

Greenbook

LBO Analysis of Enacted Budget

Department of Education and Workforce

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 Appropriation Spreadsheet

LBO Greenbook

Department of Education and Workforce

Quick look...

- The Department of Education and Workforce (DEW), previously named the Ohio Department of Education, oversees a K-12 public education system that enrolls approximately 1.6 million students.
- The budget transfers control of the Department from the State Board of Education and Superintendent of Public Instruction to the new position of Director of Education and Workforce, who is appointed by the Governor with the advice and consent of the Senate.
- Total budget: \$15.87 billion in FY 2024 and \$14.45 billion in FY 2025.
 - The GRF, lottery and sports gaming profits, and dedicated purpose funds (DPF) supported by GRF cash transfers comprise 79.3% of the total budget.
 - About 98% of DEW’s budget is paid out as subsidy, mainly in the form of school foundation aid.
- The budget continues the phase-in of the school funding formula, known as the Fair School Funding Plan, in FY 2024 and FY 2025, and updates the formula’s base cost input data from FY 2018 to FY 2022.
- The budget expands eligibility for EdChoice Expansion scholarships to all students regardless of income, paying 100% of the scholarship to families with incomes up to 450% of the federal poverty level and phasing down the amount paid to families with incomes above that level.
- The budget also substantially increases funding for literacy improvement, workforce readiness initiatives, community and STEM schools meeting certain quality benchmarks, and community and STEM school facilities.

Fund Group	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
General Revenue	\$8,211,630,209	\$8,450,210,688	\$9,395,861,000	\$9,751,785,500
Lottery and sports gaming	\$1,372,092,053	\$1,340,935,372	\$1,694,300,000	\$1,746,700,000
Dedicated Purpose supported by GRF transfers	\$506,905,467	\$633,570,066	\$764,324,000	\$706,824,000
Other state non-GRF	\$51,532,968	\$39,713,618	\$38,172,518	\$34,573,158
Federal	\$4,376,955,896	\$4,418,713,236	\$3,978,670,621	\$2,213,765,310
Total	\$14,519,116,594	\$14,883,142,980	\$15,871,328,139	\$14,453,647,968
% change	--	2.5%	6.6%	-8.9%
<i>GRF + Lottery + sports gaming + GRF-supported DPF</i>	\$10,090,627,729	\$10,424,716,126	\$11,854,485,000	\$12,205,309,500
% change	--	3.3%	13.7%	3.0%

Overview

Agency overview

The Department of Education and Workforce (DEW), previously named the Ohio Department of Education (ODE), oversees a public education system consisting of 609 public school districts, 49 joint vocational school districts (JVSDs), and 341 public community schools and science, technology, engineering, and mathematics (STEM) schools. This system enrolls approximately 1.6 million students in grades K-12 and graduates approximately 122,000 students each year. In addition, DEW monitors 51 educational service centers (ESCs), other regional education providers, early learning programs, and 714 state-chartered nonpublic schools. DEW also administers the school funding system, collects school fiscal and performance data, develops academic standards and model curricula, administers the state achievement tests, issues district and school report cards, and administers Ohio's school choice programs. The **"Analysis of FY 2024-FY 2025 budget"** section of this Greenbook contains details on DEW's programs and initiatives.

Transfer of state K-12 education governance

The budget transfers control of the Department from the State Board of Education and the Superintendent of Public Instruction to the new position of Director of Education and Workforce (DEW Director), who is appointed by the Governor with the advice and consent of the Senate. The budget establishes two divisions within DEW: the Division of Primary and Secondary Education and the Division of Career-Technical Education. Each of these divisions will be headed by a deputy director appointed by the DEW Director with the advice and consent of the Senate. While the budget transfers most of the powers and duties of the State Board and Superintendent to DEW and the DEW Director, the State Board and Superintendent retain duties and powers regarding educator licensure, licensee disciplinary actions, school district territory transfers, and certain other areas (see the separate State Board of Education Greenbook for additional details).

Appropriation summary

The budget appropriates \$15.87 billion in FY 2024 and \$14.45 billion in FY 2025 for DEW. Appropriations from the GRF and State Lottery Fund (SLF) Group make up 73.2% of DEW's funding for the biennium. Adding in dedicated purpose funds (DPF) supported through GRF cash transfers¹ and sports gaming tax profits, respectively, increases this percentage to 79.3%. Federal funds account for the next largest portion at 20.4%. The remaining state non-GRF appropriations in the DPF Group and the Internal Service Activity (ISA) Fund Group account for 0.2%.

¹ The following DPF funds in DEW's budget are supported by GRF cash transfers (listed in order of magnitude): the Foundation Funding – All Students Fund (Fund 5VS0), the Literacy Improvement Fund (Fund 5AQ1), and the Career-Technical Education Equipment Fund (Fund 5AD1).

School foundation aid

Traditional school districts

The budget continues the implementation of the school funding formula established by H.B. 110 of the 134th General Assembly in FY 2024 and FY 2025, largely retaining the current method used to determine the amount and allocation of state aid for traditional school districts. Most notably, the budget updates the formula's base cost input data from FY 2018 to FY 2022 and continues the incremental phase-in of the formula in FY 2024 and FY 2025. Overall funding for traditional school districts is estimated at \$8.06 billion in FY 2024 and \$8.28 billion in FY 2025, representing annual increases of \$660.5 million (8.9%) and \$221.1 million (2.7%), respectively.

Provisions of the budget affecting the school funding formula are described in more detail below. For a detailed analysis of the current system of funding public schools in Ohio, please refer to the series of *Members Briefs* on the school funding formula posted on the [LSC website](#).

Base cost input data

The budget updates the data used for the various statewide average salary and spending inputs that comprise a district's calculated base cost from figures based on FY 2018 to those based on FY 2022. A district's base cost is a formula-determined measure of the total state and local cost to educate a typically developing student. The formula determines the base cost using an inputs-based approach, mainly student-to-staff ratios and compensation amounts for certain types of district and school staff. The statewide average base cost per pupil and statewide average career-technical base cost per pupil are used to calculate certain categorical components of the formula. Under the budget, the statewide average base cost per pupil increases from \$7,352 in FY 2023 to an estimated \$8,241 in FY 2024, an increase of 12.1%. Meanwhile, the statewide average career-technical base cost per pupil increases from \$8,891 to an estimated \$9,726, an increase of 9.4%. The budget requires the two statewide average base cost per-pupil amounts for FY 2025 to remain fixed at the FY 2024 levels.

Distribution of state share of base cost; minimum state share percentage

The budget generally maintains the formula's method of distributing state funding for the base cost to districts, with continuing law requiring routine updates to the tax years and student counts used to measure a district's capacity to raise local tax revenue. In general, the formula determines a per-pupil local contribution based on a mix of property value and income measures, then requires the state to make up the difference to bring the total up to the district's per-pupil base cost in order to direct more state funding to districts with lower wealth.

The formula provides that the per-pupil state share of the base cost cannot be less than a certain minimum percentage of the per-pupil base cost. The budget increases this minimum percentage from 5% to 10%. In general, the formula divides a district's per-pupil state share of the base cost by its per-pupil base cost to calculate its state share percentage, which is used to calculate certain categorical components of the formula. This calculation means that the minimum state share percentage increases to 10% as well. The minimum state share percentage applies to an estimated 55 (9%) districts in FY 2024 and 68 (11%) districts in FY 2025.

Continuation of phase-in

Since FY 2022, the school funding formula has included a phase-in mechanism for several of its components: the state share of the base cost; the wealth and capacity tiers of targeted assistance; categorical aid for special education, English learners, gifted students, and career-technical education and associated services funds; and disadvantaged pupil impact aid (DPIA). The formula applies a phase-in percentage to the difference between the amount it calculates for each of these components and a base amount calculated from FY 2020 funding before budget reductions. The following equation illustrates the formula’s calculation of a district’s phased-in funding.

General Calculation of Phase-in Mechanism

$$\text{District FY 2020 funding} + [\text{Phase-in \%} \times (\text{New formula's calculated funding} - \text{District FY 2020 funding})]$$

In FY 2022, the phase-in percentage for all components except DPIA, called the “general phase-in percentage,” was 16.67% while DPIA funds were phased in at 0%. In FY 2023, the phase-in percentage for all components, including DPIA, increased to 33.33%. The budget continues phasing in the formula incrementally in FY 2024 and FY 2025, increasing the phase-in percentages to 50% and 66.67%, respectively.

Table 1. Phase-in Percentages, Traditional Districts, FY 2022-FY 2025

Category	FY 2022	FY 2023	FY 2024	FY 2025
General	16.67%	33.33%	50.00%	66.67%
DPIA	0%	33.33%	50.00%	66.67%

In addition to the general and DPIA phase-in percentages, certain other components of the formula increase incrementally. The minimum state share for transportation increases from 33.33% in FY 2023 to 37.50% in FY 2024 and 41.67% in FY 2025. Per-pupil gifted professional development funds increase from \$14 in FY 2023 to \$21 in FY 2024 and \$28 in FY 2025.

Guarantees

The formula includes two “guarantee” provisions that prevent a district’s funding from falling below certain historical amounts. The budget extends the first guarantee, temporary transitional aid (based on FY 2020 funding), into FY 2024 and FY 2025. It does the same for the formula transition supplement, which ensures a district’s funding does not fall below base FY 2021 levels, including the district’s student wellness and success funds and the district’s enrollment growth supplement for that year (these two payments are not included in the calculation of temporary transitional aid).

Community and STEM schools

Community and STEM schools continue to be funded separately from traditional districts. The state foundation aid formula for these schools is similar to the formula for traditional districts. However, since these schools do not have taxing authority, the state provides all of the base cost and other applicable formula components to them. That is, the state share for

community and STEM schools is effectively 100%. The budget largely maintains the current law formulas and makes similar changes to those for traditional districts, including updating base cost inputs and increasing the phase-in percentages to the same levels as traditional districts.

The budget makes the following additional changes that apply only to formula funding for community schools:

- Establishes in temporary law a new community school equity supplement of \$650 per pupil in FY 2024 and FY 2025. The budget excludes the supplement from the formula's phase-in provisions but includes it in the calculation of a school's formula transition supplement guarantee. E-schools and STEM schools are not eligible for the equity supplement. The equity supplement totals to an estimated \$52.7 million in each fiscal year before application of the guarantee.
- Makes e-schools eligible for English learner funds, which they did not receive prior to FY 2024. This change provides e-schools with an estimated total of \$436,000 in English learner funds in each fiscal year before application of the formula's phase-in and guarantee provisions. E-schools educated roughly 350 full-time equivalent (FTE) students identified as English learners in FY 2023.
- Requires DEW to include students enrolled in a credential-only program at a dropout prevention and recovery (DOPR) community school in the school's category one career-technical education (CTE) average daily membership (ADM) (category one is the highest CTE funding tier) and to count those students as full-time students.
- Extends through the 2024-2025 school year a provision for the 2022-2023 school year providing the option of a qualifying community school to elect to report its number of enrolled students on an FTE basis using the lesser of (1) the maximum FTE 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 FTE based on attendance for the portion of the school year for which a student is enrolled and $\frac{1}{6}$ of the FTE for each credit of instruction earned during the enrollment period, up to five credits. The provision applies to three schools: Buckeye Community School, Buckeye Community School at London, and Buckeye Community School at Marion.

Estimated foundation aid for community and STEM schools under the budget is \$1.14 billion in FY 2024 and \$1.19 billion in FY 2025, representing annual increases of \$118.4 million (11.6%) and \$51.6 million (4.5%), respectively.

JVSDs

JVSDs receive state operating funding through a separate formula similar to that used to fund traditional school districts. Like the formulas for traditional districts and community and STEM schools, the budget largely maintains the current law formula while updating base cost input data and continuing the phase-in in the same manner as those districts and schools. Estimated foundation aid for JVSDs under the budget is \$433.6 million in FY 2024 and \$465.7 million in FY 2025, representing annual increases of \$60.8 million (16.3%) and \$32.1 million (7.4%), respectively.

Summary of foundation aid for public schools

Total foundation aid for public schools is estimated at \$9.63 billion in FY 2024, an increase of \$839.7 million (9.5%) compared to estimated FY 2023 aid of \$8.79 billion, and \$9.94 billion in FY 2025, an increase of \$304.9 million (3.2%) compared to the FY 2024 level.

School Type	FY 2023 Estimate	FY 2024 Enacted	FY 2025 Enacted
Traditional districts	\$7,400.7	\$8,061.3	\$8,282.4
Community and STEM schools	\$1,021.0	\$1,139.4	\$1,191.0
JVSDs	\$372.8	\$433.6	\$465.7
Total	\$8,794.6	\$9,634.2	\$9,939.1
Change	--	\$839.7	\$304.9
% Change	--	9.5%	3.2%

Spending requirements – DPIA, student wellness and success funds, and gifted funds

School districts and other public schools must adhere to certain spending requirements associated with state foundation aid, mostly for categorical funds but also for the student wellness and success portion of the base cost (“student wellness and success funds” or SWSF). The budget (1) modifies the list of initiatives on which districts and schools must spend DPIA, (2) codifies, with changes, the spending requirements for SWSF (the spending requirements for SWSF in FY 2022 and FY 2023 were located in uncodified law in H.B. 110 of the 134th General Assembly), and (3) makes permanent, with some revisions, some requirements regarding the use and reporting of gifted student funding that applied only to FY 2022 and FY 2023.

In particular, the budget requires districts and schools to (1) spend at least 50% of their SWSF allocation on mental or physical health services, (2) develop a plan to use those funds in coordination with a community mental health prevention or treatment provider or local alcohol, drug addiction, and mental health (ADAMH) board, and (3) report annually to ODE on the initiatives funded by SWSF. The latter two requirements are similar to those associated with SWSF when they were provided separately from foundation aid in FY 2020 and FY 2021. Further, the budget requires districts and schools to spend any SWSF they received in FY 2020 through FY 2023 by the end of FY 2025, and to spend any SWSF received in FY 2024 and subsequent years by the end of the following fiscal year. For additional details regarding changes to DPIA, SWSF, and gifted student funding spending requirements, see the [LSC bill analysis \(PDF\) for H.B. 33 of the 135th General Assembly](#), which is available on the General Assembly’s website: legislature.ohio.gov.

Scholarship programs

The state provides four main scholarships for students to obtain education services from private providers, typically chartered nonpublic schools: (1) the Educational Choice (EdChoice)

Scholarship Program, which provides scholarships for students who (a) are assigned or would be assigned to district school buildings that have persistently low academic achievement (known as the “traditional” component) or (b) prior to the budget, were from low-income families (known as the “expansion” component), (2) the Cleveland Scholarship Program, for students residing in the Cleveland Municipal School District, (3) the Autism Scholarship Program, and (4) the Jon Peterson Special Needs (JPSN) Scholarship Program. The latter two provide scholarships to students with autism in grades pre-K-12 and students with any category of disability in grades K-12, respectively, to enroll in an approved special education program other than the one offered by the student’s school district. The budget continues to fund all state scholarships directly using foundation aid but does not allocate specific amounts to each scholarship program. Rather, it funds them within an earmark from GRF line item 200550, Foundation Funding – All Students, that also funds foundation aid payments to school districts, community schools, and STEM schools.

The budget makes a host of changes to the state’s scholarship programs. The following highlights major changes to the programs, including universal eligibility for EdChoice expansion scholarships with means testing and increased maximum scholarship awards. Overall, scholarship payments are estimated to total \$964.5 million in FY 2024, an increase of \$369.6 million (62.1%) compared to estimated FY 2023 scholarship payments, and \$1.05 billion in FY 2025, an increase of \$86.3 million (9.0%) from FY 2024. Table 3 below breaks out the estimated amounts by program.

Scholarship	FY 2023	FY 2024	FY 2025
EdChoice Expansion	\$121.3	\$397.8	\$439.1
Traditional EdChoice	\$228.2	\$276.6	\$299.0
Autism	\$122.5	\$135.5	\$142.3
Jon Peterson Special Needs	\$77.9	\$100.6	\$115.1
Cleveland	\$45.0	\$54.0	\$55.4
Total	\$595.0	\$964.5	\$1,050.9

Traditional EdChoice and Cleveland scholarship maximum amounts

Under continuing law, the maximum scholarship amounts for most of the scholarship programs increase by the same percentage that the statewide average base cost per pupil increases. As described above, the budget’s updates to the foundation aid formula’s base cost input data result in the statewide average base cost per pupil increasing by an estimated 12.1% from FY 2023 to FY 2024. The statewide average base cost per pupil and, therefore, the maximum scholarship amounts do not change in FY 2025 due to the budget provision that requires the statewide average base cost per pupil to remain fixed at the FY 2024 level in the second year of the biennium. In FY 2023, the maximum amount of an EdChoice or Cleveland scholarship was \$5,500 for students in grades K-8 and \$7,500 for students in high school. The automatic increase provision under continuing law raises these amounts to an estimated \$6,165 for students in grades K-8 and \$8,407 for students in high school, as shown in Table 4 below. Under continuing

law, a student's EdChoice (traditional and expansion) or Cleveland scholarship may not exceed the student's tuition net of discounts.

