superintendent to assign teachers to positions based on the best interests of the district's students. The bill 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 assignment, reassignment, or transfer is voluntary on the part of the teacher.

The bill also provides that these new provisions prevail over conflicting provisions of collective bargaining agreements entered into after the bill's effective date. 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.

Under continuing law, except when deciding between teachers who have comparable evaluations, school districts are already prohibited from (1) giving seniority preference to teachers when making reductions in force or (2) rehiring teachers based on seniority.<sup>59</sup>

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

(R.C. 3301.0714 and 3319.2310)

#### **Development of training course**

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

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<sup>59</sup> R.C. 3319.17(C), not in the bill.

## **Training requirement**

The bill requires each teacher, administrator, or speech-language pathologist employed by a school district, community school, STEM school, or college-preparatory boarding 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 bill provides an exemption for individuals who either already completed that training or a similar training, as determined by the Department, 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**

Under continuing law, a district or school must establish a local professional development committee for the purpose of determining if coursework that a teacher proposes to complete meets the requirements set by the State Board of Education rules for licensure renewal.<sup>60</sup> The bill requires those 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.

## **Reporting**

The bill requires districts and schools to report to the Department through the Education Management Information System (EMIS) the number of teachers, administrators, school psychologists, and speech-language pathologists employed by the district or school that have completed the Science of Reading training.

## **Educator in-service training**

(R.C. 3319.073)

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

The bill 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. Continuing law requires each district or school to develop its curriculum in consultation with public or private agencies or persons involved in youth suicide awareness and prevention programs. Additionally, the bill eliminates

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<sup>60</sup> R.C. 3319.22, not in the bill.

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 bill 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, the bill 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 bill codifies and makes permanent an exception to the general requirement that an individual be licensed in computer science to teach those courses. Under that exception as amended by the bill, a school district, community school, or STEM school may permit an individual who holds a valid teaching license to teach computer science in any of grades K through 12, if, in the last five years, the individual has completed an approved professional development program that provides computer science content knowledge specific to the course the individual will teach. To continue teaching computer science under this exception, the individual 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 individual will teach. The individual may not teach a computer science course in a district or school other than the one that employed the individual when the individual completed the professional development program.

An individual who does not satisfy the criteria for that 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.

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 budget legislation extended the exception through the 2024-2025 school year.<sup>61</sup>

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<sup>61</sup> H.B. 110 of the 134<sup>th</sup> General Assembly and H.B. 33 of the 135<sup>th</sup> General Assembly.

## Cap on school district administrative expenses

(R.C. 3315.063)

The bill prohibits any school district board of education from expending 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 bill revises the definition of “high-performing community school” for the purposes of the law regarding the right of first refusal to purchase school district property and the involuntary disposition of school district property. Under the bill, 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 the most recent report card.

2. The community school serves only grades kindergarten through three and received a performance rating of four stars or higher for the Early Literacy component on the 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

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 is sponsored by a sponsor that was rated “exemplary” or “effective” on its most recent evaluation.

Under current law, a “high-performing community school” is a community school that meets one of the following:

1. The school has received:

- a. A performance rating of three stars or higher for the Achievement component on the state report card or has 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. Serves only grades K through three and has received either a performance rating of four stars or higher for the Early Literacy component on its most recent state report card; or
  3. Primarily serves students enrolled in a dropout prevention and recovery program and has received a rating of “exceeds standards” on its most recent state report card.

## **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)

The bill defines a “dropout prevention and recovery community school” as a community school that enrolls only students who are between the ages of 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.

Prior to July 1, 2027, each school to which the bill’s provisions apply, 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 bill requires schools to assist students who are not eligible to attend a “dropout prevention and recovery community school” to transfer to the separate community school or enroll in a different school.

### **Transition period**

Currently, a “dropout recovery community school” is a community school in which a majority of the students are enrolled in a dropout prevention and recovery program that is operated by the school. The bill permits schools that meet the current definition but do not satisfy the new definitional requirements to continue to operate for the 2025-2026 and 2026-2027 school years.

On and after July 1, 2027, all community schools that primarily serve students enrolled in a dropout prevention and recovery program must comply with the new definition.

