

Greenbook

LBO Analysis of Enacted Budget

Department of Education and Workforce

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Attachment:

 Appropriation Spreadsheet

LBO Greenbook

Department of Education and Workforce

Quick look...

- The Department of Education and Workforce (DEW) oversees a K-12 public education system that enrolls approximately 1.6 million students.
- Total budget: \$14.88 billion in FY 2026 and \$15.30 billion in FY 2027.
 - The GRF, lottery profits, sports gaming revenue, and transfers from the GRF into the Foundation Funding – All Students Fund (Fund 5V50) comprise 83.3% of the total biennial budget.
 - About 98% of DEW’s budget is paid out as subsidies, mainly in the form of school foundation aid.
- The budget completes the phase-in of the school funding formula, known as the Fair School Funding Plan, in FY 2026 and FY 2027, while maintaining FY 2022 base cost inputs.
- The budget establishes base funding and enrollment growth supplements as part of the foundation formula and a performance supplement based on certain report card ratings outside the formula.
- The budget also includes \$10 million from lottery profits in FY 2026 for school bus safety grants.

Fund Group	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
General Revenue	\$9,479,672,747	\$9,856,351,527	\$9,971,602,583	\$10,334,860,007
Lottery and sports gaming	\$1,644,886,236	\$1,713,152,947	\$1,836,438,202	\$1,798,029,884
Dedicated Purpose supported by GRF transfers	\$682,797,240	\$711,762,329	\$600,000,000	\$600,000,000
Other state non-GRF	\$49,682,151	\$31,790,053	\$38,723,698	\$39,149,156
Federal	\$4,351,763,600	\$2,968,305,281	\$2,434,508,250	\$2,528,027,837
Total	\$16,208,801,973	\$15,281,362,137	\$14,881,272,733	\$15,300,066,884
% change	--	-5.7%	-2.6%	2.8%
<i>GRF + Lottery + Sports gaming + GRF-supported DPF</i>	<i>\$11,807,356,222</i>	<i>\$12,281,266,803</i>	<i>\$12,408,040,785</i>	<i>\$12,732,889,891</i>
% change	--	4.0%	1.0%	2.6%

Overview

Agency overview

The Department of Education and Workforce (DEW) oversees a public education system consisting of 609 traditional school districts, 49 joint vocational school districts (JVSDs), and about 350 public community schools and science, technology, engineering, and mathematics (STEM) schools. This system enrolls approximately 1.6 million students in grades K-12 and graduated approximately 120,000 students in 2023. In addition, DEW monitors 51 educational service

centers (ESCs), other regional education providers, early learning programs, and about 725 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 2026-FY 2027 budget"** section of this Greenbook contains details on DEW's programs and initiatives. DEW employs 528 full-time, permanent staff as of the end of August 2025.

Appropriation summary

The budget for DEW appropriates \$14.88 billion in FY 2026 and \$15.30 billion in FY 2027. Appropriations in FY 2026 are about \$400.1 million (2.6%) less than FY 2025 spending largely due to the expiration of federal COVID-19 relief assistance. Combined appropriations from the GRF, State Lottery Fund (SLF) Group, sports gaming revenues, and GRF transfers to dedicated purpose funds increase by 1.0% in FY 2026 and 2.6% in FY 2027. Appropriations from the GRF and SLF Group comprise over three-quarters (78.2%) of the total biennial budget. Adding in GRF cash transfers to the Foundation Funding – All Students Fund (Fund 5VS0) and proceeds from sports gaming taxes increases this percentage to 83.3%. Federal funds comprise about 16.4%, while other state non-GRF spending accounts for 0.3% of the biennial total. The preceding table in the **"Quick look"** section presents DEW's FY 2026-FY 2027 appropriations by fund group.

School foundation aid

Traditional school districts

The FY 2026-FY 2027 budget continues the implementation of the current school funding formula established by H.B. 110 of the 134th General Assembly, largely retaining the current method used to determine the amount and allocation of state aid for traditional school districts. The budget completes the incremental phase-in of the formula in FY 2027, modifies the count of students for purposes of calculating disadvantaged pupil impact aid (DPIA), eliminates supplemental targeted assistance and gifted professional development payments, and establishes two supplemental payments (a base funding supplement and an enrollment growth supplement) as part of the foundation aid formula. Overall state foundation aid for traditional school districts is estimated at \$8.15 billion in FY 2026 and \$8.26 billion in FY 2027, representing annual increases of \$32.5 million (0.4%) and \$109.0 million (1.3%), 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 that are posted on the [LSC website](#).

Base cost and distribution of state share

The budget retains the use of FY 2022 data for the various statewide average salary and spending inputs that comprise a district's calculated base cost, which is a formula-determined measure of the total state and local cost to educate a typically developing student. The formula determines the base using an inputs-based approach, mainly student to staff ratios and staff 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. The budget maintains the use of the FY 2024 statewide average amounts (\$8,242 and \$9,856, respectively) in FY 2026 and FY 2027.

The budget also maintains the current formula's method of distributing state funding for the base cost to districts. 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. Continuing law requires routine updates to the tax years and student counts used to measure a district's capacity to raise local tax revenue.

DPIA student counts

The budget modifies the calculation of the student count for purposes of DPIA. Prior to FY 2026, the DPIA student count generally was based only on the number of students eligible for free or reduced-price school meals. This count ("economically disadvantaged ADM") includes students eligible for free or reduced price meals through the traditional household income application and those identified as eligible for free meals due to their school's participation in the federal Community Eligibility Provision (CEP). Under CEP, schools or districts may provide free meals to all students (and forego the use of the household income application) if 25% or more of their students are identified as low income due to participation in the Supplemental Nutrition Assistance Program (SNAP), Medicaid, or certain other public assistance programs, or because of certain student characteristics, such as students who are foster youth or homeless. Students are identified as low income for CEP through a process known as "direct certification."

The statewide count of students in economically disadvantaged average daily membership (ADM) has been increasing rapidly among traditional school districts, growing from about 646,000 students in FY 2022 to an estimated 847,000 students in FY 2025. Accordingly, the statewide average economically disadvantaged percentage increased from 46.6% to 61.1% over the same time frame. The rapid increases are mainly due to Ohio's participation in the federal Medicaid Direct Certification Pilot Program beginning in FY 2024 and the direct certification percentage threshold for CEP eligibility decreasing from 40% to 25% beginning in FY 2025.

The formula continues to use economically disadvantaged ADM in each district's student count for DPIA but fixes it at the FY 2025 count in each of FY 2026 and FY 2027. It also begins using each district's count of students identified through direct certification ("directly certified ADM"), which is notably smaller at about 557,000 students for traditional districts in FY 2025. The formula for each fiscal year will use a district's directly certified ADM for that year. The formula combines the two counts by weighting a district's FY 2025 economically disadvantaged ADM at 75% in FY 2026 and 65% in FY 2027, and directly certified ADM at 25% in FY 2026 and 35% in FY 2027. This incrementally increases the extent to which each district's DPIA will depend on the lower direct certification count in each fiscal year.

DPIA Student Count

$$\text{FY 2026 DPIA student count} = (\text{FY 2025 Economically disadvantaged ADM} \times 75\%) + (\text{FY 2026 Directly certified ADM} \times 25\%)$$

$$\text{FY 2027 DPIA student count} = (\text{FY 2025 Economically disadvantaged ADM} \times 65\%) + (\text{FY 2027 Directly certified ADM} \times 35\%)$$

Overall, estimated DPIA payments for traditional districts, as calculated prior to the formula's phase-in, decrease from \$649.2 million in FY 2025 to \$564.6 million in FY 2026 and \$532.8 million in FY 2027, reductions of \$84.5 million (13.0%) and \$31.8 million (5.6%), respectively.

Completion 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 formula's calculation of a district's phased-in funding is illustrated below.