Grade Band	FY 2023	FY 2024 and FY 2025
Grades K-8	\$5,500	\$6,165
Grades 9-12	\$7,500	\$8,407

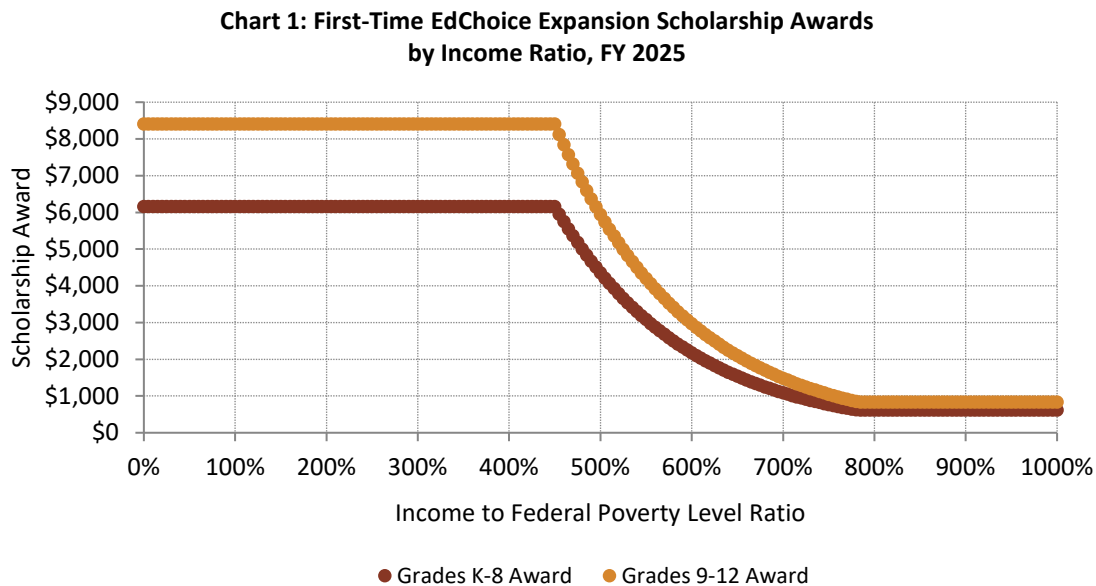
EdChoice expansion

The budget removes the family income eligibility threshold to qualify for an EdChoice expansion scholarship, previously set at 250% of the federal poverty level (FPL), beginning in FY 2024. The budget, therefore, expands eligibility for an EdChoice expansion scholarship to any student entering any of grades K-12 in the school year for which a scholarship is sought. Students who received an EdChoice expansion scholarship prior to FY 2024 qualify for the same maximum scholarship amounts for traditional EdChoice and Cleveland scholarship recipients (\$6,165 for students in grades K-8 and \$8,407 for students in high school). Beginning in FY 2024, scholarship amounts for first-time recipients are subject to means testing. A first-time scholarship recipient whose family income is at or below 450% FPL qualifies for 100% of the maximum traditional EdChoice scholarship (the base amount) while a first-time recipient whose family income is above 450% FPL qualifies for a reduced maximum scholarship amount that phases down for higher family income levels. For FY 2024 only, the budget prescribes specific amounts for students above 450% FPL, which are listed in Table 5 below.

FPL Ratio	Grades K-8	Grades 9-12
At or below 450%	\$6,165	\$8,407
451% to 500%	\$5,200	\$7,050
501% to 550%	\$3,650	\$5,000
551% to 600%	\$2,600	\$3,550
601% to 650%	\$1,850	\$2,500
651% to 700%	\$1,300	\$1,750
701% to 750%	\$900	\$1,250
Above 750%	\$650	\$950

Beginning in FY 2025, a logarithmic function formula will be used to determine the scholarship amounts for recipients who first received an EdChoice expansion scholarship in FY 2024 or later and whose family income is above 450% FPL. Like the prescribed amounts for FY 2024, the formula calculates progressively decreasing amounts based on family income, with

students with higher family incomes receiving smaller amounts. For example, the formula results in a student with a family income of 550% FPL receiving 50% of the base amount and a student with a family income of 650% FPL receiving 25% of the base amount. However, the formula sets a minimum scholarship amount equal to 10% of the base amount, which is triggered at 783% FPL. The chart below illustrates the scholarship awards in FY 2025 according to the formula.



Under the budget, DEW must require an applicant for an EdChoice expansion scholarship to submit documentation regarding the student's family income for purposes of calculating the student's scholarship amount. DEW must use the documentation submitted for the first school year the student has a scholarship calculated under the formula to calculate the student's scholarship amount for that school year and subsequent school years, unless the student's parent requests for the amount to be recalculated. In that case, DEW must recalculate the scholarship amount based on updated documentation provided by the parent.

Scholarship applications after the start of the school year

The budget delays the application deadline for receiving the full amount of an EdChoice or Cleveland scholarship from July 1 to October 15 of the school year for which a scholarship is sought and requires DEW to prorate the amount of a student's scholarship for an application submitted on and after October 15 based on how much of the school year remains after the date of the student's enrollment in school.

EdChoice scholarship selection option

The budget permits a student who qualifies for both a traditional EdChoice and an EdChoice expansion scholarship to select which scholarship the student will receive. A student may change which scholarship they receive in each school year. Prior to FY 2024, a student that qualified for both scholarships was required to select a traditional EdChoice scholarship.

EdChoice student growth measure

The budget requires DEW to develop a student growth measure for EdChoice scholarship students by July 1, 2025. Once implemented, DEW must report data annually on the growth of EdChoice students in grades 4-8 in chartered nonpublic schools, except for schools with fewer than ten scholarship students.

Autism scholarship eligibility

The budget expands eligibility for the Autism Scholarship Program to a child who receives an autism diagnosis, who is identified with autism by the child's resident school district, or who has an individualized education program (IEP) from the school district with services related to autism. Under current law, a child is eligible for the program if the resident district has identified the child with autism and developed an IEP for the child. The budget requires school districts to develop an education plan for a child who is eligible for the Autism Scholarship Program based on an autism diagnosis but who does not have an IEP.

JPSN scholarship maximum amounts

In general, a JPSN scholarship is calculated as the sum of a base amount and an amount for the student's disability category, subject to a cap. The budget increases the base amount from \$6,414 to \$7,190 in FY 2024 and FY 2025 and increases the amounts for each disability category and the capped amount in each fiscal year of the biennium so that a scholarship may not exceed \$30,000 in FY 2024 and \$32,445 in FY 2025, up from \$27,000 in FY 2023. Table 6 below compares the effective maximum amounts for FY 2023 to those for FY 2024 and FY 2025 for each disability category once the base, disability category, and capped amounts are all taken into account.

Disability Category	FY 2023	H.B. 33 FY 2024	H.B. 33 FY 2025
Category 1	\$7,976	\$8,941	\$9,585
Category 2	\$10,377	\$11,632	\$12,470
Category 3	\$15,936	\$17,863	\$19,150
Category 4	\$19,121	\$21,433	\$22,977
Category 5	\$23,623	\$26,480	\$28,387
Category 6	\$27,000	\$30,000	\$32,445

Cleveland scholarship program location restrictions

The budget eliminates geographic restrictions for chartered nonpublic schools to participate in the Cleveland Scholarship Program. Effectively, this permits any student who resides within the Cleveland Municipal School District and receives a scholarship to attend any participating nonpublic school regardless of that school's location. Under former law, only schools located within the Cleveland Municipal School District or a qualifying neighboring municipality could participate.

Literacy improvement initiatives

The budget substantially increases funding for literacy improvement as part of an initiative that DEW refers to as “ReadOhio.” The budget uses a combination of GRF appropriations and a transfer from FY 2023 GRF surplus revenues to the newly created Literacy Improvement Fund (Fund 5AQ1) to provide a total of \$168.0 million over the biennium under DEW’s budget for three new literacy earmarks:

- \$43.0 million in each fiscal year to support stipends for teacher professional development in literacy instruction. This funding will be used to reimburse districts and schools for stipends paid to teachers to complete professional development in the science of reading and evidence-based strategies for effective literacy instruction that is required under the budget.
- \$64.0 million in FY 2024 to subsidize district and school costs to purchase DEW-approved high quality core curriculum and instruction materials in English language arts and evidence-based reading intervention programs that are aligned with the science of reading and strategies for effective literacy instruction. The budget generally requires districts and schools to use only approved materials and programs by the 2024-2025 school year.
- \$6.0 million in FY 2024 and \$12.0 million in FY 2025 for literacy coaches in districts and schools with the lowest rates of proficiency in literacy. DEW plans to supplement the GRF funding for this purpose in FY 2024 with \$5.0 million in existing appropriations of federal coronavirus relief funds.

Additional details regarding these earmarks are discussed below under the “**C7:1: Literacy Improvement (ALI 200566 and 2006A4)**” portion of the line item analysis.

Further, the budget applies existing dyslexia screening and intervention requirements to students who transfer into a district or school mid-year and have not already received a screening in their original school. Additionally, the budget clarifies dyslexia professional development training requirements under current law for teachers hired after the requirements were originally established (April 12, 2021), which were not addressed under former law. The budget requires teachers hired after this date to complete the required professional development within certain prescribed time frames depending on their date of hire and grade levels taught.

Third grade reading guarantee

Current law requires public schools and chartered nonpublic schools accepting EdChoice or Cleveland scholarships to provide additional supports in reading for a student in grades K-3 determined to be reading below grade level. In general, students reading below grade level are retained in third grade if they do not attain a certain minimum promotion score on the third grade English language arts assessment. However, the law exempts from retention students who meet certain criteria. The budget expands the exemptions by permitting a student to be promoted to fourth grade if the student’s parent or guardian, in consultation with the student’s reading teacher and building principal, requests that the student be promoted regardless of whether the student is reading at grade level. The budget requires the school to continue to provide reading intervention services until the student reads at grade level.

The budget generally maintains the requirement that public schools and chartered nonpublic schools that enroll EdChoice and Cleveland scholarship students must offer intervention and remediation services to students reading below grade level. However, the budget requires districts and schools to provide reading intervention services to a student reading below grade level until the student reaches the required level of skill in reading for the student's current grade level. It further requires that the intervention services include "high-dosage" tutoring opportunities that are aligned with the student's classroom instruction through a state-approved vendor on the list of high-quality tutoring vendors or a locally approved opportunity that aligns with high-dosage tutoring best practices. The budget also requires public schools to send, in the written notification to the parents or guardians of a student reading below the required level of skill on the third grade reading assessment, a statement that details the connection between reading proficiency and long-term outcomes of success.

Additional support for community and STEM schools

The budget increases lottery profits funding for two programs that provide funding outside of the state foundation aid formula for community and STEM schools: the Quality Community and Independent STEM Schools Support Program and community and STEM school facilities funding. Additional details are provided below.

Quality Community and Independent STEM Schools Support

The budget increases funding for the Quality Community Schools Support Program and expands it to include independent STEM schools. The budget funds the program at \$136.5 million per year, \$82.5 million (152.8%) over FY 2023 spending of \$54.0 million. The program provides additional funds to community schools that meet certain quality standards with respect to report card grades, sponsor ratings, and other factors and, beginning in FY 2024, STEM schools that meet certain other criteria. The budget increases the program's per-pupil amounts, from \$1,750 to \$3,000 for students who are identified as economically disadvantaged and from \$1,000 to \$2,250 for other students. A school designated as a Community or Independent STEM School of Quality maintains its designation for two fiscal years following the fiscal year it was first designated.

Community and STEM school facilities

The budget increases the per-pupil facilities payment to site-based community schools and STEM schools from \$500 to \$1,000 and maintains the amount paid to e-schools at \$25 per pupil. The budget provides community and STEM school facilities funding of \$87.1 million in FY 2024, or \$45.1 million (107.3%) more than the \$42.0 million spent in FY 2023, and \$88.6 million in FY 2025, an increase of \$1.5 million (1.7%) from the FY 2024 level.

Workforce readiness initiatives

Career-technical education equipment grants

The budget provides DEW with new funding of \$50.0 million in each fiscal year to establish a program to assist traditional districts, JVSDs, community schools, and STEM schools with equipment purchases necessary to establish or expand career-technical education (CTE) programs, with priority for CTE programs that support careers on Ohio's Top Jobs List, and to

establish or expand credentialing programs that qualify for the existing Innovative Workforce Incentive Program (IWIP). The budget supports the program through GRF cash transfers to the Career-Technical Education Equipment Fund (Fund 5AD1). Separately, the budget appropriates \$200.0 million in FY 2024 under the Ohio Facilities Construction Commission budget to support construction projects that establish or expand CTE programs.

CTE courses at Ohio technical centers

The budget permits school districts to contract with an Ohio Technical Center (OTC) to serve students in grades 7-12 who are enrolled in a CTE program in the district but are unable to enroll in a course due to class capacity, scheduling, availability, or accessibility issues. OTCs are career-technical centers and schools recognized by the Chancellor of Higher Education to provide adult education. There are currently 49 OTCs in the state. The budget requires districts wishing to enter into such an arrangement to submit a plan to DEW detailing how the partnership between the district and OTC will provide CTE services to students. Approved districts must award high school credit for completion of a course at an OTC and may not count a student who takes a course at an OTC as more than one full-time equivalent (FTE) student unless the student is already a full FTE in the district and takes the OTC course outside normal school hours.

To cover the costs of these students, this provision requires approved districts to pay a per-pupil amount to the OTC educating their CTE students. The amount must be the lesser of the OTC's standard tuition for the course or (1) for OTCs located on the same campus as the student's high school, the student's CTE weighted funding for their CTE program for their portion of full-time equivalency while the student is enrolled in the OTC course without applying the district's state share percentage, or (2) for OTCs not located on the same campus, \$7,500. Districts and OTCs may establish alternate amounts to be paid under an agreement, and districts may use their CTE funds to pay for any costs incurred by students enrolling in OTC courses. Further, DEW must consider the costs of any student enrolling in an OTC as an approved CTE expense.

Career-technical cooperative education districts

The budget permits two or more traditional school districts that are members of a compact career-technical education provider that exists on October 3, 2023, to enter into an agreement to create a career-technical cooperative education district. A cooperative district may not be created until July 1, 2024. The cooperative district must fund and provide students enrolled in grades 7-12 in member districts with a career-technical education adequate to prepare them for an occupation. The budget specifies that a cooperative district is not a JVSD and, instead, requires the cooperative district to (1) be considered a career-technical education compact for the purposes of state education law, and (2) serve as the lead district of a career-technical planning district composed of the cooperative district's member districts.

The budget requires a cooperative district to be governed by a board of directors composed of the superintendents of the cooperative district's member districts. The board of directors may levy a voter-approved property tax of up to three mills and accept gifts, donations, bequests, and other grants. The budget requires DEW to compute and make payments to a cooperative district in the same manner as a lead district of a career-technical planning district. The budget requires the cooperative district's agreement to contain certain specified information with respect to the board of directors, the education district's fiscal officer, and the permanent

location of the board's offices and meeting place; services and transportation that will be provided for students served by the education district; and a district's dissolution. It permits the agreement to specify how member districts contribute funding to the cooperative district.

Computer science instruction

The budget establishes the Ohio Computer Science Promise Program beginning with the 2024-2025 school year. The program was one of the recommendations made in the legislatively required state plan for computer science published in August 2022. In general, the program will permit a student in grades 7-12 to enroll in and receive high school credit for one computer science course per academic year at no cost from an approved provider if the course is not offered by the student's public or chartered nonpublic secondary school and there are sufficient funds to support enrollment. DEW, in consultation with the Chancellor of Higher Education, will approve eligible courses and providers and publish a list of them each year. The budget does not provide state funding for the program.

Other workforce development provisions

The budget contains several other provisions involving DEW and workforce development. These provisions require:

- DEW to develop informational materials for seventh and eighth graders about available career opportunities.
- DEW to participate in the process established under continuing law to identify in-demand jobs, in connection with the Governor's Executive Workforce Board, the Ohio Department of Job and Family Services (ODJFS), the Department of Higher Education (DHE), and higher education institutions.
- The Governor to appoint the deputy directors of primary and secondary education and career-technical education to the Governor's Executive Workforce Board.

Transfer of early childhood programs to Department of Children and Youth

The budget creates the new Department of Children and Youth (DCY), pulling together several child-focused programs and services from various state agencies into a single cabinet department. Among these are DEW's Office of Early Learning and School Readiness, which administers state and federal funding for early childhood education (ECE) and child care licensing. According to DEW, about 31 FTE staff are funded in the Office, which is more or less consistent with the positions funded from the line items proposed to move to DCY but does not include any support staff that may also be needed by the transferred employees. Actual spending for the Office's activities totals \$81.6 million in FY 2023, as shown in Table 7. Of this total, \$68.8 million came from the GRF, primarily funding grants to support ECE services (i.e., preschool slots) through ALI 200408, Early Childhood Education. Federal funding in Fund 3C50 ALI 200661 supplements state preschool special education funds, which remain in DEW's budget. The budget increases GRF funding for ECE grants under DCY to \$129.2 million in each of FY 2024 and FY 2025, an increase of \$65.2 million (101.8%) compared to FY 2023.

Table 7. Summary of Funding for Early Childhood Education Activities Transferred from ODE to DCY (in millions)					
Fund	ALI (ODE/DCY)	Purpose	FY 2023 Actual (ODE)	FY 2024 Appropriation (DCY)	FY 2025 Appropriation (DCY)
GRF	200408/830407	ECE grants	\$64.0	\$129.2	\$129.2
GRF	200442/830409	Child care licensing	\$2.1	\$3.0	\$3.0
GRF	200437/830408	Early learning assessment	\$2.6	\$2.8	\$2.8
3C50	200661/830610	Preschool special education	\$12.7	\$14.0	\$14.0
3HF0	200649/830611	Head Start collaboration	\$0.2	\$0.2	\$0.2
Total			\$81.6	\$149.2	\$149.2

State minimum teacher salary schedule

The budget increases the minimum base salary for beginning teachers with a bachelor's degree from \$30,000 to \$35,000 and increases proportionally the minimum salaries in the statutory stepped teacher salary schedule for teachers with different levels of education and experience. Based on FY 2022 data, about 3,400 public school teachers are below the new minimums for their experience and education level. District and school salary and benefit costs may increase by up to an estimated \$9.3 million annually to bring the salaries for these teachers up to the new minimums.

School meals

The budget makes school breakfasts and lunches free to all students who qualify for reduced-priced school meals under federal child nutrition programs. It does so by requiring DEW to provide reimbursements to schools and other facilities that participate in the National School Lunch Program or School Breakfast Program and by requiring those schools and facilities to provide meals at no cost to students who qualify for a reduced-price meal. The cost of these reimbursements, estimated at \$4.2 million in each fiscal year, will be paid from the GRF.