### **Separate IRN**

The bill requires the Department to assign any separate community school created to attain compliance with the new definition its own internal retrieval number.

## Community school opening assurances

(R.C. 3314.19)

First, the bill 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 current 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 operation from a new building. In either case, the assurances must be submitted within ten days prior to the opening day of instruction.

The bill 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 bill permits any community school to be located in multiple facilities in more than one school district under the same contract. Currently, a community school may be established in only one school district under the same sponsorship contract. However, several exceptions to current law exist, some of which are based on performance. The bill eliminates the exceptions. In doing so, the bill also eliminates the prohibition on a community school from offering the same grade level classrooms in more than one facility under certain conditions.

As under continuing law, the bill requires the governing authority of a community school that maintains facilities in more than one school district to 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, the bill requires the governing authority to 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 bill 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**

(R.C. 3301.0711)

The bill defines a “classical school” as 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.

### **Paper assessments at classical schools**

The bill permits a classical school to generally administer paper assessments in a paper format. However, any student whose individualized education program 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.

## **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 bill 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**

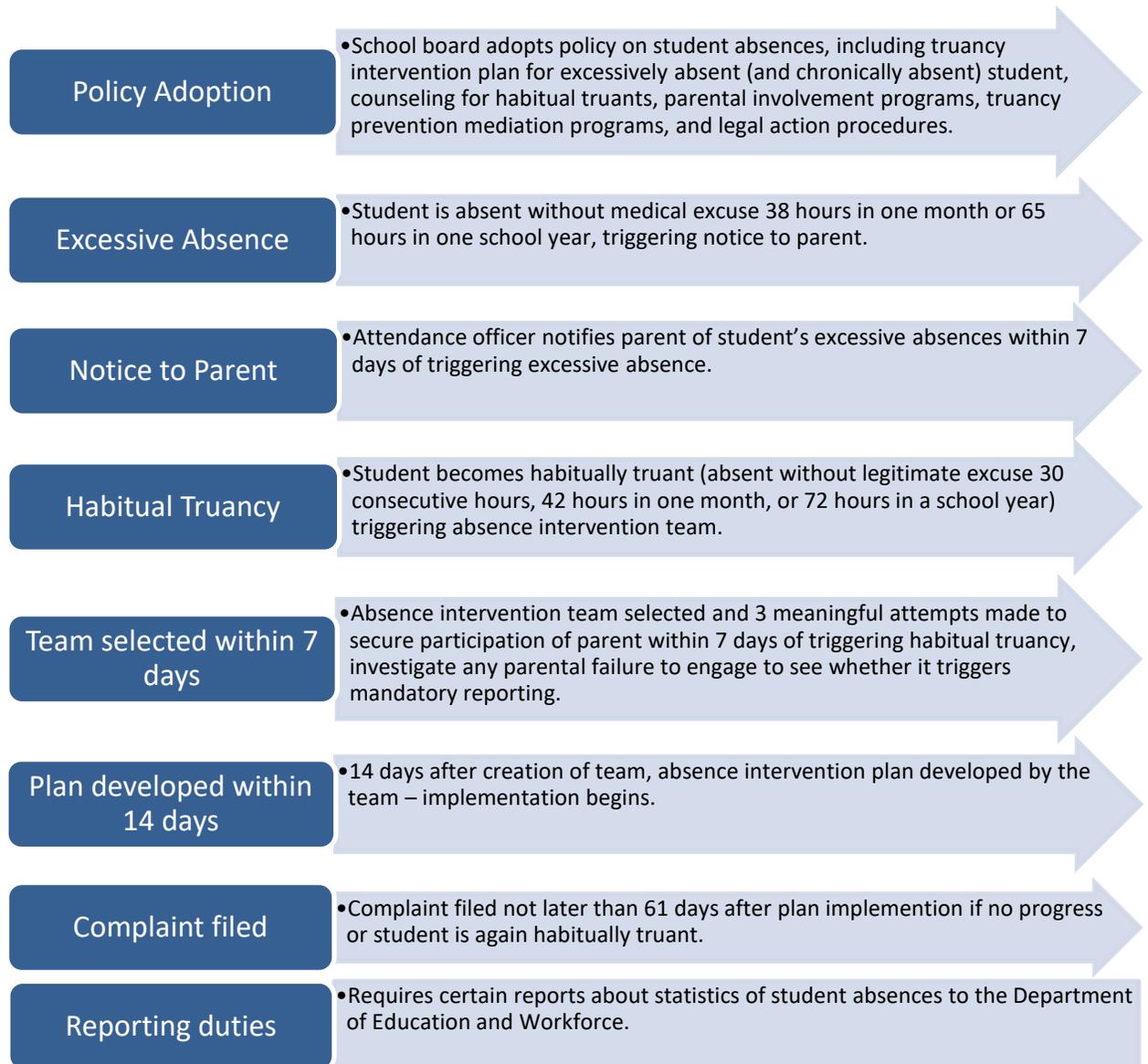
### **Absence intervention, truancy, and chronic absenteeism**