General Calculation of Phase-in Mechanism

District FY 2020 funding + [Phase-in % x (New formula's calculated funding - District FY 2020 funding)]

Since FY 2022, the phase-in percentage for all components has increased in each year of the formula's implementation, reaching 66.67% in FY 2025 (Table 1). The budget continues phasing in the formula incrementally in FY 2026 and FY 2027, increasing the phase-in percentages to 83.33% and 100%, respectively. Note that, initially, DPIA's phase-in percentage was different than that for all other components, but has been the same since FY 2023.

Table 1. Phase-in Percentages, Traditional Districts, FY 2022-FY 2027

FY 2022*	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
16.67%	33.33%	50%	66.67%	83.33%	100%

*DPIA was phased in at 0% in FY 2022, but matches the phase-in percentage for all other components beginning in FY 2023

In addition to the general and DPIA phase-in percentages, the minimum state share for transportation increases from 41.67% in FY 2025 to 45.83% in FY 2026 and 50% in FY 2027.

Guarantees

The formula includes two main "guarantee" provisions that prevent a district's funding from falling below certain historical amounts: temporary transitional aid (based on FY 2020 funding) and the formula transition supplement (based on 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). The budget extends both guarantees into the FY 2026-FY 2027 biennium. The budget also extends temporary transitional transportation aid into FY 2026 and FY 2027, which is a separate guarantee based on FY 2020 funding that applies only to a district's pupil transportation aid.

Elimination of supplemental targeted assistance

The budget eliminates supplemental targeted assistance, which provided additional aid to certain districts based on their student count and wealth measures under the previous school funding formula. These were primarily lower wealth, urban districts with relatively high proportions of resident students who attended a school other than one operated by their home district, such as a school of another district through open enrollment, a community school, or a nonpublic school through a state scholarship program. The payments assisted these districts, which might appear relatively wealthier on a per-pupil basis because of changes in how the formula in place since FY 2022 counts students relative to the previous formula and thus receive less state aid. Supplemental targeted assistance payments totaled to an estimated \$52.5 million to 36 districts in FY 2025.

Elimination of gifted professional development funds

The budget eliminates gifted professional development funds, in accordance with the plan for those funds set out in H.B. 1 of the 134th General Assembly, the forerunner legislation to the formula that was ultimately enacted in H.B. 110 of the 134th General Assembly. Through FY 2025, the formula calculated these payments for traditional districts by multiplying a set per-pupil amount by the greater of the number of identified gifted students in the district or 10% of its enrolled ADM, and then by the district's state share percentage. The per-pupil amount began at \$7 in FY 2022 and increased by \$7 annually, reaching \$28 in FY 2025. In FY 2025, gifted professional development funds totaled to an estimated \$2.1 million statewide.

Base funding supplement

The budget establishes a base funding supplement that provides each traditional school district with \$27 per pupil in FY 2026 and \$40 per pupil in FY 2027, based on each district's current year enrollment for funding purposes (enrolled ADM) for that fiscal year. This supplement is calculated outside of the phase-in and guarantees and is not subject to the district's state share percentage. The base funding supplement for traditional districts amounts to an estimated \$38.5 million in FY 2026 and \$57.1 million in FY 2027.

Base Funding Supplement

Base funding supplement = Enrolled ADM x \$27 for FY 2026 or \$40 for FY 2027

Enrollment growth supplement

The budget establishes an enrollment growth supplement for districts that experienced increases in their enrolled ADM above a certain threshold in each fiscal year. For FY 2026, the supplement provides \$225 per pupil in current year enrolled ADM if a district's enrolled ADM grew by at least 5% between FY 2022 and FY 2025. For FY 2027, the formula provides an additional \$250 per pupil in current year enrolled ADM if a district's enrolled ADM grew by at least 3% between FY 2023 and FY 2026. Districts below these percentage growth thresholds do not qualify for the supplement. As with the base funding supplement, this payment is calculated outside the phase-in and guarantees and is not subject to the state share percentage. The enrollment growth supplement amounts to an estimated \$22.9 million for 22 districts in FY 2026 and \$45.0 million for 40 districts in FY 2027.

Enrollment Growth Supplement

District's FY 2026 enrollment change percentage = $(\text{FY 2025 enrolled ADM} - \text{FY 2022 enrolled ADM}) / \text{FY 2022 enrolled ADM}$

District's FY 2027 enrollment change percentage = $(\text{FY 2026 enrolled ADM} - \text{FY 2023 enrolled ADM}) / \text{FY 2023 enrolled ADM}$

If District's FY 2026 enrollment change percentage $\geq 5\%$,
FY 2026 Enrollment growth supplement = Enrolled ADM x \$225

If District's FY 2026 enrollment change percentage $< 5\%$,
FY 2026 Enrollment growth supplement = \$0

If District's FY 2027 enrollment change percentage $\geq 3\%$,
FY 2027 Enrollment growth supplement = Enrolled ADM x \$250

If District's FY 2027 enrollment change percentage $< 3\%$,
FY 2027 Enrollment growth supplement = \$0

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, state funding for them does not account for any local support. That is, the state share for community and STEM schools is effectively 100%. The budget largely maintains the formulas for these schools, with changes similar to those for traditional districts by weighting the DPIA student count, completing the phase-in, maintaining the formula transition supplement guarantee base at FY 2021 levels, and providing the new base funding supplement. Additionally, the budget makes the following changes that relate only to formula funding for community and STEM schools:

- Codifies the equity supplement for site-based community schools created by H.B. 33 of the 135th General Assembly and reduces it from \$650 per pupil in FY 2025 to \$500 in FY 2026 and \$400 in FY 2027.
- Extends through the 2025-2026 school year a provision for the 2024-2025 school year providing the option of a qualifying community school to elect to report its number of enrolled students on a full-time equivalent (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 the schools under the Buckeye Community School (BCS) umbrella. In FY 2026, seven BCS schools are in operation.
- Permits the governing authorities of two or more community schools to establish a consortium to provide or arrange transportation to and from school for students in participating schools and requires DEW to calculate and make payments to a consortium as if it were a community school using combined data submitted by the consortium's fiscal agent.

Foundation aid for community and STEM schools is estimated at \$1.33 billion in FY 2026 and \$1.40 billion in FY 2027, increases of \$61.2 million (4.8%) and \$67.2 million (5.0%), 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 formula while weighting the DPIA student count, completing the phase-in, and providing the new base funding supplement. However, the budget also modifies the formula for calculating the state share of a JVSD's base cost to use per-pupil, rather than aggregate amounts, as described further below. JVSD foundation funding is projected to be \$539.1 million in FY 2026 and \$566.9 million in FY 2027, increases of \$41.9 million (8.4%) and \$27.8 million (5.2%), respectively.

Change to JVSD state share of the base cost calculation

Under prior law, the formula based a JVSD's state share of the base cost in part on a flat "charge-off" rate of 0.5 mills applied to its local capacity valuation; that is, the lesser of its most recent taxable property value or the average of its taxable property values over the most recent preceding three years. The district's state share of the base cost was the greater of (1) the difference between its total base cost and this 0.5-mill charge-off amount, or (2) 10% of its total base cost. This means that a JVSD's state share of the base cost did not depend on its current year enrolled ADM, unlike the formulas for traditional districts and community and STEM schools. The budget replaces this calculation with a new state share of the base cost that more closely aligns with the formula used for traditional school districts, in that it relies on each JVSD's per-pupil base cost, a per-pupil local capacity amount, and current year enrolled ADM.

Per-pupil local capacity amount

The budget replaces the 0.5-mill aggregate charge-off amount for JVSDs under current law with a per-pupil local capacity amount. The formula determines this amount by multiplying each JVSD's aggregate local capacity valuation by 0.5 mills (0.0005 or 0.05%) and then dividing the product by the JVSD's base cost enrolled ADM.