Free feminine hygiene products

The budget requires all public and chartered nonpublic schools that enroll girls in grades 6-12 to provide free feminine hygiene products for those students for use on school premises. It further permits schools to offer free feminine hygiene products to students below sixth grade if they so choose. The budget supports this requirement with an appropriation of \$5.0 million in FY 2024 only. The budget earmarks \$2.0 million of this amount for districts and schools to install dispensers and \$3.0 million to reimburse districts and schools for costs to provide the products. The budget backs the appropriation with an FY 2024 cash transfer of \$5.0 million from the School District Solvency Assistance Fund (Fund 5H30) to the newly created Feminine Hygiene Products Fund (Fund 5AR1).

Transportation noncompliance

The budget modifies the law regarding school district noncompliance with school transportation obligations. Prior law required DEW to penalize a school district if it determined that the district had consistently, or for a prolonged period, been out of compliance with certain statutory obligations regarding student transportation. DEW defined “prolonged” noncompliance as ten consecutive school days of noncompliance and “consistent” noncompliance as ten total school days of noncompliance in any given semester. The penalty was a deduction of the school district’s state transportation funding equal to the total daily amount of that funding for each day the district was noncompliant. The budget defines “out of compliance” and changes the penalty for noncompliance to a series of escalating sanctions. Additional details are provided below.

The budget defines “out of compliance” as a period of five consecutive school days or more than ten school days within a school year in which any of the following occur for each of those days: (1) students arrive more than 30 minutes late to school, (2) students are picked up more than 30 minutes after the end of the school day, (3) students do not receive any transportation at all due to the failure of the bus to arrive, or (4) noncompliance with any other student transportation requirements under continuing law. The budget makes an exemption for days in which inclement weather caused any of the above to occur.

The budget requires DEW to notify a district if it is found to be out of compliance and requires the district to create a corrective action plan to be submitted to DEW within one week of its first notification of noncompliance. Upon further incidents of noncompliance, the budget requires DEW to withhold 25% of a district’s daily state transportation amount for each day a district is determined to be out of compliance for the next three subsequent determinations of noncompliance in the same school year. On the fifth determination of noncompliance in the same school year, DEW must withhold 100% of a district’s daily state transportation payment amount for each day a district is determined to be out of compliance. The budget requires that the noncompliance count be reset to zero at the beginning of the school year.

For a district determined to be out of compliance, the budget requires DEW to calculate the district’s daily state transportation amount on a per-pupil basis and, using the funds it withholds, disburse that per-pupil amount to the district or school for each day out of compliance. The district or school must then remit the funds to the parent or other person in charge of the student who did not receive proper transportation while the district was out of compliance.

In addition, beginning with disputes regarding determinations of school district noncompliance with transportation obligations arising after December 1, 2023, the budget requires DEW to issue a determination within 30 days of receiving a dispute. However, DEW may delay a determination to within 45 days of receiving a dispute notice if it notifies all affected parties in advance that the determination will be delayed.

Pupil transportation pilot program

The budget establishes a pilot program for the 2024-2025 school year in which two selected ESCs will provide transportation to students enrolled in community and chartered nonpublic schools, in lieu of receiving transportation from their resident school district, as required under current law.

Under the program, DEW must select an ESC in each of Franklin County and Montgomery County to participate in the pilot program by October 15, 2023. Each of these ESCs, along with DEW, will then identify a school district served by each participating ESC and community and chartered nonpublic schools that enroll students from the district for whom the ESCs will then provide transportation. During the 2023-2024 school year, each participating ESC will arrange for buses and drivers, collaborate with participating schools on daily start and end times for the 2024-2025 school year, and notify the school district that the participating schools will not be requiring transportation services for the 2024-2025 school year. DEW will deduct from these school districts' transportation payments and pay to the participating ESCs the amount the district would otherwise receive for each student transported. DEW must produce a report evaluating the pilot program with its findings and recommendations by September 15, 2025.

The budget earmarks \$1 million in FY 2024 from Fund 3HQ0 ALI 200651, Emergency Assistance to Non-public Schools, to support this pilot program, likely to be used for program start-up costs. No new appropriations support the earmark. Rather, the budget allocates the funds from the available balance of ALI 200651 at the end of FY 2023, which was reappropriated in FY 2024 pursuant to a provision enacted in H.B. 45 of the 134th General Assembly. The budget requires DEW to support the earmark with reallocated federal Emergency Assistance to Non-Public Schools (EANS) funds that went unused for their original purpose. Federal law permits these reallocated EANS funds to be used for a wide variety of activities.

Federal coronavirus relief

The budget appropriates \$1.8 billion in federal Elementary and Secondary School Emergency Relief (ESSER) funds to Fund 3HS0 ALI 200640, Federal Coronavirus School Relief, in FY 2024. This is the remaining amount of Ohio's ESSER allocation that has yet to be appropriated. All of Ohio's ESSER allocations for state-level activities have been allocated, meaning that this appropriation will be used entirely to distribute ESSER funds to school districts and community schools. DEW must distribute ESSER funds to districts and schools by federal formula in proportion to their share of federal Title I, Part A funds. ESSER funds provided under the federal Consolidated Appropriations Act, 2021 ("ESSER II") expire September 30, 2023, while ESSER funds provided under the federal American Rescue Plan Act ("ARP ESSER") expire September 30, 2024. ESSER funds provided under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act ("ESSER I") expired September 30, 2022.

Further, the budget permits DEW to use ESSER II funds slated for emergency needs to support earmarks appropriated in H.B. 169 and H.B. 583 of the 134th General Assembly that were originally supported by ARP ESSER state activity funds designated for emergency needs and addressing learning loss. In turn, DEW must use the ARP ESSER state activity funds to support the Afterschool Child Enrichment (ACE) Educational Savings Account Program instead of ESSER II state activity funds. Effectively, this provision extends federal funding for the ACE Educational Savings Account Program by an additional year, to September 30, 2024.

The budget also reappropriates any unused balance remaining in certain federal coronavirus relief funds at the end of FYs 2023 and 2024 into the following year. Specifically, amounts remaining in the ARP – Homeless Children and Youth Fund (Fund 3HZ0) and the ARP – Students with Disabilities Fund (Fund 3IA0) at the end of FY 2023 carry over into FY 2024, and amounts remaining in the Governor's Emergency Education Relief Fund (Fund 3HQ0), the Federal

Coronavirus School Relief Fund (Fund 3HS0), and Fund 3HZ0 at the end of FY 2024 will carry over into FY 2025.

Vetoed provision

JCARR review of community school full-time equivalency manual

The Governor vetoed provisions that would have required the Joint Committee on Agency Rule Review (JCARR) to review any changes DEW proposed to its manual containing standards and procedures used to review or audit the full-time equivalency student enrollment reported by community schools. The review process would have consisted of public hearings and a vote to determine whether community schools could reasonably comply with the changes. DEW would have been prohibited from implementing any changes without JCARR's approval.

Analysis of FY 2024-FY 2025 budget

Introduction

This section provides an analysis of the funding for each appropriation line item (ALI) in DEW's budget and for two school-related property tax reimbursement appropriation items located in the State Revenue Distribution (RDF) section of the budget act. For organization, this analysis groups these ALIs into ten major categories based on their purpose. The analysis for an ALI with a lower category or subcategory designation will appear before that for an ALI with a higher category or subcategory designation. That is, the analysis for an ALI with a category designation of C1:8 will appear before the analysis for an ALI with a category designation of C2:1 and the analysis for an ALI with a category designation of C1:3 will appear before the analysis for an ALI with a category designation of C1:8.

To aid the reader in locating each ALI in the analysis, the following table lists each ALI by fund group and fund in the same order in which they appear in the DEW and RDF sections of the budget act, along with the category in which each ALI has been placed.

The analysis contains a table for each appropriation item showing its expenditures for FY 2023 and appropriations for FY 2024 and FY 2025. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation in the budget. If the appropriation is earmarked, the analysis lists and describes each earmark.

Categorization of DEW's Appropriation Line Items for Analysis of FY 2024-FY 2025 Budget				
Fund	ALI	ALI Name		Category
General Revenue Fund Group				
GRF	200321	Operating Expenses	C8:1	State Administration
GRF	200420	Information Technology Development and Support	C8:2	State Administration
GRF	200422	School Management Assistance	C5:3	School Operations Support
GRF	200424	Policy Analysis	C4:5	Curriculum, Assessment, and Accountability
GRF	200426	Ohio Educational Computer Network	C5:1	School Operations Support
GRF	200427	Academic Standards	C4:4	Curriculum, Assessment, and Accountability
GRF	200437	Student Assessment	C4:1	Curriculum, Assessment, and Accountability
GRF	200439	Accountability/Report Cards	C4:3	Curriculum, Assessment, and Accountability
GRF	200446	Education Management Information System	C4:2	Curriculum, Assessment, and Accountability
GRF	200448	Educator Preparation	C6:1	Educator Quality
GRF	200455	Community Schools and Choice Programs	C1:3	Basic Public School Support
GRF	200457	STEM Initiatives	C2:8	Educational Enhancements

Categorization of DEW's Appropriation Line Items for Analysis of FY 2024-FY 2025 Budget

Fund	ALI	ALI Name	Category
GRF	200465	Education Technology Resources	C5:2 School Operations Support
GRF	200478	Industry-Recognized Credentials High School Students	C2:4 Educational Enhancements
GRF	200492	College Credit Plus – Auxiliary Funding	C2:6 Educational Enhancements
GRF	200502	Pupil Transportation	C1:1 Basic Public School Support
GRF	200505	School Meal Programs	C5:8 School Operations Support
GRF	200511	Auxiliary Services	C3:1 Nonpublic School Support
GRF	200532	Nonpublic Administrative Cost Reimbursement	C3:2 Nonpublic School Support
GRF	200540	Special Education Enhancements	C2:1 Educational Enhancements
GRF	200545	Career-Technical Education Enhancements	C2:3 Educational Enhancements
GRF	200550	Foundation Funding	C1:1 Basic Public School Support
GRF	200566	Literacy Improvement	C7:1 Academic Achievement
GRF	200572	Adult Education Programs	C7:2 Academic Achievement
GRF	200574	Half-Mill Maintenance Equalization	C1:2 Basic Public School Support
GRF	200576	Adaptive Sports Program	C2:9 Educational Enhancements
GRF	200597	Program and Project Support	C2:5 Educational Enhancements
GRF	657401	Medicaid in Schools	C2:7 Educational Enhancements
Dedicated Purpose Fund Group			
4520	200638	Charges and Reimbursements	C8:5 State Administration
5980	200659	Auxiliary Services Reimbursement	C3:3 Nonpublic School Support
5AD1	2006A2	Career-Technical Education Equipment	C2:2 Educational Enhancements
5AQ1	2006A4	Literacy Improvement	C7:1 Academic Achievement
5AR1	2006A5	Feminine Hygiene Products	C5:5 School Operations Support
5H30	200687	School District Solvency Assistance	C5:6 School Operations Support
5KX0	200691	Ohio School Sponsorship Program	C1:5 Basic Public School Support
5MM0	200677	Child Nutrition Refunds	C5:7 School Operations Support
5U20	200685	National Education Statistics	C4:7 Curriculum, Assessment, and Accountability
5VSO	200604	Foundation Funding – All Students	C1:1 Basic Public School Support
5Y00	200491	Public and Nonpublic Education Support	C1:1 Basic Public School Support
6200	200615	Educational Improvement Grants	C7:4 Academic Achievement
Internal Service Activity Fund Group			
1380	200606	Information Technology Development and Support	C8:2 State Administration

Categorization of DEW's Appropriation Line Items for Analysis of FY 2024-FY 2025 Budget

Fund	ALI	ALI Name	Category
4R70	200695	Indirect Operational Support	C8:3 State Administration
4V70	200633	Interagency Program Support	C8:4 State Administration
State Lottery Fund Group			
7017	200611	Education Studies	C4:6 Curriculum, Assessment, and Accountability
7017	200612	Foundation Funding – All Students	C1:1 Basic Public School Support
7017	200614	Accelerate Great Schools	C7:3 Academic Achievement
7017	200631	Quality Community and Independent STEM Schools Support	C1:4 Basic Public School Support
7017	200684	Community School Facilities	C5:4 School Operations Support
Federal Fund Group			
3670	200607	School Food Services	C5:11 School Operations Support
3700	200624	Education of Exceptional Children	C2:14 Educational Enhancements
3AF0	657601	Schools Medicaid Administrative Claims	C2:7 Educational Enhancements
3EH0	200620	Migrant Education	C2:13 Educational Enhancements
3EJ0	200622	Homeless Children Education	C2:12 Educational Enhancements
3GE0	200674	Summer Food Service Program	C5:10 School Operations Support
3GG0	200676	Fresh Fruit and Vegetable Program	C5:12 School Operations Support
3HF0	200649	Federal Education Grants	C7:8 Academic Achievement
3HI0	200634	Student Support and Academic Enrichment	C2:10 Educational Enhancements
3HL0	200678	Comprehensive Literacy State Development Program	C7:6 Academic Achievement
3HS0	200640	Federal Coronavirus School Relief	C9:1 Coronavirus Relief
3L60	200617	Federal School Lunch	C5:8 School Operations Support
3L70	200618	Federal School Breakfast	C5:8 School Operations Support
3L80	200619	Child/Adult Food Programs	C5:9 School Operations Support
3L90	200621	Career-Technical Education Basic Grant	C1:8 Basic Public School Support
3M00	200623	ESEA Title 1A	C1:6 Basic Public School Support
3M20	200680	Individuals with Disabilities Education Act	C1:7 Basic Public School Support
3T40	200613	Public Charter Schools	C7:9 Academic Achievement
3Y20	200688	21 st Century Community Learning Centers	C7:5 Academic Achievement
3Y60	200635	Improving Teacher Quality	C6:2 Educator Quality
3Y70	200689	English Language Acquisition	C7:7 Academic Achievement
3Y80	200639	Rural and Low Income Technical Assistance	C2:11 Educational Enhancements

Categorization of DEW's Appropriation Line Items for Analysis of FY 2024-FY 2025 Budget				
Fund	ALI	ALI Name		Category
3Z20	200690	State Assessments	C4:1	Curriculum, Assessment, and Accountability
3Z30	200645	Consolidated Federal Grant Administration	C8:6	State Administration
State Revenue Distribution				
GRF	200903	Property Tax Reimbursement – Education	C10:1	Property Tax Reimbursements
7047	200902	Property Tax Replacement Phase Out – Education	C10:2	Property Tax Reimbursements

Category 1: Basic Public School Support

This category of ALIs contains the appropriations for state and federal formula-driven support for all public school students.

C1:1: Foundation Funding (ALIs 200550, 200502, 200604, 200491, and 200612)

Excluding the specific earmarks (which are discussed in sections that immediately follow this discussion), GRF line items 200550 and 200502, Fund 5VS0 line item 200604, Fund 5Y00 line item 200491, and Lottery Fund 7017 line item 200612 are used to collectively support state foundation aid payments for all public school students in the state. The appropriations for state foundation aid payments total \$10.60 billion in FY 2024 and \$10.99 billion in FY 2025. This marks a 12.3% increase compared to actual payments in FY 2023 and an additional 3.7% increase in FY 2025.

Foundation Aid Appropriations			
Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200550, Foundation Funding – All Students			
Earmarks	\$63,765,163	\$77,967,606	\$79,917,606
Remainder – Foundation aid	\$7,054,342,286	\$7,889,282,394	\$8,189,579,394
GRF ALI 200502, Pupil Transportation			
Earmarks	\$116,689,118	\$128,512,223	\$139,126,969
Remainder – Foundation aid	\$546,185,861	\$645,576,777	\$684,520,031
Fund 5VS0 ALI 200604, Foundation Funding – All Students			
	\$600,000,000	\$600,000,000	\$600,000,000
Fund 5Y00 ALI 200491, Public and Nonpublic Education Support			
	\$0	\$193,800,000	\$196,200,000

Foundation Aid Appropriations			
Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 7017 ALI 200612, Foundation Funding – All Students	\$1,242,500,000	\$1,274,945,000	\$1,323,945,000
Total foundation aid	\$9,443,028,147	\$10,603,604,171	\$10,994,244,425
% change	--	12.3%	3.7%

The state’s public education funding formula determines foundation aid payment allocations for traditional school districts, community and STEM schools, and JVsDs. Additionally, these appropriations include statutorily prescribed amounts for students attending a nonpublic school through a state scholarship program. Under the unit funding approach established in H.B. 110 of the 134th General Assembly and continuing in FY 2024 and FY 2025, a single allocation of funding supports school foundation aid for school districts, community and STEM schools, and students using state scholarships to attend nonpublic schools. Foundation aid for traditional districts includes funding for the operating costs of transporting students to and from school, distributed through line item 200502, Pupil Transportation. Transportation funds are mostly allocated based on the prior year’s costs and either current year ridership or miles driven. Community schools may accept responsibility to provide transportation services to their students, and those that do also receive transportation funds.

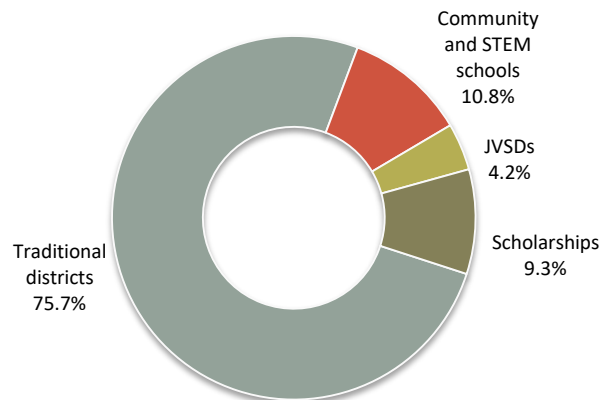
The budget continues to use Fund 5VSO ALI 200604, Foundation Funding – All Students, in conjunction with other foundation funding line items to fund the foundation formula’s disadvantaged pupil impact aid (DPIA) component and the portion of the formula’s state share of the base cost attributable to the student wellness and success staffing component. The budget continues to support Fund 5VSO through cash transfers of \$600.0 million each year from the GRF.