The bill substantially modifies the process school districts, brick-and-mortar community schools, and STEM schools must follow 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 bill generally retains the (1) requirement to adopt a policy to address student absences and (2) definition of “habitual truant.” However, it repeals the following process districts and schools must follow prescribed in current law:



Instead, the bill replaces this process with a requirement to adopt a policy in consultation with the juvenile court that does all of the following:

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 percentage**

(R.C. 3321.191(A))

The bill officially 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. This aligns with federal law.

Federal law requires schools to collect data on “chronic absenteeism” and track and monitor absences.<sup>62</sup> Generally, a student is “chronically absent” when the student, with or without excuse, misses 10% or more of the school year, or about 18 days.<sup>63</sup> Schools and districts must provide supports to these students and their families to prevent further absences.

### **Grade level promotion**

(R.C. 3313.609)

The bill eliminates the requirement that a school district or community school prohibit the grade level promotion of a student who has been absent without excuse for more than 10% of the required attendance days of the school year.

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

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

As mentioned above, the bill 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 bill requires a complaint only if the school district determines that the student is not making satisfactory progress in improving the student’s attendance at

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<sup>62</sup> 20 U.S.C. 6311(c) and 6613(b).

<sup>63</sup> See, [Letter from Secretary Cardona Regarding Student Attendance and Engagement](#), March 22, 2024, which is available on the U.S. Department of Education’s website: [ed.gov](https://ed.gov).

school. When a complaint is filed, it must allege that the child is an unruly child for being a habitual truant and that the parent or guardian has violated the duty to cause the child to attend school.

## **Background**

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>64</sup> For any student whose absences meet that threshold, a school district or school must currently engage an absence intervention plan process. That process requires the student and the student’s parent to participate in activities to get the student to attend school and, if the student’s unexcused absences persist, it can eventually lead to the filing of a complaint in juvenile court.

## **Student cellphone use**

(R.C. 3313.753 and 5502.262)

The bill 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. Though, the bill maintains an exception to that prohibition 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 bill also requires a school to permit a student to use a cellphone or other electronic communications device to monitor or address a health concern if it receives a written statement from the student’s physician requiring such use.

Under the bill, 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 bill suspends the cellphone prohibition for a school building during an active threat or emergency if the building’s comprehensive emergency management plan permits it.

Each school must update its policy by October 6, 2025, if it does not have a policy that meets the bill’s requirement. Finally, the bill eliminates the requirement that the Department develop a model policy.

## **Background**

H.B. 250 of the 135<sup>th</sup> General Assembly, effective August 14, 2024, requires public schools to adopt a policy governing the use of cellphones by students during school hours that (1) emphasizes that student use be as limited as possible during school hours and (2) reduces use-related distractions in classroom settings. That law also requires the Department to adopt a model cellphone policy, taking into account available research concerning the effect of cellphone use by students in school settings.

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<sup>64</sup> R.C. 2151.011(B)(18), not in the bill.

## **Artificial intelligence policies**

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

The bill requires the Department to develop a model policy on the use of artificial intelligence in schools no later than December 31, 2025. The policy must include the appropriate use of artificial intelligence by students and staff for educational purposes.