JVSD Per-Pupil Local Capacity Amount

Per-pupil local capacity amount = (Local capacity valuation x 0.0005) / Base cost enrolled ADM

Local capacity valuation = Lesser of three-year average value or most recent annual value

State share percentage

The formula then determines a JVSD's state share percentage by dividing the difference between a JVSD's per-pupil base cost and its per-pupil local capacity amount by the per-pupil base cost. The budget maintains current law's minimum state share percentage of 10%.

JVSD State Share Percentage

State share percentage =
 Greater of [(Base cost per pupil – Per-pupil local capacity amount) / Base cost per pupil] or 10%

State share of the base cost

The formula determines each JVSD's state share of the base cost by multiplying the district's per-pupil base cost by its state share percentage to obtain a per-pupil state share of the base cost and then by the district's current year enrolled ADM to yield the aggregate state share of the base cost.

JVSD State Share of the Base Cost

State share of the base cost = Base cost per pupil x State share percentage x Enrolled ADM

Summary of foundation aid for public schools

The foundation aid allocation for public schools is estimated at \$10.02 billion in FY 2026, an increase of \$135.6 million (1.4%) compared to estimated FY 2025 aid of \$9.89 billion, and \$10.23 billion in FY 2027, an increase of \$204.0 million (2.0%) compared to the FY 2026 level.

Table 2. Summary of Foundation Aid (in millions) by School Type, FY 2025-FY 2027			
School Type	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate
Traditional districts	\$8,117.9	\$8,150.4	\$8,259.4
Community and STEM schools	\$1,270.3	\$1,331.6	\$1,398.8
JVSDs	\$497.2	\$539.1	\$566.9
Total	\$9,885.4	\$10,021.0	\$10,225.1
Change	--	\$135.6	\$204.0
% Change	--	1.4%	2.0%

Community and STEM school special education threshold cost pool

The formula generally requires that a certain percentage of a school district or other public school's special education funding, after application of the formula's phase-in mechanism, be set aside into a pool to support exceptionally high costs associated with individual special education students. The state uses the funds in the pool to reimburse a portion of the cost of providing services above \$27,375 for students in special education categories two through five and above \$32,850 for students in category six.

The budget establishes a separate threshold special education cost pool for community schools and STEM schools and requires DEW to withhold an amount equal to 5% of each school's special education funding (instead of 10% as under prior law) after application of the formula's phase-in mechanism. The percentage withheld from school district allocations remains at 10%.

The budget also requires DEW to redistribute any unused funds withheld for the community and STEM school threshold special education cost pool for FY 2026 and FY 2027 to community and STEM schools in the same proportion that the funds were originally contributed.

Foundation aid spending requirements

Continuing law requires school districts and other public schools to adhere to certain spending requirements associated with DPIA and career-technical education associated services funds. The budget modifies the requirements for districts and schools with respect to these funds.

DPIA

Under continuing law, districts and schools must spend DPIA on one or more of 17 specified initiatives in coordination with at least one community partner. The budget adds community mental health prevention providers to the list of entities with which a school district, community school, or STEM school may partner in developing its plan to use its DPIA.

CTE associated services funds

A portion of the school funding formula's categorical funds for career-technical education (CTE) is designated for associated services. Previously, districts and schools could use these funds only for approved purposes, such as apprenticeship coordinators, coordinators for other CTE services, career-technical evaluation, and other purposes designated by DEW. The budget eliminates the express authorization for a school district to use their associated services funds for these purposes and expressly permits the funds to be used for purposes focused on engagement, planning, use of data, and continuous improvement. Specifically, the budget permits the use of CTE associated services funds for (1) engaging and collaborating with education and workforce stakeholders, (2) developing and maintaining a comprehensive plan to increase career-focused education activities, (3) ensuring that plans are informed by quality data and using data to expand access to career-focused activities, (4) planning and allocating resources for the growth, sustainability, and enhancement of career-focused activities in the long term, and (5) establishing continuous improvement and program approval processes.

Scholarship programs

The state provides five main scholarships for students to obtain education services from private providers, typically chartered nonpublic schools: (1) the traditional Educational Choice (EdChoice) Scholarship Program, which provides scholarships for students who are assigned or would be assigned to district school buildings that have persistently low academic achievement, (2) the EdChoice Expansion Scholarship Program, which offers means-tested scholarships for all other students, (3) the Cleveland Scholarship Program, for students residing in the Cleveland Municipal School District, (4) the Autism Scholarship Program, and (5) 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 funding but does not allocate specific amounts to each scholarship program. Rather, it funds them within an

earmark from GRF appropriation line item (ALI) 200550, Foundation Funding – All Students, that also funds foundation aid payments to school districts, community schools, and STEM schools.

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. The budget maintains the current law maximum scholarship amounts for the EdChoice and Cleveland scholarships since it also maintains the use of the FY 2024 statewide average base cost per pupil in FY 2026 and FY 2027. However, the budget increases the maximum amounts for Autism and JPSN scholarships. Scholarship program spending is estimated to reach a total of \$1.18 billion in FY 2026 and \$1.26 billion in FY 2027, annual increases of \$101.5 million (9.4%) and \$89.0 million (7.6%), respectively. The increases in estimated scholarship spending over the FY 2026-FY 2027 biennium are due to projected increases in program participation and average award amounts as well as increases in the maximum Autism and JPSN scholarship amounts. Table 3 below breaks out the estimated student participation and payments by program.

Table 3. Estimated Scholarship Students and Payments by Program (\$ in millions), FY 2025-FY 2027

Scholarship Program	Estimated Students FY 2025	Estimated Students FY 2026	Estimated Students FY 2027	Estimated Payments FY 2025	Estimated Payments FY 2026	Estimated Payments FY 2027
EdChoice expansion	100,011	107,512	113,962	\$475.4	\$521.2	\$563.5
Traditional EdChoice	42,699	45,260	47,976	\$292.7	\$316.5	\$342.2
Autism	5,031	5,333	5,653	\$150.7	\$169.1	\$181.0
JPSN	8,311	8,727	9,163	\$101.1	\$112.4	\$119.2
Cleveland	7,933	8,092	8,254	\$54.4	\$56.6	\$58.9
Total	163,985	174,924	185,008	\$1,074.4	\$1,175.8	\$1,264.9
Change	--	10,939	10,084	--	\$101.5	\$89.0
% Change	--	6.7%	5.8%	--	9.4%	7.6%

JPSN and Autism scholarship award amounts

In general, a JPSN scholarship is calculated as the sum of a base amount and an amount for the student's special education category, subject to a cap. The budget keeps the base per-pupil award amount flat at \$7,190 in each fiscal year but increases the maximum amounts for each special education category and the capped amount in each fiscal year so that a scholarship may not exceed \$34,000 in FY 2026 and FY 2027. Table 4 below compares the effective maximum amounts for FY 2025 to those for FY 2026 and FY 2027 for each special education category once the base, special education category, and capped amounts are all taken into account. The increases in the category amounts and cap result in increases of about 4.8% in effective award amounts for each category between FY 2025 and the FY 2026-FY 2027 biennium.

Table 4. Comparison of JPSN Scholarship Effective Maximum Amounts		
Special Education Category	FY 2025	H.B. 96 FY 2026-FY 2027
Category 1	\$9,585	\$10,045
Category 2	\$12,470	\$13,069
Category 3	\$19,150	\$20,069
Category 4	\$22,977	\$24,080
Category 5	\$28,387	\$29,750
Category 6	\$32,445	\$34,000

The budget also increases the maximum award amount for students who receive the Autism scholarship from \$32,445 in FY 2025 to \$34,000 in each fiscal year, providing parity with the JPSN capped amount.