Beginning in FY 2024, the budget uses sports gaming tax revenue deposited into the Sports Gaming Profits Education Fund (Fund 5Y00) to fund foundation aid. The budget appropriates \$193.8 million of these funds in FY 2024 and \$196.2 million in FY 2025 through ALI 200491, Public and Nonpublic Education Support. Fund 5Y00 receives 98% of sports gaming tax revenue. The budget allocates all of the sports gaming tax in Fund 5Y00 for the general support of public and nonpublic education for students in grades K-12, instead of 50% for this purpose and 50% to support K-12 athletics and other extracurricular activities as under prior law. The budget also increases the sports gaming tax rate from 10% to 20%.

The school funding formula is typically revised to some degree every two years during the biennial budget process. As discussed in the “**Overview**” section, the budget continues the phase-in of the formula enacted in H.B. 110 and makes certain other changes. Most notably, the budget updates the inputs used to calculate the base cost from FY 2018 to FY 2022 data, increases the minimum state share percentage from 5% to 10%, and provides a new temporary equity supplement of \$650 per pupil for each site-based community school. The school funding formula is discussed in great detail in a series of *Members Briefs* on the school funding formula that are posted on the [LSC website](#).

Under the current formula, funding flows directly to districts and community schools based on the enrollment of the students they educate.² Chart 2 shows the distribution of estimated foundation aid over the FY 2024-FY 2025 biennium by school type. About 76% of foundation aid is projected to flow to traditional school districts. Community schools are estimated to receive about 11%, followed by JVSDs at 4%. As noted above, state-funded scholarship programs, including the EdChoice programs (traditional and expansion), the Cleveland Scholarship Program, the Autism Scholarship Program, and the Jon Peterson Special Needs Scholarship Program, are also funded through these appropriations and comprise about 9% of projected biennium funding. The budget expands eligibility for an EdChoice expansion scholarship to any student entering grades K-12. However, it also provides for means-testing of scholarship awards for first-time EdChoice expansion scholarship recipients. In addition, the budget increases the maximum scholarship awards under the EdChoice, Cleveland, and Jon Peterson Special Needs scholarship programs. Additional details about changes to state scholarship programs are discussed in the “**Overview**” section.

Chart 2: Estimated Foundation Aid by School Type, FY 2024-FY 2025 Biennium



While the formula provides direct funding for community and STEM schools, open enrollment, and scholarship programs, the College Credit Plus (CCP) Program is funded through foundation aid by a “deduction and transfer” mechanism.

GRF ALI 200550, Foundation Funding – All Students, Earmarks			
Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Gifted education – educational service centers	\$3,799,999	\$5,357,606	\$5,357,606
Educational service centers state subsidy	\$43,695,474	\$45,650,000	\$47,600,000
School improvement initiatives – educational service centers	\$3,377,251	\$3,500,000	\$3,500,000
Power plant valuation adjustments	\$4,246,196	\$7,000,000	\$7,000,000
State scholarship program administration	\$1,840,100	\$4,000,000	\$4,000,000
Cleveland tutoring grants	\$0	\$1,000,000	\$1,000,000

² Prior to FY 2022, the formula counted students based on their resident district. If a student attended a community school or a nonpublic school through a scholarship program, the foundation aid for that student was deducted from the resident district and transferred to the school where the student was actually educated.

GRF ALI 200550, Foundation Funding – All Students, Earmarks			
Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
College Credit Plus for home-instructed students	\$2,035,950	\$3,000,000	\$3,000,000
Private Treatment Facility Project	\$700,000	\$700,000	\$700,000
Academic distress commissions	\$326,627	\$1,760,000	\$1,760,000
Ohio STEM Learning Network	\$1,500,000	\$1,500,000	\$1,500,000
DOPR e-school supplemental funding program	\$2,243,566	\$4,500,000	\$4,500,000
GRF ALI 200550 Earmark total	\$63,765,163	\$77,967,606	\$79,917,606
% change	--	22.3%	2.5%

As indicated earlier, GRF line item 200550, Foundation Funding – All Students, also includes funding for various earmarks. These earmarks are listed in the table above and described briefly below.

Gifted education – educational service centers

These funds are used to provide gifted education services at educational service centers (ESCs). Prior to FY 2010, gifted education was funded based on units. H.B. 1 of the 128th General Assembly changed gifted funding for school districts in the foundation formula, but continued to provide ESCs gifted unit funding based on the funding they received in FY 2009. The budget requires these funds to be distributed to ESCs providing gifted services by using the unit-based funding model from FY 2009. The budget's increase in this earmark is intended to eliminate the payment proration that occurred in the FY 2022-FY 2023 biennium and prior biennia to stay within the allocated amount.

Educational service centers state subsidy

These funds provide state operating support to the 51 ESCs in Ohio. Each ESC receives a base lump sum payment of \$356,250. ESCs with a student count between 5,000 and 35,000 receive an additional \$24.72 per pupil for each additional student above 5,000, while those with student counts of more than 35,000 receive an additional \$24.72 per pupil for the first 30,000 students above 5,000 and an additional \$30.90 per pupil for each student above 35,000. The ESC operating subsidy formula includes a phase-in mechanism similar to that for traditional districts. The budget maintains the ESC formula for FY 2024 and FY 2025 and continues to phase in the formula using the same phase-in percentages as traditional districts.

School improvement initiatives – educational service centers

ESCs use these funds to provide direct services to districts in support of their continuous improvement initiatives. All schools and districts benefit from this support; however, the funding targets those identified as having the highest level of need. The budget continues to permit DEW to distribute the funds through a competitive grant process.

Power plant valuation adjustments

These funds are used for additional payments to school districts that have at least one power plant in their territory and that experience at least a 10% decrease in public utility tangible personal property (PUTPP) value between tax year (TY) 2017 and the preceding tax year (e.g., TY 2023, for purposes of the FY 2024 payment) or between the preceding tax year and the second preceding tax year (e.g., in FY 2024, between TY 2022 and TY 2023). In general, the payment for an eligible district is based on a recomputation of the district's FY 2019 foundation aid using the preceding year's total taxable value (instead of the three-year average value used to determine funding for FY 2019) and the change in local property taxes between TY 2017 and the preceding tax year.

State scholarship program administration

This funding, along with GRF ALI 200455, Community Schools and School Choice Programs, supports DEW's costs in administering the state's scholarship programs. The budget increases funding for this earmark to assist the Office of Nonpublic Educational Options in meeting staffing needs. DEW reports that these needs have increased with the shift in EdChoice scholarship eligibility verification from school districts to DEW and general expansion of the scholarship programs over time.

Cleveland tutoring grants

This funding supports the Cleveland Tutoring Program, which provides grants to CMSD students to obtain tutorial assistance from approved providers. The grant amount is the lesser of the provider's charges or \$400. In FY 2022 and FY 2023, the grants were funded through the earmark supporting foundation aid and scholarship payments. The budget establishes a separate earmark for the program at its historical funding level of \$1.0 million per fiscal year. The budget also requires CMSD to report the use of these funds in the district's three-year continuous improvement plan, as has been the case historically.

College Credit Plus for home-instructed students

This funding is used to make payments on behalf of students instructed at home and enrolled in the CCP Program.

Private Treatment Facility Project

These funds pay for educational services for youth who have been assigned by a court to a facility participating in the Private Treatment Facility Project. The facilities are to follow certain performance standards, ensure that the students participate in required assessments, and ensure that special education students have an IEP and receive appropriate services.

Academic distress commissions

This funding is used for duties and activities related to the establishment of academic distress commissions (ADCs). These costs include the salary of the chief executive officer (CEO) appointed by each ADC or the superintendent of the districts subject to an ADC under certain conditions (see below). The budget permits DEW to use the funds to provide support and assistance to an ADC and the districts subject to an ADC.

The budget dissolves the Lorain City School District ADC and academic improvement plan and requires, upon dissolution of the ADC, the CEO to relinquish management and control of the school district to the district board of education and district superintendent. This action leaves two districts subject to an ADC: Youngstown City School District and East Cleveland City School District. These two districts will continue the current law academic improvement plan process established in H.B. 110 for the districts to be released from ADC oversight. While the plans are in effect (from FY 2023 to FY 2025, with two potential one-year extensions available after FY 2025), each district reassumes managerial and operational control from the ADC and the district's CEO and is not subject to any other provisions of current law regarding ADCs. The district's ADC continues to exist to provide assistance to the district but without the CEO, who is removed from the position, and without any operational or managerial control of the district. However, the district board may employ the former CEO as the district superintendent. If so, DEW must provide compensation to the individual under the terms of the former CEO contract while the district is implementing its improvement plan. At the outset of the improvement plan process, each district hired their CEO as superintendent. However, the Youngstown City School District superintendent resigned at the end of June 2023 and DEW will discontinue funding the Lorain City School District's superintendent contract when its ADC is dissolved in early October 2023. Therefore, DEW will continue to fund only the cost of the East Cleveland City School District superintendent contract, as the budget prohibits the creation of new ADCs for the 2023-2024 and 2024-2025 school years.

Ohio STEM Learning Network

These funds will be distributed to the Ohio STEM Learning Network. The Network works with DEW to oversee STEM schools in the state. The funds will be used to support the expansion of free STEM programming, to create regional STEM supports to target underserved student populations, and to support the STEM school designation process.

DOPR e-school supplemental funding program

This earmark is used to continue a program originally established as a pilot in H.B. 123 of the 133rd General Assembly to provide supplemental funding for certain e-schools with a majority of students enrolled in a dropout prevention and recovery program. The program provides supplemental funding through what DEW describes as a hybrid funding model for students in grades 8-12 based on a combination of enrollment, documented learning opportunities, and credit attainment or course completion. The budget makes this program permanent and opens eligibility to all dropout prevention and recovery e-schools. Six e-schools participated in the pilot program in FY 2023. To accommodate the expansion of the program, the budget increases the earmark to \$4.5 million in each of FY 2024 and FY 2025.

GRF ALI 200502, Pupil Transportation, Earmarks			
Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Bus driver training	\$735,815	\$1,088,930	\$1,088,930
Special education transportation	\$115,876,716	\$127,423,293	\$138,038,039
Transportation collaboration grants	\$76,587	\$0	\$0
ALI 200502 Earmark total	\$116,689,118	\$128,512,223	\$139,126,969
% change	--	10.1%	8.3%

GRF ALI 200502, Pupil Transportation, also includes funding for various earmarks. These earmarks are listed in the table above and described briefly below.

Bus driver training

DEW uses these funds to contract with seven ESCs and one JVSD to provide instruction for the Ohio Preservice Driver Training Program. The program provides training for new bus drivers and recertification training for veteran drivers each year. These funds also provide annual in-service training and may be used for costs to enroll bus drivers in the Retained Applicant Fingerprint Database, known as RAPBACK, which is a continuous criminal record monitoring service that provides participating entities notice that an individual they have enrolled in the database has been arrested or convicted of a criminal offense. The Attorney General's (AGO) Bureau of Criminal Investigation charges participating agencies an initial fee for each individual entered in RAPBACK and an ongoing annual fee per individual, both of which are \$5. The earmark for FY 2024 and FY 2025 reflects a shift in the RAPBACK fees for bus drivers from GRF ALI 200321, Operating Expenses, to this line item.

Special education transportation

Funding from this earmark partially reimburses school districts, county developmental disabilities (DD) boards, and ESCs for the operating costs of transporting public and nonpublic special education students whom it is impossible or impractical to transport by regular school bus. A school district receives an amount that is equal to the district's actual cost incurred in the prior year to transport those students multiplied by the greater of the district's state share percentage or a minimum percentage, which the budget increases from 33.33% in FY 2023 to 37.5% in FY 2024 and 41.67% in FY 2025. These minimums are the same minimum percentages used to calculate a district's base pupil transportation funding. County DD boards and ESCs are funded through a nearly identical special education transportation formula, except that the state share percentage for these entities is a uniform amount equal to the minimums for traditional districts.

The budget requires school districts to provide transportation as a related service to students with disabilities who live in the district but attend a nonpublic school if the school district is provided with supporting documentation in the student's individualized education program or individual service plan.

C1:2: Half-Mill Maintenance Equalization (ALI 200574)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200574, Half-Mill Maintenance Equalization	\$15,146,256	\$13,658,000	\$10,358,000
% change	--	-9.8%	-24.2%

Funding from this line item equalizes the one-half mill levy required of school districts to help pay for the maintenance costs of new or renovated buildings financed through the Ohio Facilities Construction Commission's (OFCC) Classroom Facilities Assistance Program. Payments are made to districts for which the per-pupil tax revenues from this half-mill levy are less than the state average. A district's payment equals the difference between the district's tax revenue per pupil from the levy and the state average per pupil at the time the district enters into the project agreement with OFCC.

C1:3: Community Schools and Choice Programs (ALI 200455)

Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Office of Nonpublic Educational Options – school choice program administration	\$1,986,477	\$0	\$0
Community schools administration	\$1,571,418	\$0	\$0
Community schools and choice programs	\$0	\$4,163,000	\$4,232,000
GRF ALI 200455 total	\$3,557,895	\$4,163,000	\$4,232,000
% change	--	17.0%	1.7%

This item is used to support the administrative costs of the Office of Community Schools and the Office of Nonpublic Educational Options. These offices provide oversight and administration of school choice programs, including community schools, their sponsors, nonpublic schools, and other providers participating in the state's scholarship programs. The Office of Nonpublic Educational Options also receives funding to administer state scholarship programs through an earmark of GRF ALI 200550, Foundation Funding – All Students. The budget eliminates the separate earmarks H.B. 110 used to allocate funding from this item for the Office of Nonpublic Educational Options and the Office of Community Schools and, instead, permits the ALI to be used for oversight and support of community schools and nonpublic schools without allocating specific amounts for those purposes. The budget specifically permits a portion of the appropriation to be used to support the community school sponsor evaluation system.

The budget makes two changes to the general prohibition against lower performing community schools entering into a contract with a new sponsor, both of which apply only to schools that primarily serve students with disabilities receiving special education and related services. First, the budget requires that when DEW decides to approve a request to change sponsors from a community school that primarily serves students with disabilities it must at least consider the school's performance against the average performance of all other community

schools that primarily serve students with disabilities. Second, it permits a community school that primarily serves students with disabilities to enter into a contract with a new qualified sponsor without submitting a request if (1) the school received a rating of at least three stars for progress on its most recent report card and (2) as calculated for the most recent school year, the school's performance index score for students with disabilities is higher than that of the school district in which the school is located.

The budget also establishes the Dropout Prevention and Recovery Advisory Council to provide a forum for communication and collaboration between DEW and parties involved in the establishment and operation of DOPR community schools. The budget requires the Council to review, in collaboration with the DEW Director, all existing rules and guidance previously developed or adopted by DEW that establishes general and uniform operations regarding DOPR community schools and requires DEW to only adopt rules imposing requirements on DOPR community schools through the Administrative Procedure Act. It prohibits DEW from developing guidelines that impose requirements on the general and uniform operation of a DOPR community school and requires the Council to review proposed rules prior to adoption.

C1:4: Quality Community and Independent STEM Schools Support (ALI 200631)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 7017 ALI 200631, Quality Community and Independent STEM Schools Support	\$54,000,000	\$136,500,000	\$136,500,000
% change	--	152.8%	0.0%

This item uses state lottery profits to provide additional funds to community schools and, beginning in FY 2024, independent STEM schools that are designated as a Community School or STEM School of Quality. The designation for community schools is based on certain criteria, which include report card grades, sponsor ratings, and other factors. The budget designates a STEM school if it operates autonomously, does not have a STEM school equivalent designation, is not governed by a school district, is not a community school, cannot levy taxes or issue tax-secured bonds, satisfies continuing law requirements for STEM schools, and satisfies the requirements described in the Quality Model for STEM and STEAM Schools established by the Department. Payments to a designated school are based on differentiated per-pupil amounts according to the school's enrollment of students identified as economically disadvantaged and all other students. The budget increases the per-pupil funding for students who are identified as economically disadvantaged from \$1,750 to \$3,000, and from \$1,000 to \$2,250 for all other students.

Prior to FY 2024, the payments generally were calculated using the final adjusted full-time equivalent (FTE) number of students enrolled in the school for the prior fiscal year. Beginning in FY 2024, the program calculates payments based on the adjusted FTE enrollment for the current fiscal year as of the date of the payment. If the appropriation is insufficient for all the awards, the payments to each school will be prorated.

C1:5: Ohio School Sponsorship Program (ALI 200691)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 5KX0 ALI 200691, Ohio School Sponsorship Program	\$925,247	\$1,250,000	\$1,250,000
% change	--	35.1%	0.0%

The Ohio School Sponsorship Program allows DEW to sponsor community schools. Like other community school sponsors, DEW's Office of School Sponsorship reviews and makes decisions on sponsorship applications from schools desiring to be sponsored by the Office; oversees sponsored schools with respect to academic, fiscal, and governance standards; and provides technical assistance. In addition to sponsoring schools that apply to the Office, it also temporarily assumes sponsorship of schools whose sponsors have had their sponsorship authority revoked. Schools sponsored by DEW each pay a sponsorship fee of up to 3% of their operating revenue to support DEW's administrative duties associated with sponsorship. These fees are deposited into the Ohio School Sponsorship Fund (Fund 5KX0).

C1:6: ESEA Title 1A (ALI 200623)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3M00 ALI 200623, ESEA Title 1A	\$597,514,822	\$600,000,000	\$600,000,000
% change	--	0.4%	0.0%

This line item is used to distribute federal funding to school districts to provide educational services to disadvantaged students. School districts are allocated funding based on a federal formula. Nearly all districts receive basic grants, which are based on the state per-pupil education expenditure and the number of school-age children from low-income families. Three other types of grants are targeted to districts with high concentrations of students from low-income families. Ohio's spending of these and other federal funds is guided by Ohio's consolidated state plan under the Every Student Succeeds Act (ESSA), the most recent reauthorization of the Elementary and Secondary Education Act (ESEA). ESSA requires a state to set aside 7% or more of its Title I, Part A allocation for school improvement activities. In addition, ESSA permits, but does not require, a state to reserve up to 3% of its federal allocation to provide subgrants to districts and schools for various direct student services. DEW has opted to do so, allocating the funding through a competitive grant that assists districts and schools with creating or expanding programming in advanced coursework, career pathways, personalized learning, credit recovery, and academic acceleration services. DEW may use up to 1% of the grant award to administer the program.