Not later than July 1, 2026, each school district and public school must adopt a policy on the use of artificial intelligence in schools. Districts and schools may choose to adopt the model policy created by the Department.

The bill permits the Department to collect data from districts and schools on their use of artificial intelligence in the manner prescribed by the Department.

## **Religious instruction released time policy**

(R.C. 3313.6022)

The bill requires each school district, under its policy established under continuing law regarding released time courses in religious instruction, to permit students to attend such a course for at least 33 periods per school year. The bill also prohibits a district's policy from prohibiting students from bringing external educational and program materials into school.

## **Interdistrict open enrollment policies**

(R.C. 3313.98)

### **Enrollment of military students**

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

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

The bill eliminates a provision that authorizes a school district 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 bill 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 existing law on student transportation in the same manner as a community school.

Under the bill, a consortium may (1) enter into an agreement with a school district that has resident students enrolled in a community school participating in the consortium, under which the consortium accepts responsibility to provide or arrange for the transportation of those students or (2) unilaterally accept responsibility for the transportation of students enrolled in participating schools in the same manner as a community school. The bill requires a consortium to 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.

## **Multifunction school activity buses**

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

The bill authorizes school districts, charter 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 bill prohibits it from being used to transport students between school and home or between school and designated bus stops.<sup>65</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 charter nonpublic school or community school may purchase a multifunction school activity bus in the same manner as a regular school bus.

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<sup>65</sup> 49 C.F.R. 571.3, 571.108, and 571.131.

## Student transportation workgroup

(Section 733.80)

The bill 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 all of the following:

1. The chairs and ranking members of the House and Senate standing committees that consider primary and secondary education legislation;
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 bill requires the workgroup to 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. The workgroup must also conduct a study of and develop recommendations on the feasibility of each school district board of education 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 no later than June 30, 2026, and disband following the report's submission.

## 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 bill extends the operation of the Montgomery County Pupil Transportation Pilot Program to the 2025-2026 school year. Under the pilot program, an educational service center provides transportation to qualifying students in lieu of the students receiving transportation from their resident school district. The bill adds that the service center may provide transportation to and from a student's place of employment, in addition to providing transportation to and from a student's place of residence. 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 bill 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, 2026.

## **Community school transportation pilot program**

(Section 733.60)

The bill requires the Department of Education and Workforce to establish and administer a community school transportation pilot program. Under the pilot program, the Department must assist community schools in providing transportation services to their enrolled students for the 2025-2026 and 2026-2027 school years.

## **Bus purchasing grants**

(R.C. 3317.071, repealed)

The bill eliminates the bus purchasing grant program that requires the Department, for FY's 2022 and 2023, to distribute bus purchasing grants to city, local, and exempted village school districts. Under the program, the Department must distribute grants of at least \$45,000 to districts to replace the oldest and highest mileage buses in the state assigned to routes. The bill also eliminates the requirement under the program for the Department to annually collect age, mileage, and vehicle condition data from districts through its transportation data collection system.

## **IX. Other**

### **Disposition of school district property**

(R.C. 3313.41, 3313.411, and 3313.413)

#### **Right of first refusal**

The bill extends the right of first refusal to purchase school district real property to chartered nonpublic schools located in the district and educational service centers (ESCs) that have territory in the district.

Under continuing law, when a school district voluntarily decides to dispose of real property it owns in its corporate capacity and that is worth more than \$10,000, it must first offer it for sale to other public schools (community, STEM, and college-preparatory boarding schools) located in the district. In effect, the law gives the other public schools a right of first refusal to lease or purchase that property.

#### **Public auction**

Continuing law requires that, if no school that qualifies for the right of first refusal indicates an interest in real property that a district is voluntarily disposing of, the district generally must offer that property for sale at a public auction. The bill expressly requires a district to accept the highest bid at a public auction.

As an alternative to public auction, continuing law permits a district to offer the property for sale to a specified governmental or nonprofit entity or to exchange the property as part of acquiring other property.