JPSN and Autism scholarship eligibility and services

The budget modifies certain provisions governing eligibility for and services under the JPSN and Autism scholarship programs. Most notably, the budget generally clarifies and aligns the age range of eligibility for both scholarships to encompass ages 3 through 21 (under prior law, three and four-year-olds and 19 through 21-year-olds were ineligible for JPSN scholarships). Eligibility for both scholarships ends at age 22. Further, the budget act qualifies a child for a scholarship if the child is enrolled in a chartered or nonchartered nonpublic school, is home educated, or is older than compulsory school age and less than 22 years of age and received a home education and has not yet received a diploma from the child's parent or guardian; the child is still eligible to receive transition services under the child's individualized education program (IEP); and for the Autism scholarship, the child has an IEP developed that includes services related to autism.

For both scholarships, the budget also permits a qualified child to contract with multiple alternative public providers or registered private providers to implement an IEP or education plan as determined necessary. Further, the budget permits intervention services, educational services, academic services, tutoring services, aide services, and other related special education services to be provided virtually and permits supervision of a qualified, credentialed provider to be conducted virtually. For billing purposes, the budget requires services provided by a teacher or substitute teacher licensed by the State Board of Education to be classified as academic services and not aide services and requires DEW to use this differentiation to simplify monthly audit procedures.

Additionally, the bill prohibits a qualified special education child who participates in the Junior Reserve Officer Training Corps program (JROTC) maintained by the child's resident school district from being considered enrolled in that district for purposes of determining eligibility for an Autism or JPSN scholarship. Finally, the bill requires DEW to maintain a list of Autism and JPSN scholarship registered private providers and their locations on its publicly accessible website.

Performance supplement

The budget establishes a performance supplement outside the foundation formula that provides additional funding in FY 2026 and FY 2027 to traditional school districts that meet certain criteria on their state report card. The FY 2026 supplement is based on 2024-2025 report card data, while the FY 2027 supplement is based on 2025-2026 report card data. To be eligible, a district must receive any of the following on the applicable state report card:

- An overall performance rating of at least four stars;
- A performance rating of at least three stars on the Progress component; or
- A higher performance rating on the Progress component than the district received on its previous report card (i.e., the 2023-2024 report card for FY 2026 and the 2024-2025 report card for FY 2027).

An eligible district's supplement equals its enrolled ADM times \$13 times the greater of the number of stars the district received on either its overall performance rating or its Progress component rating on the applicable report card.

The budget funds the performance supplement through an earmark from GRF ALI 200550, Foundation Funding – All Students. In LBO's budget simulation, 408 districts qualified for the supplement, with an estimated cost of \$53.9 million each fiscal year, based on data from the report cards for the 2023-2024 school year.

Performance Supplement

Performance supplement for eligible district = Enrolled ADM x \$13 x Report card rating multiplier

Eligible district =

A district that meets any of the following on the 2024-2025 school year report card, for FY 2026, or on the 2025-2026 school year report card, for FY 2027:

1. Overall report card star rating ≥ 4 stars
2. Progress component star rating ≥ 3 stars
3. Progress component star rating $>$ Progress component star rating on 2023-2024 school year report card, for FY 2026, or on the 2024-2025 school year report card, for FY 2027

Report card rating multiplier = the greater of the following on the 2024-2025 school year report card, for FY 2026, or on the 2025-2026 school year report card, for FY 2027:

1. Overall report card star rating
2. Progress component star rating

School bus safety grants

The budget establishes a School Bus Safety Grant Program in FY 2026 funded by \$10 million from lottery profits in Fund 7017 ALI 200413, School Bus Safety. Under this program, DEW will create guidelines for awarding grants for school bus safety features informed by the Governor's School Bus Safety Working Group and in consultation with the Department of Public Safety. Eligible applicants include traditional school districts, community and STEM schools, county boards of developmental disabilities, chartered nonpublic schools, and educational service

centers that provide transportation services. DEW must apply a measure of local capacity in determining grant allocations and may set minimum or maximum funding limits. Grants may be used for repair, replacement, or addition of school bus safety features to school buses in active service, or for safety enhancements to the purchase of a new school bus. Grantees may not use grant funds to enhance buses they do not own.

Tech Prep Expansion grants

The budget earmarks \$4 million in each fiscal year from the GRF for Tech Prep Expansion grants, an increase of \$1.3 million compared to the FY 2025 level. These competitive grants are designed to expand the number of students with access to career-technical education. The additional funds will be used to distribute grants to new partners throughout the state, focusing on career planning and mentorship programs. Though there are currently six Ohio Tech Prep Regional Centers, DEW will transition to a regional model in line with the seven JobsOhio regions.

Quality Community and Independent STEM School Support Program

The budget codifies and revises the Quality Community and Independent STEM School Support Program. The program provides additional funds to community schools and 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 designation for STEM schools takes into account factors that include a school's autonomy from a school district board and adherence to STEM school laws and DEW's Quality Model for STEM and STEAM Schools.

In general, the budget expands eligibility for a quality community school designation by, among other changes, modifying academic performance criteria and newly qualifying dropout prevention and recovery (DOPR) community schools that meet certain criteria. It also modifies the duration of a designation for schools qualifying under certain criteria and provides direction surrounding designations and payments for schools involved in a merger.

The budget continues to provide payments to a designated school based on differentiated per-pupil amounts according to the school's enrollment of students identified as economically disadvantaged and all other students. A designated school receives per-pupil funding of \$3,000 for students who are identified as economically disadvantaged and \$2,250 for all other students. If the appropriation for the programs is insufficient, the budget requires DEW to prorate payments so the aggregate amount appropriated is not exceeded. Under prior uncodified law, the DEW Director was permitted to request Controlling Board approval to increase the program's appropriation if the amount appropriated was insufficient to pay the calculated amounts. The budget appropriates \$115 million in FY 2026 and \$125 million in FY 2027 from lottery profits to make the payments.

Dropout prevention and recovery community schools

Under prior law, a community school could be designated a dropout prevention and recovery (DOPR) school if, in general, a majority of its students are enrolled in a DOPR program. A DOPR school receives a special state report card that provides alternative ratings that are tailored to DOPR programs. In FY 2025, 84 (25%) of the 341 community schools carried the DOPR

designation and educated about 23,000 FTE students. The budget changes how these schools are defined to increase the accountability for students who attend a DOPR school but do not participate in DOPR programs. Specifically, the budget:

- Defines a DOPR school as a community school that enrolls only students who are between the ages of 14 and 21, and who, at the time of their initial enrollment, are at least one grade level behind their cohort age groups or experience crises that significantly interfere with their academic progress such that they are prevented from continuing their traditional educational programs.
- Permits a DOPR school to continue operating through the 2026-2027 school year without complying with the new definition.
- Requires, by July 1, 2027, each DOPR school to, upon approval of the school's sponsor, (1) transfer those grades that do not comply with the new definition to a separate community school or (2) cease offering those grades. Such a school must also assist students who are not eligible to enroll in a DOPR school under the new definition to transfer to the separate community school or enroll in a different school. DEW must assign any separate community school spun off because of these provisions with its own internal retrieval number (IRN), a unique number DEW uses to identify districts, schools, and other education providers.

Provisions related to literacy

The budget continues funding of \$12 million annually for literacy coaches. These funds, appropriated in Fund 7017 ALI 2006A7, Literacy Coaches, must be used to support coaches in the districts and schools with the lowest rates of proficiency on the state's English language arts assessments. Coaches must meet certain training requirements and must follow Ohio's Coaching Model from Ohio's Plan to Raise Literacy Achievement. In FY 2025, the coaches are supported by a non-GRF fund that received cash transfers from the GRF. The budget shifts literacy coach funding to lottery profits. These funds are in addition to GRF funding of \$2.5 million in each fiscal year to support regional literacy activities through GRF ALI 200566, Literacy Improvement.

The budget also requires DEW to maintain an introductory course on the science of reading for licensed educators, as well as develop a competency-based training course to update and reinforce educators' knowledge and skills in the science of reading. The budget requires current public school teachers and administrators to complete the competency-based course by June 30, 2030, and every five years thereafter, and requires teachers and administrators hired after July 1, 2025, to complete the introductory course within one year and the competency-based course every five years thereafter. School psychologists and speech-language pathologists must also complete the introductory course by the end of FY 2027, and the competency-based course every five years thereafter. Certain exceptions apply if teachers or administrators have completed other similar trainings or coursework.