C1:7: Individuals with Disabilities Education Act (ALI 200680)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3M20 ALI 200680, Individuals with Disabilities Education Act	\$479,614,310	\$510,000,000	\$520,000,000
% change	--	6.3%	2.0%

This line item supports the provision of special education and related services to students with disabilities. The federal Individuals with Disabilities Education Act (IDEA) requires that school districts provide a free and appropriate education to all children with disabilities from the age of three to the age of 21. DEW provides these federal funds by formula to school districts, county developmental disabilities boards, the Ohio State School for the Blind and the Ohio School for the Deaf (which the budget combines under a single state agency called Ohio Deaf and Blind Education Services), the Department of Youth Services, community schools, and chartered nonpublic schools (through nonpublic equitable services allocations) to assist in the provision of this mandated education. DEW may use a portion of these funds for administration (2%) and other state-level activities (10%).

C1:8: Career-Technical Education Basic Grant (ALI 200621)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3L90 ALI 200621, Career-Technical Education Basic Grant	\$53,678,711	\$52,500,000	\$54,500,000
% change	--	-2.2%	3.8%

These federal funds support the development of academic, career, and technical skills of secondary and postsecondary students who enroll in career and technical programs. A majority of these funds flow as entitlement grants to JVSs and school districts based on census population, particularly the percentage of the population in poverty. DEW may use up to 10% of the state's grant allocation for state leadership activities in career-technical education (CTE) and up to 5% for administration of the federally required state plan for career-technical education. Of the 10% leadership activity requirements, up to 2% may support individuals in correctional institutions, juvenile justice facilities, and institutions that serve individuals with disabilities. Smaller portions of the state leadership allocation are required for individuals in nontraditional fields and recruitment of special populations for CTE programs. A portion of GRF ALI 200321, Operating Expenses, provides the dollar-for-dollar required state match for the administrative portion of the federal grant.

Category 2: Educational Enhancements

This category of ALIs provides additional funding for special education, career-technical education, the education of at-risk students, and other academic enrichment initiatives.

C2:1: Special Education Enhancements (ALI 200540)

The majority of funding provided under this GRF item is used for formula payments for preschool special education services and school-age special education services provided by county DD boards and institutions. This item also includes several other earmarks as shown on the table below.

Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Special education at DD boards and institutions	\$35,802,092	\$38,500,000	\$38,500,000
Parent mentoring programs	\$1,370,484	\$1,350,000	\$1,350,000
School psychology interns	\$2,892,827	\$3,000,000	\$3,000,000
Vocational rehabilitation services	\$3,500,000	\$5,500,000	\$6,500,000
Secondary transition services	\$1,058,034	\$2,000,000	\$2,000,000
Remainder – preschool special education	\$140,857,733	\$147,500,000	\$147,500,000
GRF ALI 200540 total	\$185,481,170	\$197,850,000	\$198,850,000
% change	--	6.7%	0.5%

Preschool special education

The State Preschool Special Education Program serves children with disabilities, ages three through five. Districts are mandated under federal law to provide a free and appropriate public education to these students. State funding for preschool special education and related services provided by school districts, educational service centers, and county DD boards is distributed through a per-pupil based approach. Specifically, each school district and state institution receives \$4,000 for each preschool student with disabilities plus additional special education aid based on the applicable special education weights for each student, the statewide average base cost per pupil for the fiscal year, and the resident district's state share percentage. Special education aid is then multiplied by 0.5 to reflect the half-day nature of those programs. ESCs and county DD boards receive this funding through transfers from the amounts allocated to the school districts with which those entities have service agreements.

Special education at DD boards and institutions

This funding is provided to county DD boards and state institutions operated by the Department of Health, the Department of Rehabilitation and Correction, and the Department of Youth Services to fund special education and related services provided by these entities for school-age children. For each child, a county DD board receives the statewide average base cost per pupil plus the applicable special education weight for that child's disability category multiplied by the statewide average base cost per pupil, the latter of which is adjusted by the state share percentage of the child's resident district. Each state institution receives funding based on the applicable special education weight specified for each child receiving services for a disability multiplied by the statewide average base cost per pupil.

Parent mentoring

This funding supports parent mentors who offer support and information to other parents of children with disabilities and help them to become more involved in their children's education.

School psychology interns

This funding supports school psychology interns who spend one year in schools serving students with disabilities and receiving supervised on-the-job training prior to obtaining licensure as school psychologists.

Vocational rehabilitation services

This funding is transferred to the Opportunities for Ohioans with Disabilities Agency (OOD) to provide state matching funds in order to receive federal funding for vocational rehabilitation services. The budget requires that the funds be transferred to OOD via an intrastate transfer voucher and be used to hire vocational rehabilitation counselors to provide transition services for students with disabilities. Counselors must work with school districts in offering services, which can include career planning, general work experience, and job placement and retention for eligible students.

Secondary transition services

This funding supports regional training, support, and program delivery of secondary transition services for students with disabilities beginning at 14 years of age. Types of services include job exploration counseling, work-based learning experiences, counseling for postsecondary opportunities, and specific life skills training.

C2:2: Career-Technical Education Equipment (ALI 2006A2)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation	
5AD1 ALI 2006A2, Career-Technical Education Equipment	\$0	\$50,000,000	\$50,000,000	
	% change	--	N/A	0.0%

This new appropriation will be used by DEW, in consultation with the Governor's Office of Workforce Transformation (OWT) and the Ohio Facilities Construction Commission (OFCC), to establish a program to assist school districts, community schools, and STEM schools in establishing or expanding career-technical education programs, with priority for career-technical education programs that support careers on Ohio's Top Jobs List, and establishing or expanding credentialing programs that qualify for the Innovative Workforce Incentive Program (see below). The budget reappropriates the available balance of this line item at the end of FY 2024 for the same purpose in FY 2025. The line item is supported by GRF cash transfers of \$50.0 million in each of FY 2024 and FY 2025 to the newly created Career-Technical Education Equipment Fund (Fund 5AD1). Separately, the budget appropriates \$200.0 million in FY 2024 under the OFCC budget to support construction projects that establish or expand career-technical education programs.

C2:3: Career-Technical Education Enhancements (ALI 200545)

This line item supports career-technical education at institutions; the Ohio State School for the Blind (OSSB) and the Ohio School for the Deaf (OSD), which the budget combines under one administrative agency called Ohio Deaf and Blind Education Services; and various other career-technical education programs and initiatives. This line item is fully earmarked for these purposes, which are listed in the table below in the order in which they appear in the bill.

Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Career awareness and exploration	\$7,865,987	\$12,250,000	\$16,325,000
Institution career-technical programs	\$1,781,787	\$2,563,000	\$2,563,000
Tech prep expansion grants	\$2,698,128	\$2,686,000	\$2,686,000
Agriculture 5 th Quarter Project	\$637,581	\$600,000	\$600,000
OhioMeansJobs website	\$729,117	\$1,550,000	\$0
Ohio ProStart School Restaurant Program	\$250,000	\$250,000	\$250,000
Ohio Code-Scholar Pilot Program	\$240,000	\$240,000	\$240,000
Making Schools Work	\$2,749,775	\$0	\$0
GRF ALI 200545 total	\$16,952,376	\$20,139,000	\$22,664,000
% change	--	18.8%	12.5%

Career awareness and exploration funds

These funds are used by the lead district of each career-technical planning district (CTPD) for career awareness and exploration activities. Specifically, the lead district may use the funds for (1) delivery of career awareness programs to students in grades K-12, (2) provision of a common, consistent curriculum to students, (3) assistance to teachers in providing a career development curriculum to students, (4) development of a career development plan for each student, and (5) provision of opportunities for students to engage in activities, such as career fairs, hands-on experiences, and job shadowing, across all career pathways at each grade level. The lead district of the CTPD must use the funds in a manner consistent with the CTPD's plan on file with DEW. The funds are paid on a per-pupil basis to the lead district of each CTPD based on the enrollment of the districts and schools with which the CTPD is affiliated. The budget increases the per-pupil amounts from \$5 in FY 2023 to \$7.50 in FY 2024 and \$10 in FY 2025.

Institution career-technical programs

Roughly 90% of these funds support career-based intervention programs at correctional institutions operated by the departments of Rehabilitation and Correction and Youth Services. The remaining portion is distributed to Ohio Deaf and Blind Education Services. Students are provided instructional programming in work and family literacy, career-based intervention, and workforce development. The funding will continue to be distributed using a grant-based methodology.

Tech Prep expansion grants

These funds are used to provide competitive grants that support Tech Prep enrollment expansion and new Tech Prep programming. Eligible grantees include school districts, postsecondary entities, and other eligible recipients. Funds are initially distributed by formula to each of the six Ohio College Tech Prep Regional Centers (representing 23 community and technical colleges, 14 universities, and 91 career-technical education planning districts). The Ohio Department of Higher Education and DEW co-administer the program.

Agricultural 5th Quarter Project

The Agricultural 5th Quarter Project provides students in an agricultural education program with a supervised agricultural experience during the summer months. School districts apply to DEW for grants each year that assist in paying a stipend for course instructors to oversee summer programming. The value of the grant depends on the number of teachers for whom districts apply for funding.

OhioMeansJobs website

These funds support career planning and reporting through the K-12 Student Portal of the OhioMeansJobs website. The Portal allows students to take a career interest survey, browse detailed job descriptions, obtain wage and salary data, receive guidance on which courses to take for certain career tracks, research college financial aid and scholarship opportunities, and access practice tests for the SAT, ACT, and Advanced Placement examinations, and computer skills training, all free of charge. The budget reappropriates the available balance of this earmark at the end of FY 2024 for the same purpose in FY 2025.

Ohio ProStart School Restaurant Program

This funding is used to prepare students for careers in culinary arts and restaurant management under the Ohio ProStart School Restaurant Program. Ohio ProStart is a two-year program for students in the eleventh and twelfth grades with curriculum developed by the National Restaurant Association Educational Foundation that provides students with restaurant management and culinary arts training through teaching, testing, and relevant work-based experiences. Students meeting high standards in the program are awarded industry-recognized certificates.

Ohio Code-Scholar Pilot Program

These funds support the continued implementation of the five-year Ohio Code-Scholar Pilot Program by Southern State Community College. The purpose of the pilot program, created in H.B. 110 of the 134th General Assembly, is to develop and implement computer science curriculum for grades 7-12 in school districts in certain southern Ohio counties.

C2:4: Industry-Recognized Credentials High School Students (ALI 200478)

Funding provided under this GRF line item is used for industry-recognized credential reimbursements and the Innovate Workforce Incentive Program. This item is fully earmarked for these purposes, which are listed in the table below in the order in which they appear in the bill.

Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Industry-recognized credential reimbursements	\$5,659,940	\$5,500,000	\$5,500,000
Remainder – Innovative Workforce Incentive Program	\$11,858,750	\$10,500,000	\$10,500,000
GRF ALI 200478 total	\$17,518,690	\$16,000,000	\$16,000,000
% change	--	-8.7%	0.0%

Industry-recognized credential reimbursements

This earmark provides funding for reimbursements to school districts, community schools, STEM schools, and JVSs for the testing fees to obtain an industry-recognized credential or an equivalent certification. In conjunction with the Department of Higher Education and OWT, DEW maintains a schedule for reimbursement based on the testing fees for reimbursable credentials. The funding earmarked for a given fiscal year is used to reimburse schools for credentials earned in the prior fiscal year. If the calculated reimbursement exceeds the appropriation, DEW must prorate the payments to each school or district. The program requires the educating entity to pay upfront for the cost of the credential and claim reimbursement for testing fees from the state.

Innovative Workforce Incentive Program

These funds are used to operate the Innovative Workforce Incentive Program. Under the program, DEW pays each school district, community school, STEM school, and JVSD \$1,250 for each qualifying credential earned by a student during the prior fiscal year. OWT maintains a list of credentials that qualify for the program, which focuses on segments of the economy that have been identified as high-growth, in-demand fields including information technology and cyber security, advanced manufacturing, construction, engineering, and the skilled trades. If the calculated payments exceed the appropriation, DEW must prorate the payments.

C2:5: Program and Project Support (ALI 200597)

Funding provided under this GRF item is provided to various entities for certain educational programs. This line item is fully earmarked for these purposes, which are listed in the table below in the order in which they appear in the bill.

Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Ohio Alliance of Boys and Girls Clubs	\$0	\$3,500,000	\$3,500,000
United Way Collaborative	\$0	\$1,800,000	\$1,800,000
Financial Literacy and Workforce Readiness Initiative	\$0	\$1,500,000	\$1,500,000
J. Harrington & Marie E. Glidden Foundation	\$0	\$750,000	\$0
Cardiopulmonary resuscitation training	\$0	\$598,000	\$598,000
Stark Education Partnership	\$0	\$225,000	\$225,000
Ohio Valley Youth Network	\$50,000	\$100,000	\$100,000

Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Community Connection Team Building Program	\$0	\$100,000	\$100,000
Nonpublic school STEM grants	\$0	\$612,500	\$612,500
Nonpublic school coding robots grants	\$0	\$125,000	\$125,000
Discontinued earmarks	\$3,750,000	\$0	\$0
GRF ALI 200597 total	\$3,800,000	\$9,310,500	\$8,560,500
% change	--	145.0%	-8.1%

Ohio Alliance of Boys and Girls Clubs

These funds are used by the Ohio Alliance of Boys and Girls Clubs to support the establishment and expansion of Boys and Girls Clubs in Ohio communities that are not currently served by these clubs. Clubs must use the funds to support after-school and summer programming and may use them to support academic programs to address learning loss. According to the Alliance, 13 Boys and Girls Clubs of Ohio currently operate over 100 sites across the state that, together, have the capacity to serve 60,000 youth.

United Way Collaborative

These funds are distributed to six United Way partner agencies to serve vulnerable residents, families, and households in their respective counties. The partner agencies must use the funds to: (1) expand implementation of the Success By Third Grade Program and other related early childhood education initiatives, (2) collaborate with schools, community organizations, and other entities to improve student achievement, (3) implement programs that enhance case management to improve family stability, (4) enhance sustainability and access to vital programming, resources, and services in their communities, and (5) maximize and augment existing programs, services, and resources providing support to families experiencing economic hardship.

Financial Literacy and Workforce Readiness Initiative

These funds are distributed to three Junior Achievement organizations (North Central Ohio, Greater Cleveland, and Mahoning Valley) to collaborate with schools, higher education institutions, employers, subject matter experts, community-based organizations, and other public-private entities or agencies to implement financial literacy and workforce readiness programming. The programming must (1) engage students, teachers, and schools primarily located in underserved communities, under-resourced urban and rural areas, or areas with populations considered economically disadvantaged, (2) expand financial literacy, workforce readiness and entrepreneurship, or related programming, (3) increase the number of students measurably impacted by the organization's services to up to 110,000 in any of grades K-12, (4) assist grades 9-12 students with direct entry into the workforce, access to higher education, or in-demand job training, (5) increase teacher-focused programming and support in up to 300 schools in each organization's service area, and (6) strengthen each organization's ability to collectively provide up to ten student-focused engagement events involving students and teachers from multiple schools and communities in northeast and central Ohio.

J. Harrington & Marie E. Glidden Foundation

These funds are distributed to the J. Harrington & Marie E. Glidden Foundation to support the high school education of students with multiple disabilities, including Autism and Down Syndrome. The budget reappropriates the available balance of this earmark at the end of FY 2024 for the same purpose in FY 2025.

Cardiopulmonary resuscitation training

These funds are used to support state-mandated instruction in cardiopulmonary resuscitation (CPR) and the use of an automated external defibrillator (AED) for high school students.

Stark Education Partnership

This funding is distributed to the Stark Education Partnership, which collaborates with education, business, civic, and community stakeholders in the Stark County region to improve academic and career success for students.

Ohio Valley Youth Network

This funding is distributed to the Ohio Valley Youth Network to support its Sycamore Youth Center Education Enrichment and Life Skills After School Program. The Ohio Valley Youth Network provides academic support, extracurricular opportunities, and life skills to economically disadvantaged students.

Community Connection Team Building Program

This funding is distributed to the Girl Scouts of North East Ohio to support the Community Connection Team Building Program.

Nonpublic school STEM grants

These funds are used to award grants of up to \$75,000 per school to nonpublic schools for STEM equipment or programs. A recipient may use the funds to support up to one full-time equivalent teaching position.

Nonpublic school coding robots grants

These funds are used to award grants to nonpublic schools to purchase coding robots for use in teaching students in grades K-12. The budget requires DEW to give priority to nonpublic schools that participated in the DRIVE Ohio Coding Day in either of the prior two school years or register to participate in it in either the 2023-2024 or 2024-2025 school years.

C2:6: College Credit Plus – Auxiliary Funding (ALI 200492)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200492, College Credit Plus – Auxiliary Funding	\$0	\$1,500,000	\$3,500,000
% change	--	N/A	133.3%

This new line item will be used by DEW to provide grants to school districts offering new College Credit Plus courses taught in secondary schools by high school teachers with appropriate credentials. The budget requires DEW to pay a school district at least \$1,000 for each qualifying course it offers for the first time and requires a school district to use at least 25% of the grant to make a payment to the teacher of the new qualifying course. DEW must prioritize grants to districts with a lack of advanced standing courses and districts with low College Credit Plus participation rates. The budget reappropriates the available balance of this line item at the end of FY 2024 for the same purpose in FY 2025.

C2:7: Medicaid Schools Program (ALIs 657401 and 657601)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 657401, Medicaid in Schools	\$303,744	\$325,000	\$327,000
Fund 3AF0 ALI 657601, Schools Medicaid Administrative Claims	\$126,872	\$250,000	\$250,000
Medicaid in Schools Program total	\$430,615	\$575,000	\$577,000
% change	--	33.5%	0.3%

The Medicaid Schools Program provides districts and schools with reimbursement for services to Medicaid-eligible students, including the costs of enrolling eligible children in the Medicaid Program and assisting children who are already enrolled to access the benefits available to them. These line items support DEW's cost to administer the program. DEW receives claims and financial reports from districts and schools and then submits the claims to the Ohio Department of Medicaid for reimbursement. DEW also provides technical assistance and program monitoring to verify federal program mandates and assure program compliance and accountability. GRF ALI 657401, Medicaid in Schools, supplements the federal reimbursement DEW receives for these activities in Fund 3AF0 ALI 657601, Schools Medicaid Administrative Claims.