## **Planned demolition**

The bill generally requires a school district, prior to demolishing a building it owns and is worth more than \$10,000, to first offer that building for sale in the same manner as if it intended to voluntarily dispose of that real property. Specifically, the district must offer the building for sale to schools and ESCs that qualify for the right of first refusal. If none of those schools or ESCs indicate an interest in the building, the district board may offer it for sale at a public auction or under one of the statutory alternatives to a public auction.

However, the requirement to offer the building for sale prior to demolishing it does not apply to a building located on, or adjacent to, a tract or parcel of land where other school district buildings used for educational instruction are located.

## **Involuntary disposition of unused school facilities**

### **Definition of unused school facility**

Continuing law requires a school district to offer to sell or lease any of its real property that meets the statutory definition of being an “unused school facility” to other schools. The bill clarifies a building is an “unused school facility” if, in the three most recent school years, it has been used for direct academic instruction but student enrollment was less than 60% of the building’s greatest student enrollment in the ten most recent school years.

Under law not changed by the bill, an “unused school facility” also means real property that has been used by a school district for school operations, including academic instruction or administration, since July 1, 1998, but has not been used in that capacity for one year.

### **Department list of unused school facilities**

Beginning November 30, 2025, and annually thereafter, the bill requires each school district to annually report to the Department the enrollment data necessary to determine whether a school building meets the 60% student enrollment threshold and any real property that meets the other set of criteria to be considered an unused school facility. By December 31, 2025, and annually thereafter, the Department must publish a list of unused school facilities on its website.

### **Value**

The bill also changes the value for which a school district must sell an unused school facility from the property’s appraised fair market value to the property’s appraised value as an educational facility. The district is not required to accept any payment that is lower than this value, as determined in an appraisal that is not more than one year old.

### **Entities eligible to purchase, priority, and method of sale**

Continuing law requires a school district to offer to lease or sell “unused” real property to other public schools within the district, including community schools, college-preparatory boarding schools, and STEM schools. Community schools that meet the statutory definition of “high-performing” must be given priority in such transactions. Districts also may offer the property to existing community schools located outside the district, if those schools have plans, stipulated in their contracts with their sponsors, to relocate to the district.

The bill additionally requires school districts to offer unused school facilities to chartered nonpublic schools located in the district. Districts must prioritize the sale of unused school facilities to chartered nonpublic schools in the same manner as priority is given to high-performing community schools under current law. Additionally, the bill changes from an auction to a lottery the method by which a district must sell its property if more than one high-performing community school or chartered nonpublic school notifies the district of its intention to purchase the property. Specifically, the district must conduct a lottery to select the school to which the district must sell the property.

The bill also requires that, if no high-performing community school or chartered nonpublic school within the district offers to purchase or lease a property, the district must offer it to high-performing community schools and chartered nonpublic schools located outside of the district prior to offering it to other start-up community schools, college-preparatory boarding schools, and STEM schools.

Finally, the bill requires, rather than permits as under current law, a school district to offer an unused school facility for sale at a public auction if no qualifying school purchases or leases the facility under the involuntary disposition law. Under the bill, the district must accept the highest bid at that auction.

### **Exemptions from involuntary disposition**

The bill exempts a district from the requirement to offer to sell or lease an unused school facility if the facility is any of the following:

1. Less than ten years old;
2. Located on or adjacent to a tract or parcel of land where other school district facilities are located;
3. A school building that is primarily used to provide career-technical education or has specialized classroom facilities necessary for the district to operate its career-technical education program;
4. A school building that meets the definition of an “unused school facility” specifically based on the student enrollment criteria and is the only district building that provides direct academic instruction to one or more grade levels;
5. A school building that meets the definition of an “unused school facility” specifically based on the student enrollment criteria and the building’s student enrollment decreased because it was undergoing repairs or renovations that caused a portion of the building’s instructional space to be unusable.

The bill also permits a district, if it believes extraordinary circumstances should exempt it from offering an unused facility for lease or sale under the involuntary disposition law, to appeal the requirement to the Director of Education and Workforce. The Director must approve or deny a district’s appeal within 60 days of receiving the request.

## **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 bill revises the measure so it is based 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.