The budget eliminates the requirement that high-dosage tutoring provided to students on reading improvement and monitoring plans by districts and schools be provided outside of the student's regular instruction time. As a result, the budget expressly permits a district or school to incorporate high-dosage tutoring into a student's regular instruction time. In addition, when compiling the list of high-quality tutoring vendors, continuing law requires DEW to request

the qualifications of public and private entities that provide tutoring programs for students. The budget requires DEW, when compiling the list of high-quality tutoring vendors, to require programs to demonstrate effectiveness. It also requires DEW to immediately remove from the list any English language arts tutoring program that DEW determines is not aligned with the science of reading or that uses the three-cueing approach. DEW must review and update the list of qualified programs at least every three years.

Absence intervention and truancy

The budget makes a number of changes to the laws governing absence intervention, truancy, and chronic absenteeism. These changes implement the recommendations of the Ohio Attendance Task Force, the goal of which is to shift resources from compliance activities to prevention and early intervention. The budget repeals the requirement that a school district or other public school assign habitual truants to an absence intervention team and adopt a prescribed absence intervention plan. Instead, the budget requires districts and schools to adopt a policy in consultation with the juvenile court that, among other contents:

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

The budget also:

- Eliminates the timeline under which an attendance officer must file a complaint in juvenile court against a truant student and instead requires a complaint only if the school district determines that the student is not making satisfactory progress in improving the student's attendance at school;
- Requires that a filed complaint allege that the child is an unruly child for being a habitual truant and that the parent or guardian has violated the duty to cause the child to attend school; and
- Permits a district or school to consult or partner with public, nonprofit, or private entities to provide assistance to students and families in reducing absences.

According to DEW, districts and schools reported that they must dedicate a significant amount of staff hours and resources to implement the requirements that the budget repeals. In

a research study conducted by the Ohio Education Research Center, 88% of survey respondents, a representative sample of all Ohio districts and schools, reported that they dedicate at least one FTE staff person to implement the repealed administrative requirements and 36% dedicate four or more FTE staff members. Districts and schools indicated that administrative workload with respect to the compliance activities is driven by the need to dedicate staff time to adhere to the required format of the letters and notification for families and the format and requirements for an attendance intervention plan. DEW further pointed to national research that indicates attendance is improved by proactive, supportive intervention measures and not by consequence-related interventions as under current law. The goal of these provisions, therefore, is to eliminate these statewide requirements for intervention so that schools can communicate with families positively and proactively and dedicate resources towards early intervention and incentives.

Limit on school district administrative expenses

The budget prohibits any school district board of education from using more than 15% of its annual operating budget on administrative salaries and benefits and other costs associated with the district's administrative offices. The provision may decrease school district operating expenditures if administrative positions are reduced in districts currently above the 15% threshold. On the other hand, overall operating expenditures for a district will not decrease if the district responds by shifting resources to other areas like instruction.

School district financial forecasts

The budget modifies a report of operating revenue and expenditures that school districts, community schools, and STEM schools must submit to the state. Under prior law, districts and schools provided projected general fund revenues and expenditures for five years, in addition to actual revenues and expenditures for the prior three fiscal years. Under prior law, districts were required to submit a report by November 30 of each fiscal year and updated information and projections by May 31. The Auditor of State or DEW examined these reports (currently referred to as the "five-year forecast") to determine if a district may incur an operating deficit during the first three years of the forecasted period. A district whose operating deficit meets certain criteria becomes subject to differentiated state interventions depending on the severity of the situation (the three levels of fiscal distress are fiscal caution, fiscal watch, and fiscal emergency).

The budget replaces the five-year forecast with a report summarizing a district or school's appropriations, revenue, and fund balance assumptions contained in the district's budget for that year, in addition to projections of expenditures, revenues, and fund balances for the three succeeding fiscal years. Each district must submit this information by August 31 of each fiscal year and updated information and projections by the last day of February. For FY 2026, districts must make the initial submission by October 15, 2025. The budget requires the Auditor of State or DEW to examine the current budget information and three-year projections to determine if a district has the potential to incur a deficit during the first two years of the three-year period.

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

Aspire

The Aspire Program provides grants to develop and administer courses with a focus on instruction in basic literacy, workplace literacy, family literacy, English for speakers of other languages (ESOL), and preparation for high school equivalency tests. Currently, this program is funded in the Department of Higher Education budget. The budget transfers this program to DEW starting in FY 2027. The program, funded by a combination of GRF and federal funds, is supported in DEW's budget in FY 2027 by a \$6.3 million earmark in GRF ALI 200572, Adult Education, and an appropriation of \$19.0 million in federal Fund 3120 ALI 2006A9, Aspire – Federal.

Competency-based adult education

Under current law, DEW supports adult education in part through the Adult Diploma Program and the 22+ Adult High School Program. The budget eliminates these programs on July 1, 2026 (the start of FY 2027) but permits an individual enrolled in either of them to complete that program by June 30, 2027. The budget replaces the eliminated programs with a competency-based adult education system under which traditional school districts, JVSs, community schools, the Buckeye United School District operated by the Department of Youth Services (DYS), and the Ohio Central School System operated by the Department of Rehabilitation and Correction (DRC), as well as community colleges or Ohio technical centers may establish their own programs that meet certain requirements to be established in DEW administrative rules. The budget defines a competency-based program as one in which individuals receive credit based on demonstrations and assessments of learning rather than the amount of time spent studying a subject.

The budget qualifies an individual enrolled in a competency-based educational program to earn a high school diploma by demonstrating competency through certain activities or earning certain course credits. Individuals 18 years of age or older who have withdrawn from school and not been awarded a high school diploma or equivalence certificate may participate in these programs. The budget authorizes DEW to pay each provider up to \$7,500 per student per school year based on the individual's successful completion of the program's diploma requirements. According to DEW, the changes are based on stakeholder feedback that recommended combining the best elements of each of the Adult Diploma and the 22+ Adult High School programs and providing more flexibility with fewer mandates.

Student transportation workgroup

The budget requires the DEW Director to establish a workgroup on student transportation. The workgroup must consist of members selected by the Director, including the chairs and ranking members of the House and Senate Education committees and representatives from school districts; including districts from rural, small town, suburban, and urban typologies; career-technical education centers; educational service centers (ESCs); community schools; chartered nonpublic schools; and the Ohio Association for Pupil Transportation.

The workgroup must monitor and review the student transportation system during the 2025-2026 school year and develop recommendations for changes to better meet the transportation needs of Ohio students. It also must conduct a study of and develop recommendations on the feasibility of each school district providing transportation to students enrolled in a community school or nonpublic school on days that the community school or

nonpublic school is open for operation with students in attendance, but the district is not. The workgroup must submit a report on its findings and recommendations to the Governor and the General Assembly by June 30, 2026, and disband after submitting the report.

Cellphone, artificial intelligence, and open enrollment policies

The budget requires each school district and other public school's policy governing the use of cellphones by students during school hours to outright prohibit student cellphone use during the instructional day. This prohibition replaces the requirement in prior law, effective August 14, 2024, to adopt a cellphone policy that (1) emphasizes limited use during school hours and (2) reduces use-related distractions in classroom settings. The budget continues to make exceptions for student learning or to monitor or address a health concern. Each school that does not already have a compliant policy must adopt one by January 1, 2026. Also, each public school administrator must include a protocol that addresses student cellphone use during an active threat or emergency in the comprehensive emergency management plan for each building under the administrator's control. The budget suspends the cellphone prohibition for a school building during an active threat or emergency if the building's comprehensive emergency management plan permits it. The budget also eliminates the requirement that DEW develop a model policy that accounts for available research on the effects of student cellphone use in school settings.