C2:8: STEM Initiatives (ALI 200457)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200457, STEM Initiatives	\$0	\$500,000	\$0
% change	--	N/A	-100%

These funds are distributed to the Alliance for Working Together Foundation to support ongoing STEM education. The Foundation is a nonprofit organization in northeast Ohio that promotes careers in manufacturing, including through several STEM-to-career educational programs.

C2:9: Adaptive Sports Program (ALI 200576)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200576, Adaptive Sports Program	\$250,000	\$250,000	\$250,000
% change	--	0.0%	0.0%

This line item is used by DEW, in consultation with the Adaptive Sports Program of Ohio (ASPO), to fund adaptive sports programs in school districts across the state. According to ASPO, adaptive sports make minor modifications and use specialized equipment to provide individuals with physical disabilities an opportunity to participate in sports.

C2:10: Student Support and Academic Enrichment (ALI 200634)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3H10 ALI 200634, Student Support and Academic Enrichment	\$40,262,025	\$45,000,000	\$48,000,000
% change	--	11.8%	6.7%

This item provides federal block grant dollars to school districts for a wide range of activities in three broad categories: (1) well-rounded education, (2) safe and drug-free learning environments and healthy students, and (3) effective use of technology. DEW must distribute at least 95% of the state's award for subgrants to local education agencies (LEAs) by federal formula. DEW may set aside up to 5% of the grant award for state activities aligned with its federal Every Student Succeeds Act of 2015 (ESSA) plan.

C2:11: Rural and Low Income Technical Assistance (ALI 200639)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3Y80 ALI 200639, Rural and Low Income Technical Assistance	\$2,520,712	\$3,600,000	\$3,600,000
% change	--	42.8%	0.0%

This line item provides supplemental federal funds to address the unique needs of rural and low-income school districts that may lack the personnel and resources needed to compete for federal competitive grants or receive federal formula allocations that are too small to be effective in meeting their intended purpose. The funds must be used to increase academic performance by supplementing activities available under various federal grants.

C2:12: Homeless Children Education (ALI 200622)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3EJ0 ALI 200622, Homeless Children Education	\$2,751,245	\$3,600,000	\$3,600,000
% change	--	30.8%	0.0%

This federal grant ensures access to a free and appropriate education for homeless school-age children and youth. The funds support competitive subgrants to local education agencies to assist in the education of this population through enriched supplemental instruction, transportation, health care referral services, and professional development for teachers. Grant funds also may be used by DEW for state-level planning activities.

C2:13: Migrant Education (ALI 200620)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3EH0 ALI 200620, Migrant Education	\$1,759,948	\$2,700,000	\$2,700,000
% change	--	53.4%	0.0%

This federal grant supports educational opportunities for migrant children to help reduce the educational disruptions and other problems that result from repeated moves. DEW distributes subgrants to local operating entities, such as school districts and educational service centers, based on the numbers and needs of migrant children, those students at risk of failing, and the availability of other funds to serve migrant children.

According to DEW, the greatest densities of migrant students are in the rural communities of northwest Ohio, with other concentrated pockets of migrant students located in northeastern and central Ohio. DEW awards funds from this line item to four school districts and one ESC that currently provide direct educational services to migrant students and have designated territories to cover migrant students in the other districts. A sixth grantee, the Northwest Ohio Educational Service Center, receives funds to operate the Ohio Migrant Education Center, which is responsible for identification of migrant students, data collection, and coordination activities, among others.

C2:14: Education of Exceptional Children (ALI 200624)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3700 ALI 200624, Education of Exceptional Children	\$767,121	\$1,750,000	\$1,750,000
% change	--	128.1%	0.0%

These federal funds, provided through the State Personnel Development Grant (SPDG) Program, support professional development, consultation, and technical assistance for school

districts to improve instruction for and performance of students with disabilities. In 2022, Ohio was awarded a new five-year grant.

Category 3: Nonpublic School Support

This category of appropriations provides funding to support chartered nonpublic schools. In FY 2023, 714 chartered nonpublic schools operated in Ohio.

C3:1: Auxiliary Services (ALI 200511)

Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Earmark – College Credit Plus Program	\$2,430,886	\$2,600,000	\$2,600,000
Remainder – Auxiliary Services	\$155,758,727	\$160,327,159	\$164,253,704
GRF ALI 200511 total	\$158,189,613	\$162,928,000	\$166,853,000
% change	--	3.0%	2.4%

Auxiliary Services

Auxiliary services funding provides assistance to chartered nonpublic schools on a per nonpublic-pupil basis to purchase secular textbooks; instructional equipment, including computers and media content; health services; guidance, counseling, and social work services; remedial services; programs for children with disabilities or for gifted children; and mobile units used in the provision of certain services; among other purposes. Funds can also be used to pay for security services and to provide language and academic support services to English language learners attending nonpublic schools. Moneys may not be expended for any religious activities. In FY 2023, auxiliary services funding was \$927 per pupil.

DEW may pay auxiliary services funds directly to any chartered nonpublic school that elects to receive the funds that way. Any chartered nonpublic school may also permit a third-party organization to receive and manage the funds on its behalf. The organization may charge up to 4% of the school's total auxiliary services funds. Otherwise, a school receives the funds through the school district in which it is located.

The budget permits a chartered nonpublic school, within ten days of receiving its charter, to elect to receive auxiliary services directly. Under prior law, a new chartered nonpublic school needed to wait until the biennial election that occurs in April of odd-numbered years. The budget also prohibits school districts from denying a nonpublic school's request for personnel to provide auxiliary services who are properly licensed by a state board or agency and requires that, if a district contracts with an ESC to provide auxiliary services, only the ESC may be reimbursed for administrative costs incurred in providing those services.

College Credit Plus Program

The budget earmarks funds to pay for the costs of the CCP Program for participants from nonpublic schools. The CCP Program allows qualified Ohio high school students to take college courses at state expense for both college and high school credit.

C3:2: Nonpublic Administrative Cost Reimbursement (ALI 200532)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200532, Nonpublic Administrative Cost Reimbursement	\$71,500,744	\$73,607,000	\$75,381,000
% change	--	2.9%	2.4%

Chartered nonpublic schools are required by the state to perform some administrative and clerical activities. These funds reimburse the schools for the costs of these mandated activities, including the preparation, filing, and maintenance of forms, reports, or records related to state chartering or approval of the school; pupil attendance; transportation of pupils; teacher certification and licensure; and other education-related data. The reimbursement is based on the actual costs from the prior year, with a maximum rate determined by the General Assembly. The budget permits DEW to pay up to \$475 per student in FY 2024 and FY 2025, the same amount authorized for FY 2022 and FY 2023. In FY 2023, the amount appropriated permitted ODE to pay up to \$435 per student.

C3:3: Auxiliary Services Reimbursement (ALI 200659)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 5980 ALI 200659, Auxiliary Services Reimbursement	\$383,481	\$650,000	\$650,000
% change	--	69.5%	0.0%

These funds are used to replace and repair mobile units that provide auxiliary services and can also be used to fund early retirement or severance pay for employees paid from line item 200511. The revenue for these expenses comes from transfers of cash from the Auxiliary Services Personnel Unemployment Compensation Fund estimated to be in excess of the amount needed to pay unemployment claims. A portion of the funds may also be used to make payments for chartered nonpublic school students participating in the College Credit Plus Program, although funds have not been used for this purpose in recent years.

Category 4: Curriculum, Assessment, and Accountability

This category of ALIs supports state academic content standards and model curricula, state assessments, and the state school accountability system.

C4:1: Student Assessment (ALIs 200437 and 200690)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200437, Student Assessment	\$46,158,073	\$48,584,000	\$50,291,000
<i>Early learning assessment</i>	<i>\$2,585,448</i>	<i>\$0</i>	<i>\$0</i>

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
<i>Advanced Placement & CLEP test reimbursement</i>	\$542,232	\$622,713	\$622,713
<i>Remainder – K-12 assessments</i>	\$43,030,392	\$47,961,287	\$49,668,287
Fund 3Z20 ALI 200690, State Assessment	\$9,631,177	\$11,500,000	\$11,500,000
Assessment total	\$55,789,250	\$60,084,000	\$61,791,000
% change	--	7.7%	2.8%

Advanced Placement & CLEP test reimbursement

This earmark is used to reimburse low-income students for a portion of the costs associated with Advanced Placement and College-Level Examination Program (CLEP) tests.

Remainder – K-12 assessments

This funding supports contracts to administer the state’s assessment system, which provides data for the school report cards and teacher evaluation system, among other purposes, as well as the administrative expenses DEW incurs in overseeing the assessments. Fund 3Z20 line item 200690, State Assessment, supports the contract for federally mandated achievement assessments in grades 3-8 and high school. The budget shifts funding for the early learning assessment to the new Department of Children and Youth.

The budget also makes various changes to the law regarding state assessments. These changes are described briefly below.

State assessment scores

The budget requires each public and chartered nonpublic school, by June 30 of each school year, to provide a student’s parents with the student’s score on any state assessment administered to the student in that year. Further, it requires a district or school to mail or email the scores to the student’s parent or post them in an accessible, secure portal on the district’s or school’s website.

End-of-course examinations for DOPR schools

The budget requires a dropout prevention and recovery (DOPR) community school to administer end-of-course examinations in an online and paper format based on the student’s needs, in addition to current law’s testing windows. It also requires the DEW Director to establish extended testing windows of ten weeks in duration in the fall and spring so DOPR schools may administer assessments in closer proximity to when students complete related coursework and a summer testing window for students participating in summer instruction.

Dyslexia screenings for transfer students

The budget requires school districts and schools to administer tier one dyslexia screenings to students enrolled in any of grades K-6 who transfer into the district or school midyear. However, the act exempts a district or school from administering a tier one dyslexia screening measure to a transfer student whose student record indicates that the student received a

screening in that school year from the student’s original school. Continuing law requires that districts and schools administer a tier one dyslexia screening to students in grades K-6 under prescribed conditions.

C4:2: Education Management Information System (ALI 200446)

Earmarks	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
EMIS Grants	\$219,862	\$405,000	\$405,000
Information technology center subsidy	\$725,000	\$950,000	\$950,000
Remainder – Education Management Information System	\$7,422,189	\$7,913,000	\$8,082,000
GRF ALI 200446 total	\$8,367,051	\$9,268,000	\$9,437,000
% change	--	10.8%	1.8%

Education Management Information System

These funds support the Education Management Information System (EMIS), DEW’s primary system for collecting student, staff, course, program, and financial data from Ohio’s public schools. The data collected through EMIS are used to determine state and federal performance accountability designations, produce report cards, calculate and administer state funding to schools, and determine federal funding allocations. This line item supports the development and implementation of data standards, the facilitation of data-driven decision making for improving academic achievement, and the ongoing development and enhancement of the Secure Data Center to allow districts to review, analyze, and validate their data in a timely manner.

EMIS grants

This earmark directs funds to information technology centers (ITCs) to provide EMIS training and professional development for school district personnel across the state.

Information technology center subsidy

This earmark supports the state’s 18 ITCs with the collection and administration of EMIS data, including processing, storing, and transferring data to ensure the effective operation of EMIS. Funds are distributed to ITCs using a per-pupil formula based on the enrollment of member districts.

The budget requires public and chartered nonpublic schools to transmit a transferring student’s school records within five school days upon receiving such a request from the student’s new school. It also permits a district or school to withhold a student’s school records if there is \$2,500 or more of outstanding debt attributed to the student and requires the transmission of records once that debt is paid.

C4:3: Accountability/Report Cards (ALI 200439)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200439, Accountability/Report Cards	\$6,580,690	\$6,730,000	\$7,266,000
% change	--	2.3%	8.0%

This line item supports the development and distribution of report cards for each of 607 school districts, 89 career-technical planning districts, over 3,600 school buildings (including community, STEM, and vocational schools), and the state overall. This includes payments to vendors that assist in the work, including SAS for the production of value-added reports, the Management Council of the Ohio Education Computer Network (MCOECN) for the teacher student linkage/roster verification process, and the National Student Clearinghouse for the Prepared for Success measure. The remainder supports ODE personnel and other administrative costs, including supplies, maintenance, and IT expenses. The increase from FY 2024 to FY 2025 reflects a shift of \$500,000 in funding for regional data leads from federal coronavirus relief funds to GRF funding in this line item. DEW describes regional data leads as education professionals who promote the use of student performance data among other educators regionally, both to strengthen professional practice and improve learning for all students. The individuals supported by this funding are located at ESCs and will support high needs districts and schools with additional data support that focuses on mathematics, literacy, and attendance.

The budget makes various changes with respect to report cards and data reporting. These changes are briefly described below.

Online high school graduation rates

The budget requires DEW to include a modified graduation rate measure on the state report card issued for an online high school operated by a school district or an internet- or computer-based community school (e-school), including DOPR schools. The modified graduation rate is a performance measure without an assigned performance rating, meaning the graduation rate is used as an indicator of the school's performance but is not factored into the school's report card rating. The modified graduation rate is calculated in the same manner as the four-year adjusted cohort graduation rate, except that it only includes students who are deemed "graduation eligible students." Graduation eligible students are students who, when enrolling in the school for the first time, are in grade 12 and have earned at least 15 high school credits. The modified calculation does not include students who are automatically withdrawn from the online school due to an unexcused failure to participate in learning opportunities for 72 consecutive hours and who do not re-enroll in a school from the modified graduation rate's calculation. Except as required by federal law, DEW must report the modified graduation rate as data without an assigned performance rating beginning with the report card for the 2023-2024 school year.

Reporting of student value-added data

The budget requires DEW to make individual student performance data reports available to districts and schools that have an overall value-added progress dimension score calculated on the state report card. The reports must include data regarding student level percentiles, normal

curve equivalents, unique identifiers, and other data each school year that a district or school has an overall value-added progress dimension score calculated. The budget also requires DEW to make available the data used to calculate the district's or school's overall growth rating. The reports must be made available in an electronic spreadsheet form, as soon as practicable each school year.

DOPR community school report cards

DEW must also establish benchmarks and performance level indicators for the DOPR community school report card by analyzing data from prior school years, rather than as determined necessary, and, as under continuing law, through consultation with stakeholder groups.

State Report Card Review Committee elimination

The budget eliminates the State Report Card Review Committee, which was required to be established on July 1, 2023, and issue a report on the state report card no later than June 30, 2024.

C4:4: Academic Standards (ALI 200427)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200427, Academic Standards	\$3,853,792	\$4,460,000	\$4,598,000
% change	--	15.7%	3.1%

This line item supports the development and dissemination of state academic standards and model curricula to school districts. It also funds professional development programs for teachers and the functions of the Office of Curriculum and Assessment to provide technical support to ensure effective use of Ohio's Learning Standards for effective instructional practice. The Learning Standards detail the skills expected of students to demonstrate mastery of the various subjects at different grade levels. The budget permits DEW to hire one full-time employee to support and coordinate financial literacy activities resulting from S.B. 1 of the 134th General Assembly and to support compensation increases for existing staff and IT costs.

C4:5: Policy Analysis (ALI 200424)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200424, Policy Analysis	\$494,953	\$500,000	\$500,000
% change	--	1.0%	0.0%

This line item funds research and data collection related to education policy analysis. It supports several staff positions and a contract with the Ohio Education Research Center. Additionally, these funds support the development of reports, analyses, and briefings regarding current trends in education practice, efficient and effective resource allocation, and evaluation of programs to improve educational outcomes.

C4:6: Education Studies (ALI 200611)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 7017 ALI 200611, Education Studies	\$935,373	\$500,000	\$0
% change	--	-46.5%	-100.0%

This line item funds studies on various education-related topics. The budget requires DEW to use this line item for a study of the needs of economically disadvantaged students, the most effective services for meeting those needs, and the cost of implementing those services using Ohio cost data. The budget reappropriates the available balance of this line item at the end of FY 2024 for the same purpose in FY 2025.

C4:7: National Education Statistics (ALI 200685)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 5U20 ALI 200685, National Education Statistics	\$174,668	\$180,000	\$185,000
% change	--	3.1%	2.8%

This federal funding, deposited into Fund 5U20, supports the position of the National Assessment of Educational Progress (NAEP) state administrator and collection of state and local education statistics that must be reported to the National Center for Education Statistics (NCES). The state administrator position provides technical assistance to state and local education agencies on the collection of education statistics. NAEP is a nationally representative student assessment. State participation is mandatory.

Category 5: School Operations Support

This category of ALIs includes funding to support expenses related to computer networks, management, food service, and facilities.

C5:1: Ohio Educational Computer Network (ALI 200426)

Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Building connectivity	\$6,231,200	\$9,686,658	\$10,934,117
Information technology centers	\$4,843,329	\$5,999,907	\$6,352,448
Middle-mile lease renewal	\$0	\$5,800,000	\$0
Remainder – Ohio Educational Computer Network	\$3,019,819	\$577,435	\$577,435
GRF ALI 200426 total	\$14,094,348	\$22,064,000	\$17,864,000
% change	--	56.5%	-19.0%

Building connectivity

This funding is used to support the connection of public school buildings and participating chartered nonpublic schools to the state education network. Schools receive a per-building subsidy for this purpose. Costs of connectivity may include operating and upgrading network connections; internet service provider charges; Internet2, which is a private network connecting schools and universities across the country; and the back-up site for the state network. The actual subsidy disbursed is notably less than the maximum earmarked amount. DEW uses the difference to support various projects under the “remainder” of the item, used for the Ohio Educational Computer Network (see below).

Information technology centers

This funding supports the 18 ITCs that provide computer and EMIS support, software products, and information services to their member districts, including all but two school districts (Akron and Columbus), as well as community schools, JVSs, and ESCs. Funds also support the administration, collection, reporting, and exchange of data for school districts and for providing front-line customer support related to data reporting. Distribution of funds to ITCs is provided through a per-pupil formula based on the enrollments of ITC member districts and software usage.