## **Educational Regional Service System**

(R.C. 3312.01, 3312.07, 3312.08, 3312.09, 3312.10, and 3312.13; R.C. 3312.02, 3312.03, 3312.04, 3312.05, and 3312.06, repealed; R.C. 3312.02, repealed and reenacted)

The Educational Regional Service System (ERSS) was established by H.B. 115 of the 126<sup>th</sup> General Assembly and became operational on July 1, 2007. H.B. 115 created the 16-region system to provide support services to school districts, community schools, and chartered nonpublic schools and to generally support state and regional education initiatives and efforts to improve school effectiveness and student achievement. The bill modifies the purpose, makeup, regions, and procedures for ERSS.

### **Initiatives**

(R.C. 3312.01)

In addition to supporting state and regional “education initiatives,” to improve school effectiveness and student achievement, as required under continuing law, the bill also requires ERSS to support workforce development initiatives. The bill also requires ERSS to provide support and technical assistance to improve school effectiveness and student achievement.

The bill eliminates law establishing the intent for ERSS to reduce the unnecessary duplication of programs and provide for a more streamlined and efficient delivery of educational services without reducing the availability of the services districts and schools need.

### **Service providers**

(R.C. 3312.01)

The bill expressly includes as service providers under ERSS career-technical planning districts, county boards of developmental disabilities, Ohio college tech prep regional centers, and community colleges. Continuing law already includes educational service centers (ESCs), information technology centers, and “other regional education service providers.” The bill clarifies that “other regional education service providers” are determined by the Department.

## Services for STEM schools

(R.C. 3312.01 and 3312.10)

The bill requires ERSS services, including special education and related services, to be provided to STEM schools. Under continuing law, ERSS services must be provided to school districts, community schools, and chartered nonpublic schools.

The bill also permits STEM schools to enter into an agreement with the governing authority of an information technology center, which school districts and community schools may do under continuing law.

## Regions

(Repealed and reenacted R.C. 3312.02; conforming changes in R.C. 3312.01)

The bill eliminates the 16 statutorily established ERSS regions and instead requires the Department to establish and designate the boundaries of up to 16 new regions within 180 days of the bill's effective date. The Department must notify affected regions of subsequent changes at least 90 days before the fiscal year in which those changes will take effect.

## Regional advisory councils

(R.C. 3312.01, 3312.08, 3312.09, 3312.13; repealed R.C. 3312.03, 3312.04, 3312.05, and 3312.06)

The bill eliminates ERSS regional advisory councils and subcommittees.

Under current law, each ERSS region is required to have an advisory council composed of representatives from regional ESCs, school districts, institutions of higher education, and the treasurer of the fiscal agent for the region. Current law requires each advisory council to:

- Identify regional needs and priorities for educational services that the Department may use to develop performance contracts entered into by the fiscal agent of the region;
- Develop policies to coordinate the delivery of services in a manner that responds to regional needs and priorities;
- Make recommendations to the fiscal agent regarding the expenditure of funds for implementation of state and regional education initiatives and school improvement efforts;
- Monitor implementation of state and regional education initiatives and school improvement efforts by ESCs, information technology centers, and other regional service providers to ensure that the terms of the performance contracts entered into by the fiscal agent are met;
- Establish an accountability system to evaluate the council on its performance of the duties described above; and
- Establish specialized subcommittees of the council.

## **Fiscal agents and performance contracts**

(R.C. 3312.01, 3312.07, 3312.08, 3312.09, and 3312.13)

The bill permits career-technical planning districts, county boards of developmental disabilities, Ohio college tech prep regional centers, and community colleges to be the fiscal agent for an ERSS region. It also permits the Department to select an entity located in another ERSS region to be a fiscal agent for a region where no entity responded to or met the requirements in the Department's request for proposals. Under continuing law, a school district or educational service center may serve as a region's fiscal agent.

Under continuing law, the Department must select entities to serve as a region's fiscal agent based on certain criteria. The bill modifies one of these criteria by requiring an entity to provide an assurance it will limit aggregate fees for administering a performance contract to 5% of the contract's value, rather than a demonstrated intent to limit those fees to 7% as under current law.