The budget requires DEW to adopt a model policy by December 31, 2025, to address the appropriate use of artificial intelligence by students and staff for educational purposes. Each school district, community school, and STEM school must adopt a policy on the use of artificial intelligence by July 1, 2026. A district or school may adopt the model policy developed by DEW.

The budget exempts a student whose parent is an active duty member of the U.S. armed forces stationed in Ohio from any application deadline established in a school district's interdistrict open enrollment policy. It also eliminates a provision that permits a district to adopt a resolution that discourages or prohibits its native students from applying to enroll in an adjacent or other district if that district is receiving federal Impact Aid under a repealed federal law and has at least 10% of its students who would have been included in the aid calculation under that law.

Vetoed provision

Nonchartered Educational Savings Account Program

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

Analysis of FY 2026-FY 2027 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 ALIs that are located in the State Revenue Distribution (RDF) section of the budget act. For organization, these ALIs are grouped into nine 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 ALI showing its expenditures for FY 2025 and appropriations for FY 2026 and FY 2027. 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 2026-FY 2027 Budget					
Fund	ALI	ALI Name	Category		
General Revenue Fund Group					
GRF	200321	Operating Expenses	C8:1	State Administration	
GRF	200416	Career Technical Education	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 and Principal Preparation	C6:1	Educator Quality	
GRF	200455	Community Schools and Choice Programs	C8:3	State Administration	
GRF	200457	STEM Initiatives	C2:5	Educational Enhancements	
GRF	200465	Education Technology Resources	C5:2	School Operations Support	

Categorization of DEW's Appropriation Line Items for Analysis of FY 2026-FY 2027 Budget

Fund	ALI	ALI Name		Category
GRF	200478	Industry-Recognized Credentials High School Students	C2:3	Educational Enhancements
GRF	200502	Pupil Transportation	C1:1	Basic Public School Support
GRF	200505	School Meal Programs	C5:7	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	C2:2	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 Programs	C2:6	Educational Enhancements
GRF	200597	Program and Project Support	C2:4	Educational Enhancements
Dedicated Purpose Fund Group				
4520	200638	Charges and Reimbursements	C8:6	State Administration
5980	200659	Auxiliary Services Reimbursement	C3:3	Nonpublic School Support
5H30	200687	School District Solvency Assistance	C5:5	School Operations Support
5KX0	200691	Ohio School Sponsorship Program	C1:5	Basic Public School Support
5MM0	200677	Child Nutrition Refunds	C5:6	School Operations Support
5U20	200685	National Education Statistics	C4:6	Curriculum, Assessment, and Accountability
5VS0	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
4R70	200695	Indirect Operational Support	C8:4	State Administration
4V70	200633	Interagency Program Support	C8:5	State Administration
State Lottery Fund Group				
7017	200413	School Bus Safety	C1:4	Basic Public School Support
7017	200612	Foundation Funding – All Students	C1:1	Basic Public School Support
7017	200614	Accelerate Great Schools	C7:3	Academic Achievement

Categorization of DEW's Appropriation Line Items for Analysis of FY 2026-FY 2027 Budget

Fund	ALI	ALI Name		Category
7017	200631	Quality Community and Independent STEM Schools Support	C1:3	Basic Public School Support
7017	200684	Community School Facilities	C5:4	School Operations Support
7017	2006A7	Literacy Coaches	C7:1	Academic Achievement
Federal Fund Group				
3120	2006A9	Aspire – Federal	C7:2	Academic Achievement
3670	200607	School Food Services	C5:10	School Operations Support
3700	200624	Education of Exceptional Children	C2:11	Educational Enhancements
3AF0	657601	Schools Medicaid Administrative Claims	C2:12	Educational Enhancements
3EH0	200620	Migrant Education	C2:10	Educational Enhancements
3EJ0	200622	Homeless Children Education	C2:9	Educational Enhancements
3GE0	200674	Summer Food Service Program	C5:9	School Operations Support
3GG0	200676	Fresh Fruit and Vegetable Program	C5:11	School Operations Support
3HF0	200649	Federal Education Grants	C7:8	Academic Achievement
3HI0	200634	Student Support and Academic Enrichment	C2:7	Educational Enhancements
3HL0	200678	Comprehensive Literacy State Development Program	C7:6	Academic Achievement
3L60	200617	Federal School Lunch	C5:7	School Operations Support
3L70	200618	Federal School Breakfast	C5:7	School Operations Support
3L80	200619	Child/Adult Food Programs	C5:8	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
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	C2:8	Educational Enhancements
3Z20	200690	State Assessments	C4:1	Curriculum, Assessment, and Accountability
3Z30	200645	Consolidated Federal Grant Administration	C8:7	State Administration
State Revenue Distribution				
GRF	200903	Property Tax Reimbursement – Education	C9:1	Property Tax Reimbursements
GRF	200417	Personal Property Tax Replacement Phase Out – School District	C9:2	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 ALIs 200550 and 200502, Fund 5VS0 ALI 200604, Fund 5Y00 ALI 200491, and Lottery Fund 7017 ALI 200612 are collectively used to support state foundation aid payments for all public school students in the state and scholarship payments for students enrolled in state scholarship programs. The appropriations for state foundation aid payments total \$11.23 billion in FY 2026 and \$11.53 billion in FY 2027. This marks a 1.7% increase compared to FY 2025 payments and an increase of 2.6% in FY 2027.

Foundation Aid Appropriations			
Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200550, Foundation Funding – All Students			
Earmarks	\$86,978,765	\$138,673,223	\$140,194,583
Remainder – Foundation aid	\$8,258,717,150	\$8,318,925,549	\$8,593,023,408
GRF ALI 200502, Pupil Transportation			
Earmarks	\$139,008,758	\$178,686,608	\$196,609,796
Remainder – Foundation aid	\$658,119,479	\$703,348,806	\$762,819,905
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	\$196,200,000	\$171,200,000	\$171,200,000
Fund 7017 ALI 200612, Foundation Funding – All Students	\$1,323,945,000	\$1,436,583,202	\$1,398,174,884
Total foundation aid	\$11,036,981,629	\$11,230,057,557	\$11,525,218,197
% change	--	1.7%	2.6%

The state's public education funding formula determines foundation aid payment allocations for traditional school districts, community and STEM schools, and JVSs. Additionally, these appropriations include statutorily prescribed amounts for students attending a nonpublic school through a state scholarship program. 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 ALI 200502, Pupil Transportation. Transportation funds are mostly allocated based on the prior

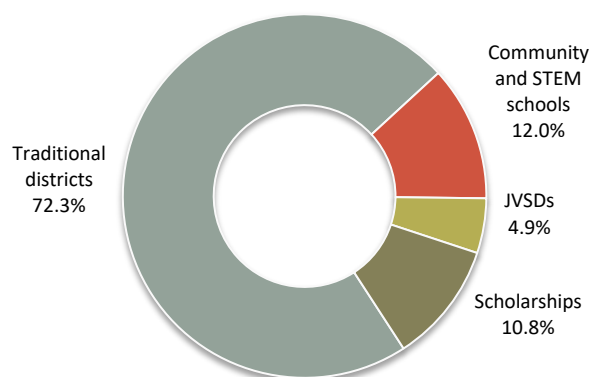
year's costs and either current year ridership or miles driven. Community schools may accept responsibility to provide transportation services to their students. Those that do so also receive transportation funds.

The budget continues to use Fund 5VSO ALI 200604, Foundation Funding – All Students, in conjunction with other foundation funding ALIs 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. Since FY 2024, sports gaming tax revenues and sports gaming proprietor license fees to the Sports Gaming Profits Education Fund (Fund 5Y00) also support the formula. These funds are appropriated in ALI 200491, Public and Nonpublic Education Support, and are used in conjunction with the state's other foundation aid ALIs to distribute formula aid to public schools and to make scholarship payments.

The school funding formula is typically revised to some degree every two years during the biennial budget process. The budget's changes to the formula are discussed in the **"Overview"** section. 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](#).