Middle-mile lease renewal

This funding will be used to renew the leases of middle-mile broadband that connect the state’s IT backbone (OARnet) with ITCs and select large urban districts across the state. Lease renewal occurs every ten years. Funds may also be used to support other connectivity upgrades for K-12 schools with severely restricted broadband connections. The budget permits the available balance of this earmark at the end of FY 2024 to be reappropriated for the same purpose in FY 2025.

Remainder – Ohio Educational Computer Network

This funding supports the development and maintenance of administrative software that school districts use for accounting, payroll, scheduling, grade reporting, and inventory. It may also be used to support the teacher student linkage/roster verification process, and systems to support electronic sharing of student records and transcripts between entities.

C5:2: Education Technology Resources (ALI 200465)

Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
INFOhio and Union Catalog	\$2,598,107	\$2,500,000	\$2,500,000
Education technology centers	\$1,860,396	\$1,778,879	\$1,778,879
Remainder – Education Technology Resources	\$565,485	\$766,121	\$804,121
GRF ALI 200465 total	\$5,023,987	\$5,045,000	\$5,083,000
% change	--	0.4%	0.8%

INFOhio and Union Catalog

This earmark supports the INFOhio Network and the Union Catalog. INFOhio works with Ohio's other state-funded library networks, Ohio Public Library Information Network (OPLIN) (public libraries), and OhioLINK (universities) to provide resources and information access to Ohio's K-12 students and educators. It includes electronic resources specifically geared toward the primary and secondary school student, such as Encyclopedia Britannica, and resources supporting the teaching of state academic content standards. Another INFOhio initiative is Open Space, which is an open education resource that gives educators access to free lesson plans, assessments, and other resources. Students also receive access to licensed databases through Library Connects Ohio (LCO), a digital content buying consortium of libraries statewide. The Union Catalog offers students and teachers anywhere in Ohio access to library and curriculum resources.

Education technology centers

This funding supports educational television stations and education technology centers that provide public schools with instructional resources and services, with priority given to services aligned with the state academic content standards. Resources may include, but are not limited to, prerecorded video material, computer software for student use, live student courses, automated media systems, and instructional and professional development materials for teachers.

Remainder – Education Technology Resources

This funding supports oversight for several technology-related initiatives, including administration of the federal E-Rate Program. The funds may be used for (1) training, technical support, guidance, and assistance with compliance reporting to school districts and public libraries applying for federal E-Rate funds, (2) oversight and guidance of school district technology plans, (3) support to district technology personnel, and (4) support of the development, maintenance, and operation of a network of computer-based information and instructional systems (i.e., the administrative software funded in item 200426).

C5:3: School Management Assistance (ALI 200422)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200422, School Management Assistance	\$2,387,889	\$2,897,000	\$2,598,000
% change	--	21.3%	-10.3%

This funding allows DEW to provide technical assistance and in-service education for school management personnel to assist in managing their fiscal resources. It also funds DEW's administrative expenses related to districts in fiscal caution, fiscal watch, or fiscal emergency.

C5:4: Community Schools Facilities (ALI 200684)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 7017 ALI 200684, Community Schools Facilities	\$41,999,999	\$87,055,000	\$88,555,000
% change	--	107.3%	1.7%

This funding, supported by lottery profits, assists community and STEM schools with the cost associated with facilities. The budget increases the per-pupil funding each site-based community school and STEM school receives from \$500 to \$1,000 and maintains the amount paid to e-schools at \$25.

C5:5: Feminine Hygiene Products (ALI 2006A5)

This line item provides subsidies to public and chartered nonpublic schools to assist with the cost of feminine hygiene products. This line item is fully earmarked for these purposes, which are listed in the table below in the order in which they appear in the bill. The line item is supported by a cash transfer of \$5.0 million in FY 2024 from the School District Solvency Assistance Fund (Fund 5H30) to the newly created Feminine Hygiene Products Fund (Fund 5AR1).

Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Feminine hygiene product dispensers	\$0	\$2,000,000	\$0
Feminine hygiene products reimbursement	\$0	\$3,000,000	\$0
5AR1 ALI 2006A5 total	\$0	\$5,000,000	\$0
% change	--	N/A	-100.0%

Feminine hygiene product dispensers

This earmark provides one-time funds to each school district, other public school, and chartered nonpublic school that enrolls girls in grades 6-12 to install dispensers for feminine hygiene products in each school building.

Feminine hygiene products reimbursement

This earmark reimburses school districts, other public schools, and chartered nonpublic schools, in a manner determined by DEW, for the costs incurred to provide free feminine hygiene products. The earmark provides one year of state funding in support of a provision in the budget that requires each school district, other public school, and chartered nonpublic school that enrolls girls in any of grades 6-12 to provide free feminine hygiene products to those students. The budget requires all such products to be for use on school premises and each district or school to determine where such products are kept in the school. Each district or school may choose to provide such products to students below grade 6.

C5:6: School District Solvency Assistance (ALI 200687)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 5H30 ALI 200687, School District Solvency Assistance	\$0	\$2,000,000	\$2,000,000
% change	--	N/A	0.0%

This funding is paid from two accounts: (1) the shared resource account, which is used to make interest-free advances to districts to enable them to remain solvent and to pay unforeseen expenses of a temporary or emergency nature and (2) the catastrophic expenditures account, which is used to make grants to districts for unforeseen catastrophic events. Advances made to districts from the shared resource account must generally be repaid no later than the end of the second year following the fiscal year in which the advance was made. In some cases, DEW and the Office of Budget and Management may approve alternate repayment schedules lasting no longer than ten years. Grants from the catastrophic expenditures account do not need to be repaid, unless reimbursed by a third party. The program was first appropriated \$30.0 million in FY 1998 by H.B. 650 of the 122nd General Assembly. It is now funded through repayments of advances from the shared resource account.

The budget requires the Director of DEW to determine the allocations to each account. No expenditures have been made from this fund since FY 2016. The budget continues to permit the Controlling Board to authorize a transfer of lottery profits from the Lottery Profits Reserve Fund (Fund 7018) to the School District Solvency Assistance Fund (Fund 5H30) if the cash in Fund 5H30 is insufficient to provide the needed assistance. The transferred cash is appropriated to line item 200670, School District Solvency Assistance – Lottery. The budget also continues to permit the transfer of cash from the GRF or any other fund used by DEW to Fund 5H30, if necessary.

The budget transfers a total of \$16.0 million cash from Fund 5H30 in FY 2024 to fund other initiatives, including \$11.0 million to the newly created Literacy Improvement Fund (Fund 5AQ1) and \$5.0 million to the newly created Feminine Hygiene Products Fund (Fund 5AR1).

C5:7: Child Nutrition Refunds (ALI 200677)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 5MM0 ALI 200677, Child Nutrition Refunds	\$0	\$550,000	\$550,000
% change	--	N/A	0.0%

This line item is used to repay the United States Department of Agriculture (USDA) for child nutrition grant funds returned by program sponsors after the federal fiscal year ends. This item is also used to make repayments to the USDA of funds received due to audit findings.

C5:8: School Lunch and Breakfast Programs (ALIs 200505, 200617, and 200618)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200505, School Meal Programs	\$8,963,500	\$13,163,000	\$13,163,000
Fund 3L60 ALI 200617, Federal School Lunch	\$485,357,995	\$443,762,110	\$457,074,973
Fund 3L70 ALI 200618, Federal School Breakfast	\$147,046,450	\$168,250,583	\$173,298,101
School Lunch and Breakfast Programs total	\$641,367,945	\$624,175,693	\$643,536,074
% change	--	-2.5%	2.9%

These items mainly support the National School Lunch Program (NSLP) and School Breakfast Program (SBP), which are federal programs that support free and reduced-price meals for students meeting income and eligibility guidelines. Students with a household income of up to 130% of the federal poverty level (FPL) may receive a free meal, and students with a household income of between 130% FPL and 185% FPL may receive a reduced-price meal. Additionally, a school or district in which at least 40% of students meet certain criteria for other types of federal benefits or are in certain defined eligibility groups may choose to participate in the Community Eligibility Provision (CEP), which qualifies all students in the school or district for free meals regardless of household income. CEP enables schools in higher poverty areas to avoid collecting the household income application traditionally used to qualify students for free or reduced-price meal benefits. The NSLP and SBP reimburse schools and other participating entities on a per-meal basis for the costs of providing free and reduced-price meals, as well as a smaller per-meal subsidy for paid meals, up to certain amounts based on the percentage of lunches served free or at reduced price.

State funds from GRF ALI 200505 primarily serve as the required match for receiving the federal NSLP funds in ALI 200617. Beginning in FY 2024, ALI 200505 will also support reimbursements to make school lunch and breakfast free for students eligible under federal law for reduced-price school meals. The budget requires public and chartered nonpublic schools that participate in the NSLP and SBP to provide a lunch or breakfast at no cost to students eligible for reduced-price meals and requires DEW to provide the reimbursements in support of the policy. If appropriation remains after the reimbursements are paid and the match is met, the state funds may also be used to partially reimburse schools that are required by the state to have a school breakfast program.

C5:9: Child/Adult Food Programs (ALI 200619)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3L80 ALI 200619, Child/Adult Food Programs	\$96,075,732	\$114,461,866	\$115,606,485
% change	--	19.1%	1.0%

This federal funding provides reimbursements for nutritious snacks, as well as breakfast, lunch, and dinner, to children or adults enrolled in participating daycare centers, after-school programs, or adult daycare centers.

C5:10: Summer Food Service Program (ALI 200674)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3GEO ALI 200674, Summer Food Service Program	\$12,169,517	\$30,000,000	\$30,000,000
% change	--	146.5%	0.0%

This line item distributes federal funding under the USDA's Summer Food Service Program, which reimburses eligible service institutions (referred to as sponsors) that serve free meals to children up to the age of 18 during the summer when schools are closed, during the extended school vacation periods, if the school is closed because of an emergency situation, and if a school is operating a year-round program. Participating sites must be located in areas where at least 50% of the children meet the income eligibility criteria for free and reduced price meals.

C5:11: School Food Services (ALI 200607)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3670 ALI 200607, School Food Services	\$8,001,280	\$12,989,661	\$13,379,350
% change	--	62.3%	3.0%

This federal funding is used by DEW for administrative support and monitoring of federally funded school food programs. The funds are also used to contract with external reviewers to ensure compliance with federal procurement regulations and to perform operational evaluations of local program sponsors. States are required to meet a minimum level of state investment to receive federal funds. State funds needed to comply with the federal maintenance of effort requirements associated with this grant are expended from GRF ALI 200321, Operating Expenses. Fund 3670 also supports a number of smaller federal grants, including the National School Lunch Program Equipment Assistance Grant to distribute funding to districts to renovate, replace, or purchase new equipment related to food service and the Child Nutrition Technology Innovation Grant that DEW uses to implement technology solutions that will improve program accountability, data accuracy, and program performance measurement.

C5:12: Fresh Fruit and Vegetable Program (ALI 200676)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3GG0 ALI 200676, Fresh Fruit and Vegetable Program	\$4,264,922	\$5,145,074	\$5,145,074
% change	--	20.6%	0.0%

This line item distributes federal funding under the USDA’s Fresh Fruit and Vegetable Program, which reimburses school districts for costs incurred in providing children in participating elementary schools with free, fresh produce outside of National School Lunch Program and School Breakfast Program food service times. The program is offered to elementary schools in low-income areas on a competitive basis.

Category 6: Educator Quality

This category of appropriations includes funding to support programs that aim to improve the quality of educators in Ohio.

C6:1: Educator Preparation (ALI 200448)

GRF line item 200448, Educator Preparation, includes funding for various earmarks. The earmarks are listed in the table below in the order in which they appear in the bill.

Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
College Credit Plus teacher credential grants	\$353,467	\$3,000,000	\$3,000,000
Military Veteran Educators Program	\$0	\$1,612,500	\$3,225,000
State system of support assistance	\$290,155	\$350,000	\$358,000
Teach for America	\$2,000,000	\$2,000,000	\$2,000,000
FASTER Saves Lives training	\$200,000	\$200,000	\$200,000
PAST Foundation	\$250,000	\$500,000	\$500,000
SmartOhio Financial Literacy Program	\$500,000	\$500,000	\$500,000
Discontinued earmarks	\$421,669	\$0	\$0
GRF ALI 200448 total	\$4,015,290	\$8,162,500	\$9,783,000
% change	--	103.3%	19.9%

College Credit Plus teacher credential grants

DEW, in consultation with the Department of Higher Education, uses these funds to provide awards to support graduate coursework for high school teachers to receive credentialing to teach CCP courses in a high school setting. Priority will be given to education consortia of a public or private institution of higher education in Ohio and high schools identified as economically disadvantaged that have no or limited numbers of teachers credentialed to teach CCP courses.

Military Veteran Educators Program

The new Military Veteran Educators Program, which will be operated in consultation with the Department of Veterans Services, will assist eligible military individuals³ in seeking a career in education through a multi-pronged approach that includes:

- Grants to institutions of higher education to provide financial incentives and assistance for eligible military individuals to enroll in and complete an educator preparation program;
- Assistance with costs for eligible military individuals to complete college coursework or professional development in pedagogy to obtain an alternative military educator license that the budget also creates. The requirements of the license will be designed to ensure that eligible military individuals can obtain one to work as a teacher in a public school on an expedited timeline;
- Assistance to public schools to support activities to recruit eligible military individuals to work in public schools and support bonuses to public schools that hire eligible military individuals;
- Reimbursements to public schools that pay financial bonuses to eligible military individuals who complete at least one year of employment with the school;
- Creation of the Governor’s Ohio Military Veteran Educators Fellowship Pilot Program to recruit and train eligible military individuals to become licensed to teach in low-performing public schools.

State system of support assistance

This funding is used by DEW to monitor and support Ohio’s state system of support in accordance with the Every Student Succeeds Act. Specifically, DEW uses the funds to support school improvement for struggling schools through data analysis, needs assessment, and assistance with implementing the Ohio Improvement Process, which is an integrated, research-based planning approach for districts to use as they develop and implement a focused improvement plan. These funds are used in conjunction with the \$3.5 million set-aside for ESC school improvement initiatives in GRF ALI 200550, Foundation Funding – All Students.

Teach For America

These funds support Teach For America’s corps member recruitment, teacher training and development, and ongoing development and impact of alumni working in Ohio.

FASTER Saves Lives training

These funds support FASTER Saves Lives training for selected school staff for the purpose of stopping active shooters and treating casualties.

³ The budget defines an “eligible military individual” as an active duty member of the U.S. armed forces, a veteran of the U.S. armed forces who has been honorably discharged, a member of the National Guard or a reserve component of the U.S. armed forces, or a spouse of any of these individuals.

PAST Foundation

These funds are distributed to the Partnering Anthropology with Science and Technology (PAST) Foundation for the STEM Educator Workforce Collaborative to provide professional development and strategic training for teachers in STEM fields tailored to each region of the state.

SmartOhio Financial Literacy Program

These funds support the SmartOhio Financial Literacy Program at the University of Cincinnati.

C6:2: Improving Teacher Quality (ALI 200635)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3Y60 ALI 200635, Improving Teacher Quality	\$72,735,501	\$77,000,000	\$77,000,000
% change	--	5.9%	0.0%

Most of this federal grant is passed through to school districts based on a federal formula that considers enrollment and poverty in each district. Districts must use the funds for professional development and educator quality purposes. Up to 1% of the state's grant allocation may be used for state administration. Additional portions may be reserved for other state activities, including teacher, principal, and other school leader support or preparation academies.

Category 7: Academic Achievement

This category of ALIs includes funding to support a variety of programs and initiatives designed to improve the academic achievement of Ohio's students and adults without high school diplomas.

C7:1: Literacy Improvement (ALIs 200566 and 2006A4)

The budget combines appropriations in GRF ALI 200566 and new Fund 5AQ1 ALI 2006A4, both named Literacy Improvement, to substantially increase funding for literacy improvement. The budget supports ALI 2006A4 through two cash transfers to the newly created Literacy Improvement Fund (Fund 5AQ1): \$160.1 million from the FY 2023 GRF ending balance and \$11.0 million in FY 2024 from the School District Solvency Assistance Fund (Fund 5H30).

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200566, Literacy Improvement	\$1,550,971	\$1,550,000	\$1,550,000
Fund 5AQ1 ALI 2006A4, Literacy Improvement	\$0	\$114,324,000	\$56,824,000
Literacy Improvement total	\$1,550,971	\$115,824,000	\$58,324,000
% change	--	7,367.8%	-49.6%

The budget uses the appropriations in ALIs 200566 and 2006A4 to jointly fund earmarks that are part of an initiative to improve student literacy that DEW refers to as “ReadOhio.” The earmarks are listed in the table below in the order in which they appear in the bill.

Earmark	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Literacy professional development stipends	\$0	\$43,000,000	\$43,000,000
High-quality instructional materials	\$0	\$64,000,000	\$0
Literacy coaches	\$0	\$6,000,000	\$12,000,000
Model demonstration project for early identification of students with dyslexia	\$461,329	\$0	\$0
Remainder – Literacy improvement	\$1,089,641	\$2,823,591	\$3,323,591
ALIs 200566 and 2006A4 total	\$1,550,971	\$115,824,000	\$58,324,000
% change	--	7,367.8%	-49.6%

Literacy professional development stipends

This new earmark will be used to reimburse school districts, community schools, and STEM schools for stipends paid to teachers to complete the budget’s mandated professional development course in the science of reading and evidence-based strategies for effective literacy instruction. DEW is required to provide a professional development course for this purpose, which the Department will procure from a vendor through a request for proposals process. The budget requires districts and schools to pay the following stipends to teachers that complete the course:

- \$1,200 to each teacher of grades K-5, English language arts teacher in grades 6-12, intervention specialist, English learner teacher, reading specialist, and instructional coach who serves any of grades preK-12.
- \$400 to each teacher who teaches a subject area other than English language arts in grades 6-12.