## **Performance contracts**

(R.C. 3312.07 and 3312.09)

Under continuing law, each ERSS fiscal agent must enter performance contracts with the Department to implement the state and regional education initiatives and school improvement efforts and to disburse ERSS funding. Each performance contract must include the aggregate fees to be charged by the fiscal agent and its subcontractors to cover personnel and program costs associated with administering the contract. The bill decreases the threshold to require Controlling Board approval of those such costs from 4% to 3% of the value of the performance contract.

State law also prescribes certain factors the Department must consider when entering performance contracts with a fiscal agent. The bill eliminates the requirement that the Department consider the services that will be provided in an ERSS region from the Department's system of intensive, ongoing support for the improvement of school districts and school buildings before entering a performance contract.<sup>66</sup>

## **School district waiver of qualified immunity**

(R.C. 3313.174)

The bill eliminates immunity from liability for a school district or member of a school district board of education from a civil action if the board of education or one of its members knowingly instructs the district superintendent to violate any state statute or common law. This waiver of immunity expressly does not eliminate, limit, or reduce any other immunity or defense to which a district or school board member may be entitled.

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<sup>66</sup> R.C. 3302.04, not in the bill.

## **Background – school district civil immunity**

The immunity provisions for political subdivisions, including school districts, community schools, and STEM schools, in civil actions for personal injury are governed by R.C. Chapter 2744, commonly called the Sovereign Immunity Law. Under that law, a covered entity and its employees are generally immune from liability in a civil action for money damages for injuries related to performing a governmental or proprietary function.<sup>67</sup>

## **Demand side educator employment data**

(R.C. 3301.82)

### **Collection of data**

The bill requires the Department annually to collect school district, community school, and STEM school employment and vacancy data for all of the following:

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 bill requires the Department to report the number of vacant positions aggregated by the following:

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 the following reasons:
  - a. Retirement;
  - b. New position;
  - c. Repeated poor teacher evaluations;
  - d. Position is no longer necessary;

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<sup>67</sup> Anderson's Ohio School Law Manual, Personal Liability of Officers and Employees, Section 10.12 (2025).

- e. Reduction in force.
6. Methods used to fill vacant positions, which must include the following:
  - 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 bill 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 bill eliminates the Adult Diploma Program and 22+ Adult High School Diploma Program, effective July 1, 2026. The bill 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, it allows an individual to instead complete a competency-based program as established in this bill. 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 bill, 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 bill 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 18 years old.

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 six, 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 bill requires the Department to 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 bill 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 under continuing law. 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.

The Department must adopt guidelines and procedures to operate the program.

## **Ohio Code-Scholar Program**

(R.C. 3313.905)

The bill replaces the five-year Ohio Code-Scholar Pilot Program established in 2021 with a permanent program and provides that the program be a hands-on educational initiative designed for students in grades four through 12 with an emphasis on experiential learning in computer science, coding, and digital literacy. Under the bill, Southern State Community College facilitates the program, and the bill outlines permissible uses of the program's appropriation.

### **Use of program funds**

The bill 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**

The bill requires Southern State to 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 bill 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 bill's provisions.

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

(R.C. 3313.64)

The bill addresses payment of tuition for educational services when a child is placed in a home located in a district different from the district in which 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 in which 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 standards established by the Director of the Department (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, the home or out-of-state facility must notify the district where the child's parent resides and the district where the home 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 bill 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 bill 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 bill 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>68</sup>

## **State scholarship recipients**

Finally, the bill 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.

## **Background**

OhioRISE (Resilience through Integrated Systems and Excellence) is a specialized Medicaid managed care program for youth with complex behavioral health and multisystem needs. While some mental health and substance use services are covered under Medicaid, others are not, nor are they generally covered by private insurance. The resulting financial burden forced some families to surrender custody of their child to a public children services agency to enable the child to access care. One of the goals of OhioRISE is to prevent custody relinquishment.

## **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 bill 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. The bill requires each district to submit this information by August 31 of each fiscal year and updated information and projections by the last day of February of that fiscal year. For FY 2026, the bill requires districts to make the initial submission by October 15, 2025.