State funding through the formula flows directly to districts and community schools based on the enrollment of the students they educate. The chart below shows the distribution of estimated foundation aid over the FY 2026-FY 2027 biennium by school type. About 72% of foundation aid is projected to flow to traditional school districts. Community schools are estimated to receive about 12%, followed by JVSs at 5%. As noted above, state-funded scholarship programs, including the traditional and income-based EdChoice programs, 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 11% of projected biennium funding. 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 for public school participants.

**Estimated Foundation Aid by School Type,
FY 2026-FY 2027 Biennium**



In addition, the appropriation in GRF ALI 200550 supports supplemental payments for e-schools with a majority of students enrolled in a DOPR program. The program provides supplemental funding through 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 moves the funding for these payments from an earmark to the "remainder" of GRF ALI 200550 allocated for school foundation aid and scholarship payments.

The budget assumes the payments will be \$11 million each fiscal year, roughly the same amount as FY 2025.

GRF ALI 200550, Foundation Funding, Earmarks			
Earmark	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Traditional district performance supplement*	\$0	\$53,937,714	\$53,937,714
Gifted education – educational service centers	\$5,357,605	\$5,733,404	\$5,733,404
Educational service centers state subsidy	\$47,281,868	\$49,152,105	\$51,023,465
School improvement initiatives – educational service centers	\$3,347,593	\$3,500,000	\$3,500,000
Power plant valuation adjustments	\$6,379,096	\$7,000,000	\$7,000,000
State scholarship program administration	\$6,912,599	\$10,400,000	\$10,800,000
Cleveland tutoring grants	\$1,000,000	\$1,000,000	\$1,000,000
College Credit Plus for home-instructed students	\$2,369,024	\$3,500,000	\$3,500,000
Private Treatment Facility Project	\$700,000	\$700,000	\$700,000
Ohio STEM Learning Network	\$1,500,000	\$1,500,000	\$1,500,000
Stay in the Game! Network and chronic absenteeism	\$0	\$1,500,000	\$1,500,000
Aim Higher Pilot Program	\$0	\$750,000	\$0
Academic distress commissions	\$1,305,103	\$0	\$0
DOPR E-school supplemental funding**	\$10,825,878	\$0	\$0
GRF ALI 200550 Earmark total	\$86,978,765	\$138,673,223	\$140,194,583
% change	--	59.4%	1.1%

*The budget sets aside an unspecified amount for the traditional district performance supplement. The estimates in the table are based on LBO's budget simulation, which used results of the 2023-2024 school year report cards for appropriation purposes.

**The budget funds the DOPR e-school supplemental payments in the remainder of ALI 200550, Foundation Funding – All Students, along with foundation aid and scholarship payments.

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

Traditional district performance supplement

These funds provide additional aid to traditional districts through the performance supplement described in the “**Overview**” section. Funds will be distributed by formula to districts that meet certain performance criteria based on their state report cards. The amount paid to districts will depend on how many districts qualify for the supplement, their enrollment, and their overall or Progress component ratings on the report cards. The budget does not set aside a specific amount for these payments. For purposes of setting appropriations, LBO's budget

simulation estimated these payments will amount to \$53.9 million in each fiscal year based on data from the report cards for the 2023-2024 school year.

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.

Educational service centers state subsidy

These funds provide state 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 2026 and FY 2027 and completes the phase-in of the formula using the same phase-in percentages as traditional districts.

School improvement initiatives – educational service centers

ESCs use these funds through 16 regional state support teams 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 2025, for purposes of the FY 2026 payment) or between the preceding tax year and the second preceding tax year (e.g., in FY 2026, between TY 2024 and TY 2025). 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. Funding increases for this earmark are due to continued growth in state scholarship program participation, especially EdChoice Expansion.

Cleveland tutoring grants

This funding supports the Cleveland Tutoring Program, which provide grants to Cleveland Municipal School District (CMSD) students to obtain tutorial assistance from approved providers. The grant amount is the lesser of the provider's charges or \$400. The budget continues the earmark for this 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.

Separately, the budget makes changes regarding the payment of tuition for students receiving education in residential treatment facilities. According to DEW, these provisions clarify payment and discharge procedures for children through a placement in a residential treatment facility under OhioRISE,¹ as the law does not currently address which school district is responsible for paying tuition for a child who is placed in a residential treatment facility and receives education services through the facility (rather than from the district where the facility is located).

Specifically, the budget requires the school district in which a child's parent resides to pay a residential treatment facility for educational services provided when a child is parentally placed in that facility in consultation with, and upon recommendation of, the OhioRISE Program. The facility must provide education services that meet the minimum standards established by the DEW Director or, in the case of an out-of-state facility, substantially similar requirements of the jurisdiction where the facility is located, except the home or facility may reduce the number of instructional hours only as necessary to accommodate the child's treatment program. It also requires the school district where the child's parent resides to (1) continue to enroll the child and excuse the child from attendance until the child is discharged from the home or facility and (2) collaborate with the home or facility to create a supportive reentry plan. DEW must (1) approve a formula to determine the total educational cost to be paid for the child, which must calculate a per diem cost for the educational services provided to the child for each day and reflect the total actual cost incurred, (2) certify the total educational cost to be paid to the home or facility and the district that is paying tuition, and (3) deduct the amount from state basic aide fund payable to the district and pay that amount to the home or facility. School districts are exempt from the responsibility to pay tuition for a child who has been awarded a state scholarship.

¹ OhioRISE is a specialized Medicaid managed care program that launched in the summer of 2022 to better serve children and youth with complex behavioral health and multi-system needs.

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.

Stay in the Game! Attendance Network and chronic absenteeism

This earmark is to support the Stay in the Game! Attendance Network, an initiative of DEW, the Cleveland Browns Foundation, and Harvard University's Center for Education Policy Research Proving Ground to reduce chronic absenteeism. The initiative is managed by Battelle and includes initiatives for districts, educators, community advocates, and families and caregivers to engage in activities to improve school attendance.

Aim Higher Pilot Program

These funds support a pilot program to provide additional funding to each JVSD that operates a DOPR program in FY 2026. The budget requires DEW to pay each participating JVSD \$500 per credit earned in FY 2026 by each student participating in the JVSD's DOPR program, plus \$2,500 if the student obtains an industry-recognized credential or group of credentials that meet certain criteria to help the student qualify for a high school diploma. The budget also requires DEW to pay a one-time grant of \$250,000 in FY 2026 to any participating district that has a DOPR program in its first three years of operation, and requires such a district to designate \$175,000 of the grant for career-technical education equipment and \$75,000 for building renovation. The budget requires a participating JVSD to spend its pilot program funding by the end of FY 2027.

GRF ALI 200502, Pupil Transportation, Earmarks			
Earmark	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Bus driver training	\$970,720	\$1,088,930	\$1,088,930
Special education transportation	\$138,038,038	\$176,897,678	\$194,820,866
Rural Transportation Grant Program	\$0	\$450,000	\$450,000
Montgomery County Pupil Transportation Pilot	\$0	\$250,000	\$250,000
ALI 200502 Earmark total	\$139,008,758	\$178,686,608	\$196,609,796
% change	--	28.5%	10.0%

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 continuous criminal record monitoring service known as the Retained Applicant Fingerprint Database or RAPBACK.

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 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 45.83% in FY 2026 and 50% in FY 2027, which 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.

Rural Transportation Grant Program

This funding supports rural transportation grants to DOPR community schools in which more than 75% of the school's students are economically disadvantaged and the school's territory is located in three counties and contains more than 12 school districts. DEW will determine the amount of each grant awarded, but a grant cannot exceed \$450,000 for any fiscal year. Schools awarded these funds must use them for transporting students.