The budget directs teachers to complete the course at a time that minimizes disruption to normal instructional hours. Finally, the budget requires all administrators to complete the course but does not reimburse any stipend a district or school may pay them, the rationale being that administrators work through the summer months when school is not in session and, thus, have more flexibility to meet the requirement without taking time off work. The budget exempts a teacher or administrator who has previously completed similar training from the professional development requirement. DEW must work with the Ohio Department of Higher Education, educator preparation programs, and local professional development committees (LPDCs) to help teachers and administrators who complete the course to earn college credit. An LPDC must qualify any completed professional development course under this initiative toward a teacher’s professional development requirements for licensure renewal.

High-quality curriculum and instructional materials

This new earmark will be used to subsidize the cost for school districts, community schools, and STEM schools to purchase approved high-quality core curriculum and instructional materials in English language arts and evidence-based reading intervention programs. The budget requires DEW to establish lists of approved materials and programs that are aligned with the science of reading and strategies for effective literacy instruction for this purpose. Districts and schools are required to use only approved materials and programs by the 2024-2025 school year. The budget requires DEW to conduct a survey to collect information on the core curriculum and instructional materials in English language arts in grades preK-5 and reading intervention programs in grades preK-12 that public schools are using. Public schools are required to participate in the survey.

In addition, the budget requires DEW to identify vendors that provide professional development to educators on the use of high-quality core curriculum and instructional materials and reading intervention programs on the DEW-compiled lists and requires an LPDC to count any such professional development provided by a vendor toward a teacher's professional development requirements for licensure renewal.

Literacy coaches

This new earmark will be used for coaches to provide literacy supports to school districts, community schools, and STEM schools with the lowest rates of proficiency in literacy based on their performance on the English language arts assessments. The coaches must have training in the science of reading and evidence-based strategies for effective literacy instruction and intervention and implement Ohio's Coaching Model, as described in Ohio's Plan to Raise Literacy Achievement. The coaches will work through ESCs while DEW will train and direct them. DEW plans to supplement the FY 2024 funding for this earmark with \$5.0 million in existing appropriations of federal coronavirus relief funds.

Remainder – Literacy Improvement

These funds support regional literacy professional development teams that are established by ESCs or consortia of ESCs. These teams work to bolster early literacy activities to align state, local, and federal efforts to improve all students' reading success. A portion of this funding may be used by DEW for administrative work related to the program.

C7:2: Adult Education Programs (ALI 200572)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
22+ Adult High School Diploma Program	\$7,749,665	\$6,900,000	\$6,900,000
Competency-Based Diploma Pilot Program	\$0	\$2,500,000	\$0
Remainder – Adult Education Programs	\$2,225,394	\$2,896,000	\$2,922,000
GRF ALI 200572 total	\$9,975,059	\$12,296,000	\$9,822,000
% change	--	23.3%	-20.1%

This line item supports various programs that assist individuals who dropped out of school with obtaining a high school diploma or equivalence certificate.

22+ Adult High School Diploma Program

In the FY 2024-FY 2025 biennium, the budget earmarks 62% of the funding in this line item for the 22+ Adult High School Diploma Program, which awards locally issued high school diplomas through a participating school district, community school, or two-year college. Providers receive up to \$5,000 annually for each individual enrolled in the program depending on the extent of the individual's successful completion of high school graduation requirements.

Competency-Based Diploma Pilot Program

These funds will be used to implement a competency-based diploma pilot program in FY 2024 and FY 2025 for individuals who are at least 18 years old, but under 22 years old that is aligned with the rules and standards for the 22+ Adult High School Diploma Program. The budget requires DEW to issue a report regarding the pilot program by July 30, 2025, and post the report on its website. The budget reappropriates the available balance of this earmark at the end of FY 2024 for the same purpose in FY 2025.

Remainder – Adult Education Programs

Most of the remainder of this line item supports the Adult Diploma Program, which provides the education and training necessary for an individual ages 18 and older (lowered from ages 20 and older by a provision in the budget) to earn a state-issued high school diploma and an industry-recognized credential or certificate in an in-demand field. State payments to participating institutions for each student enrolled in an approved program of study are calculated according to a formula providing certain tiers of funding based on the number of hours of technical training required in the student's career pathway training program and the student's grade level upon initial enrollment into the program. This line item also supports a program that provides vouchers to lower the cost of high school equivalency examinations for first-time test takers and DEW's operating expenses associated with program administration and evaluation, technical assistance, and research.

C7:3: Accelerate Great Schools (ALI 200614)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 7017 ALI 200614, Accelerate Great Schools	\$1,500,000	\$1,500,000	\$1,500,000
% change	--	0.0%	0.0%

This line item, funded from lottery profits, supports the Accelerate Great Schools public-private partnership that works to provide high quality education to new and existing schools in Cincinnati.

C7:4: Educational Improvement Grants (ALI 200615)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 6200 ALI 200615, Educational Improvement Grants	\$47,892	\$600,000	\$600,000
% change	--	1,152.8%	0.0%

This line item is supported by miscellaneous education grants from private sources. Expenditures are dependent on the number and amount of grants received and are directed towards the grantor's specified purpose.

C7:5: 21st Century Community Learning Centers (ALI 200688)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3Y20 ALI 200688, 21 st Century Community Learning Centers	\$40,453,952	\$45,000,000	\$47,000,000
% change	--	11.2%	4.4%

These federal funds provide grants to school districts and community and faith-based organizations to create community learning centers that provide academic enrichment and a wide variety of additional services for children, with particular emphasis on students in low-performing, high-poverty schools. Grants are awarded on a competitive basis for a five-year period, with a maximum of \$200,000 per year the first three years, and gradually reduced maximum amounts for the final two years. DEW may use up to 2% of the funds for administrative purposes and up to 5% for state-level activities.

C7:6: Comprehensive Literacy State Development Program (ALI 200678)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3HL0 ALI 200678, Comprehensive Literacy State Development Program	\$10,430,828	\$14,630,000	\$14,630,000
% change	--	40.3%	0.0%

These federal funds are distributed to school districts, ESCs, and early childhood education programs to improve literacy outcomes for children from birth through grade 12. The funds support the development of model comprehensive literacy sites in early childhood education programs, district preschools, and elementary, middle, and high schools statewide. Approximately 95% of the award is to be distributed to these entities. Additionally, the line item is used to support professional learning and coaching.

C7:7: English Language Acquisition (ALI 200689)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3Y70 ALI 200689, English Language Acquisition	\$11,511,198	\$11,500,000	\$12,000,000
% change	--	-0.1%	4.3%

These federal funds assist school districts in helping their English learners meet the state's academic content and student achievement standards. These funds help ensure English learners have equal educational opportunities and in assisting districts to close the achievement gap between these students and their peers. The funds may be used for supplemental services that improve English proficiency and academic achievement of English learners, including through language instruction educational programs and professional development for teachers who educate English learners. DEW may use up to 5% of these funds to standardize entrance and exit procedures for English learner status, and provide planning, evaluation, administration, technical, and professional development activities to school districts.

C7:8: Federal Education Grants (ALI 200649)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3HF0 ALI 200649, Federal Education Grants	\$4,497,795	\$6,831,327	\$6,831,327
% change	--	51.9%	0.0%

This line item consolidates funding for the activities of several smaller federal grants from multiple federal agencies, including those supporting neglected and delinquent children, statewide longitudinal data systems, implementation of frameworks to improve school climate, school-based mental health services, a model demonstration project to identify students with dyslexia and provide professional development to their teachers, federal Troops to Teachers program administration, and school violence prevention. In recent years, this line item has also been used to support DEW's administrative expenses for the Pandemic Electronic Benefits Transfer (P-EBT) Program, which provides eligible students with temporary emergency Supplemental Nutrition Assistance Program benefits on EBT cards to buy food. The budget shifts funding for a federal grant facilitating Head Start program collaboration from this line item to the new Department of Children and Youth.

C7:9: Public Charter Schools (ALI 200613)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3T40 ALI 200613, Public Charter Schools	\$2,164,190	\$2,300,000	\$0
% change	--	6.3%	-100.0%

This federal funding is used by DEW to support planning, design, and initial implementation of high-quality charter schools, known in Ohio as community schools. Only site-based community schools whose sponsor received a rating of effective or exemplary on its most recent sponsor evaluation, or meet certain other criteria, qualify. The grant provides up to \$100,000 for planning, up to \$350,000 for the first year of implementation or expansion, and up to \$250,000 for the second year of implementation or expansion. The budget reflects the end of Ohio's federal grant after FY 2024.

Category 8: State Administration

C8:1: Operating Expenses (ALI 200321)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200321, Operating Expenses	\$15,098,184	\$15,622,000	\$15,661,000
% change	--	3.5%	0.2%

This line item funds personal services, maintenance, and equipment for administrative functions not directly related to one program. It also supports the administrative expenses necessary to meet certain federal match or maintenance of effort requirements.

C8:2: Information Technology Development and Support (ALIs 200420 and 200606)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200420, Information Technology Development and Support	\$3,779,712	\$4,000,000	\$4,100,000
Fund 1380 ALI 200606, Information Technology Development and Support	\$11,366,079	\$12,940,577	\$13,911,120
Information Technology Development and Support total	\$15,145,790	\$16,940,577	\$18,011,120
% change	--	11.9%	6.3%

GRF funding in ALI 200420 supports development and implementation of information technology solutions to improve DEW's performance and services. It also supports data-driven decision making, differential instruction, and web-based application development to communicate academic content standards and curriculum models to schools. GRF line items that cannot fully pay the cost of IT programming access these funds.

Non-GRF funding through ALI 200606 supports information technology services for various DEW programs through development and maintenance of network infrastructure and software, purchase of computer software and hardware, project management, program services, and funding for DEW staff and information technology contracts. In recent years, the Department has been consolidating IT project costs into this line item rather than directly from program line

items. The line item is supported by charges assessed to DEW offices based on usage of IT services and from program offices for specific projects.

C8:3: Indirect Operational Support (ALI 200695)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 4R70 ALI 200695, Indirect Operational Support	\$8,012,335	\$8,501,941	\$8,927,038
% change	--	6.1%	5.0%

This line item supports a variety of administrative functions not directly tied to a specific funding source, including accounting, human resources, grants management, and internal auditing. Funding for these costs is recouped from the federal government and other various funds used by DEW containing payroll and maintenance expenses by applying an indirect cost rate that is approved annually by the U.S. Department of Education. Revenue from the indirect charges is then deposited into Fund 4R70 via intrastate transfer voucher (ISTV).

C8:4: Interagency Program Support (ALI 200633)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 4V70 ALI 200633, Interagency Program Support	\$5,533,444	\$5,000,000	\$5,000,000
% change	--	-9.6%	0.0%

This line item supports joint initiatives or collaborations for specific programs that require DEW's assistance. Funds are received from other state agencies for such activities that require DEW support and are deposited into Fund 4V70.

From FY 2017 through FY 2023, this line item primarily supported preschool slots using casino operator settlement funds received from the Department of Job and Family Services, supplementing the early childhood education grant program mainly funded in GRF ALI 200408, Early Childhood Education. The budget moves early childhood education programs to the Department of Children and Youth beginning in FY 2024.

C8:5: Charges and Reimbursements (ALI 200638)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 4520 ALI 200638, Charges and Reimbursements	\$501,998	\$1,500,000	\$1,500,000
% change	--	198.8%	0.0%

This line item is supported by funds received through fees for products or services provided by DEW, including publications, sponsored conferences, and donations. These funds support the use of materials and facilities for DEW conferences and purposes specified by donations. Notably, this line item supports the costs of staging the annual Ohio Educational

Technology Conference. Responsibility for organizing this event shifted from the Ohio Department of Higher Education to the Department beginning in FY 2023.

C8:6: Consolidated Federal Grant Administration (ALI 200645)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3Z30 ALI 200645, Consolidated Federal Grant Administration	\$18,013,964	\$15,900,000	\$15,900,000
% change	--	-11.7%	0.0%

This line item acts as an administrative pool of various federal grant funds, which allows for the consolidation of administrative dollars to effectively manage, administer, and coordinate all grants received under the federal Elementary and Secondary Education Act (ESEA). This line item also supports the dissemination of information regarding model programs and practices, establishing peer-review mechanisms for the various federal grants, training personnel in monitoring these activities, and technical assistance to grant recipients. In general, FY 2023 spending is elevated due to the influx of administrative funds from federal coronavirus relief grants.

Category 9: Coronavirus Relief

This category of appropriation items includes federal funding received by the state to respond to the COVID-19 pandemic and its impacts on primary and secondary education.

C9:1: Federal Coronavirus School Relief (ALI 200640)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 3HSO ALI 200640, Federal Coronavirus School Relief	\$2,120,146,035	\$1,800,000,000	\$0
% change	--	-15.1%	-100.0%

This line item provides federal emergency relief funds to school districts and other public schools in response to the COVID-19 pandemic. The funds are drawn from Ohio's allocation of ESSER funds authorized under various federal coronavirus relief acts. DEW must distribute at least 90% of the funds to school districts and community schools in proportion to their share of Title I, Part A funds. Up to 10% of the state's allocation may be used for state-level activities. All of DEW's share of ESSER funds for state-level activities have been allocated. The budget appropriates the remaining amount of Ohio's ESSER Fund allocation, which will be used entirely to distribute ESSER funds to districts and schools. The budget reappropriates the available balance of this line item at the end of FY 2024 to FY 2025.

Congress authorized ESSER funds in three stages, first from federal Coronavirus Aid, Relief, and Economic Security (CARES) Act ("ESSER I"), then from the federal Coronavirus Response and Relief Supplemental Appropriations, which became part of the federal Consolidated Appropriations Act, 2021 ("ESSER II"), and finally from the American Rescue Plan (ARP) Act ("ARP

ESSER”). Funds from ESSER II must be spent by September 30, 2023, and funds from ARP ESSER must be spent by September 30, 2024. ESSER I funds expired September 30, 2022.

Districts and schools may use ESSER funds for a variety of eligible activities, such as maintaining continuity of services and employment of staff; purchasing educational technology to assist in distance learning; coordinating and improving COVID-19 preparedness and response efforts; training LEA staff on sanitation and purchasing supplies to sanitize school facilities; providing mental health services and supports; addressing the needs of individual schools and the unique needs of low-income children, students with disabilities, and other vulnerable populations; and planning and implementing summer learning and supplemental afterschool programs; among others. The ARP Act requires a district or school to use at least 20% of its ARP ESSER allocation to address learning loss.

ESSER funding for ACE Educational Savings Account Program

The budget provides an additional year of funding for the Afterschool Child Enrichment (ACE) Educational Savings Account Program, so that funding for the accounts are available for use through September 30, 2024. It does so by shifting the coronavirus relief funding source for the ACE accounts and other earmarks funded by ESSER state activity funds to lengthen the period of availability for the ACE accounts. H.B. 110 of the 134th General Assembly supported the ACE Educational Savings Account Program with ESSER II state activity funds, which, as described above, are available for use through September 30, 2023. The budget requires DEW to use ARP ESSER state activity funds to support the ACE Educational Savings Account Program instead. In turn, it permits DEW to use ESSER II state activity funds for emergency needs, rather than ARP ESSER state activity funds for emergency needs and addressing learning loss as originally authorized, to support earmarks for various purposes appropriated in H.B. 169 and H.B. 583 of the 134th General Assembly.

Category 10: Property Tax Reimbursements

This category of ALIs includes reimbursements to school districts for property tax losses due to state tax policy. The two line items used to make the payments are included in the State Revenue Distributions (RDF) section of the budget. The RDF section of the budget bill contains appropriations for line items used by several agencies to distribute money to designated recipients under various programs. Each of the funds in the RDF section of the budget is administered by a state agency, but the funds are not included as part of the budget of the administering agency.

C10:1: Property Tax Reimbursement – Education (ALI 200903)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 200903, Property Tax Reimbursement – Education	\$1,184,023,976	\$1,214,756,000	\$1,238,032,000
% change	--	2.6%	1.9%

The state pays 10% of locally levied property taxes for residential and agricultural real property owners and an additional 2.5% for homeowners, thus decreasing property taxes paid

by individual property taxpayers in Ohio. These provisions are often referred to as property tax “rollbacks.” This line item reimburses school districts and JVSs for revenue losses due to these rollbacks. H.B. 59 of the 130th General Assembly eliminated the rollbacks on new property taxes levied after tax year (TY) 2014. This line item also funds the portion of the Homestead Exemption Program for the elderly and disabled payable to school districts. The Homestead Exemption Program includes all homeowners who are 65 years of age or older or who are disabled, and have an Ohio adjusted gross income less than a threshold that increases each year according to an inflationary factor. The threshold in 2023 is \$36,100. Each homeowner receives an exemption equal to \$8,750 of taxable value (\$25,000 of true value). The budget adjusts the exemption for inflation beginning in TY 2023 for real property and TY 2024 for manufactured and mobile homes.

C10:2: Property Tax Replacement Phase Out – Education (ALI 200902)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Fund 7047 ALI 200902, Property Tax Replacement Phase Out – Education	\$67,964,348	\$60,386,576	\$53,927,487
% change	--	-11.1%	-10.7%

This item supports the payments replacing the loss in school district tax revenues due to the phase-out of general business tangible personal property (TPP) tax and changes in the taxation of utilities. Beginning in FY 2024, the Department of Taxation must transfer an amount of commercial activity tax revenues appropriate to make these payments to the School District Tangible Personal Property Tax Replacement Fund (Fund 7047). Previously, TPP replacement payments were supported by the transfer of 13% of receipts from the commercial activity tax.

The budget maintains the current law mechanisms to phase down the replacement payments. Beginning in FY 2018, fixed-rate operating levy replacement payments are reduced from the prior year’s payment by an amount equal to $\frac{5}{8}$ of one mill (0.000625) of the average of the total taxable value of the district for TY 2014, TY 2015, and TY 2016. Replacement payments based on emergency levies ended after FY 2022, while payments for permanent improvement levies ended after FY 2016. Through FY 2026, continuing law provides a temporary exception to the phase-down schedule for school districts that have a nuclear power plant in their territory (Benton-Carroll-Salem Local in Ottawa County and Perry Local in Lake County). From FY 2022 through FY 2026, the replacement payments for those two districts will be equal to the payments received in FY 2017.