Under the bill, 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.

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<sup>68</sup> See R.C. 3313.618; R.C. 3321.042, not in the bill.

The bill requires the Department and the Auditor of State to, beginning with submissions for FY 2026, 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 current law.

The bill also adds current budget information to provisions of law where a district’s three-year forecasts are used or required, including for determinations on the district’s financial solvency. The bill 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 current law.

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

(R.C. 3313.46)

The bill modifies the types of school district construction projects that are subject to the contract bidding process prescribed under continuing law. The bill applies the contract bidding process to any building or other property rather than any school building that will exceed the statutory competitive bidding threshold. Continuing law requires district boards to competitively bid when it determines to build, repair, enlarge, improve, or demolish a school building that exceeds the threshold but exempts from the bidding process construction projects of urgent necessity, that are for the security and protection of school property, or that are otherwise exempt from contract bidding.

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

(R.C. 3313.5313)

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

### **Qualifying offenses**

Under current law, a school district superintendent or chief administrative officer of a school may permit a home-educated student or a student enrolled in a different school district, community school, STEM school, chartered nonpublic school, or nonchartered nonpublic school to participate in interscholastic athletics at one of the superintendent’s or chief administrative officer’s schools if the student was subject to any of the following by a school official, employee, volunteer, or another student:

1. Harassment, intimidation, or bullying;<sup>69</sup>

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<sup>69</sup> R.C. 3313.666, not in the bill.

2. An offense of violence;<sup>70</sup>
3. A violation of state importuning law;<sup>71</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 bill 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 bill 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 bill explicitly 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, including personnel, related services, curriculum, supplies, equipment, or facilities if it operates an online school using an online learning model under continuing law.

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

(Section 265.190)

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<sup>70</sup> R.C. 2901.01, not in the bill.

<sup>71</sup> R.C. 2907.07, not in the bill.

The bill mandates that the Department of Education and Workforce require certain public entities that serve preschool children with disabilities 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>72</sup>

Under continuing law, the Department of Education and Workforce 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 of Education and Workforce 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. Funds paid to ESCs and county boards are deducted from the funds paid to those school districts.<sup>73</sup>

## **Aspire Program transfer**

(Section 525.60)

The bill 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>72</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>73</sup> R.C. 3317.0213. See also R.C. 3323.091, not in the bill.

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

Historically, the program has been administered by the Ohio Department of Higher Education, which awards Aspire funds to local grantees through a competitive grant process approximately every three years. The bill transfers program administration to the DEW.

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.

### **Effect of program transfer**

All of the following apply with respect to the Aspire Program's transfer under the bill:

- Whenever the Chancellor of Higher Education or ODHE is referred to in any law, contract, or other document pertaining to the program, including contracts sourced by the DAS Director or DAS, the reference is deemed to refer to the DEW Director or DEW.
- No validation, cure, right, privilege, remedy, obligation, or liability is lost or impaired by reason of the program's transfer, but instead must be administered by DEW.
- By July 1, 2026, all records, data, documents, files, materials, and staff resources pertaining to the program must be transferred to DEW.
- All rules, orders, and determinations issued with respect to the program continue in effect as if issued by the DEW Director until modified or rescinded by the DEW Director.

Additionally, no action or proceeding pending on the transfer's effective date is affected by the transfer. Any action or proceeding must be prosecuted or defended in the name of DEW or the DEW Director. In all actions and proceedings, DEW or the DEW Director, on application to the court, must be substituted as a party.

### **Transfer of employees**

Under the bill, 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 Department of Administrative Services – Personnel Law, transferred employees who are subject to the Public Employees Collective Bargaining Law are assigned job classifications as discussed below. Transferred employees retain all of 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>74</sup>

### **OBM Director**

Pursuant to a continuing law provision governing budget adjustments, the bill requires the OBM Director to 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 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 bill makes an appropriation with respect to 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>75</sup>

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<sup>74</sup> By reference to R.C. 124.152, and R.C. 124.321 to 124.328, not in the bill.

<sup>75</sup> By reference to R.C. 126.15, not in the bill.