Montgomery County Pupil Transportation Pilot Program

These funds will be used to extend the operation of the Montgomery County Pupil Transportation Pilot Program to FY 2026 and FY 2027. Under the pilot program, which began in the FY 2024-FY 2025 biennium, the Montgomery County ESC provides transportation to qualifying students in lieu of the student receiving transportation from their resident school district. The Montgomery County Pupil Transportation Pilot Program is available for a student whom the participating district and the ESC determine is struggling with transportation issues and either (1) attends a school different from the one to which the student would be assigned in the student's resident school district or (2) is a child with a disability for whom the student's resident school district is required to provide transportation as a related service.

The earmark will primarily support the Montgomery County ESC's operating costs in carrying out the program. In the prior biennium, the pilot program's operating and bus purchase costs were supported by reallocated federal Emergency Assistance to Non-Public Schools (EANS) funds that went unused for their original purpose (federal law permitted these reallocated EANS funds to be used for a wide variety of activities). In addition to these sources of direct funding, DEW pays to the ESC the amount the district would otherwise receive in state transportation aid for each student transported using funds deduced from the participating school districts' foundation aid. DEW must evaluate the pilot program and report its findings by September 15, 2027.

Other provisions regarding student transportation

The budget requires a traditional school district located in a county with a population between 530,000 and 540,000 according to the most recent federal decennial census (currently only Montgomery County) and that uses mass transit systems to transport students to and from a community school or chartered nonpublic school to ensure that any transfer between routes

does not occur at the central hub for the mass transit system. The budget does not specify a particular school year or special effective date for the requirement. However, the new requirement would not impact any current contracts between a school district and a mass transit system for student transportation until those contracts are renewed or a new contract is entered after September 30, 2025.

The budget authorizes school districts, chartered nonpublic schools, and community schools to purchase and use a multifunction school activity bus to transport students between school and other school-related functions or activities (e.g., field trips, sports competitions, club events, etc.). A multifunction school activity bus is a type of school bus; however, it does not include the traffic control devices like a stop-arm or the typical school bus flashing lights. In compliance with federal law and because a multifunction school activity bus does not have the requisite safety equipment to control traffic, the budget prohibits it from being used to transport students between school and home or between school and designated bus stops.

As described in the “**Overview**” section, the budget also permits the governing authorities of two or more community schools to enter into an agreement to establish a consortium to provide or arrange transportation to and from school for students enrolled in participating schools and requires the DEW Director to establish a workgroup on student transportation.

The budget eliminates the bus purchasing grant program that required DEW to distribute grants to school districts for FY 2022 and FY 2023 and the requirement that DEW annually collect age, mileage, and vehicle condition data from districts through its transportation data collection system. Accordingly, the budget abolishes the School Bus Purchase Fund (Fund 5VU0) and authorizes the Office of Budget and Management (OBM) Director to transfer the fund’s cash balance to the GRF.

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

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200574, Half-Mill Maintenance Equalization	\$10,358,000	\$6,420,640	\$6,152,450
% change	--	-38.0%	-4.2%

Funding from this ALI 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. The budget requires DEW to prorate the payments if the appropriation is insufficient.

C1:3: Quality Community and Independent STEM Schools Support (ALI 200631)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 7017 ALI 200631, Quality Community and Independent STEM Schools Support	\$102,453,004	\$115,000,000	\$125,000,000
% change	--	12.2%	8.7%

This item uses 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. A STEM school is designated 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 DEW. 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. A designated school receives per-pupil funding of \$3,000 for students who are identified as economically disadvantaged and \$2,250 for all other students. The budget makes various changes to the program that are described in the “**Overview**” section. If the appropriation is insufficient to fully fund the calculated award amounts, the payments will be prorated.

C1:4 School Bus Safety (ALI 200413)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 7017 ALI 200413, School Bus Safety	\$0	\$10,000,000	\$0
% change	--	N/A	-100%

This new ALI, funded by lottery profits, will support the school bus safety grant program recommended by the Governor's School Bus Safety Working Group. School districts, community schools, STEM schools, county DD boards, chartered nonpublic schools, and ESCs that provide transportation services are eligible to apply for funds to repair, replace, or add safety features to school buses. Grants will be allocated based on the amount requested, the number of buses affected, and local capacity, with possible minimum or maximum funding limits. Funds cannot be used for buses not owned by the applicant.

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

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 5KX0 ALI 200691, Ohio School Sponsorship Program	\$942,545	\$1,900,000	\$1,900,000
% change	--	101.6%	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 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3M00 ALI 200623, ESEA Title 1A	\$658,668,642	\$677,740,000	\$698,072,200
% change	--	2.9%	3.0%

This ALI 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. Up to 1% of the grant award may be used by DEW to administer the program.

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 and currently uses the funds to provide Expanding Opportunities for Each Child formula grants to LEAs with schools identified as the lowest performing or with the highest achievement gaps. The grants enable the schools to expand access to programming in advanced coursework, career pathways, personalized learning, credit recovery and academic acceleration, and graduation pathways.

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

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3M20 ALI 200680, Individuals with Disabilities Education Act	\$526,177,194	\$530,400,000	\$541,008,000
% change	--	0.8%	2.0%

This ALI 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. These federal funds are provided to school districts, community and STEM schools, county DD boards, Ohio Deaf and Blind Education Services, the Department of Youth Services, and nonpublic schools (through nonpublic equitable services allocations) based on a formula prescribed by the U.S. Department of Education, including a base amount for each local education agency and additional population and poverty allocations. A portion of these funds may be used by DEW for administration (2%) and other state-level activities (10%).

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

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3L90 ALI 200621, Career-Technical Education Basic Grant	\$54,581,741	\$56,680,000	\$58,947,200
% change	--	3.8%	4.0%

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. Beginning in FY 2026, state matching funds for the administrative portion of the federal grant are paid from GRF ALI 200416, Career Technical Education. Formerly, these expenses were paid from GRF ALI 200321, Operating Expenses.

Category 2: Educational Enhancements

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

C2:1: Special Education Enhancements (ALI 200540)

The majority of funding provided under this GRF ALI is used for formula payments for preschool special education services and school-age special education services provided by county DD boards and institutions. This ALI also funds school psychology interns, parent mentoring programs, and secondary transition services. This item's earmarks are shown in the table below. Prior to FY 2026, the ALI funded matching dollars that were transferred to the Opportunities for Ohioans with Disabilities Agency (OOD) to draw down federal funding for vocational rehabilitation services. The budget eliminates the earmark in DEW's budget and provides the funding directly in the OOD budget.

Earmark	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Special education at DD boards and institutions	\$36,258,454	\$33,945,594	\$33,945,594
Parent mentoring programs	\$1,190,610	\$1,350,000	\$1,350,000
School psychology interns	\$2,843,444	\$3,000,000	\$3,000,000
Vocational rehabilitation services	\$6,500,000	\$0	\$0
Secondary transition services	\$867,533	\$1,000,000	\$1,000,000
Remainder – preschool special education	\$147,499,999	\$153,976,832	\$153,976,832
GRF ALI 200540 total	\$195,160,040	\$193,272,426	\$193,272,426
% change	--	-1.0%	0.0%

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 category 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 category weight 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 category weight specified for each child receiving services for a disability multiplied by the statewide average base cost per pupil. If necessary, DEW must prorate the payments so as not to exceed the amount appropriated for each year.

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. Federal IDEA funds supplement state support of this program.

School psychology interns

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

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. Enhancements must support any student with a disability, regardless of partnering agency eligibility requirements. They must also support the expansion of training opportunities for special education intervention specialists to develop specific competencies to meet the secondary transition needs of students with disabilities aged 14 years and older.

C2:2: Career-Technical Education Enhancements (ALI 200545)

This ALI supports career-technical education at institutions; Ohio Deaf and Blind Education Services, which oversees the Ohio State School for the Blind (OSSB) and the Ohio School for the Deaf (OSD); and various other career-technical education programs and initiatives. This appropriation 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 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Career awareness and exploration	\$16,255,125	\$5,000,000	\$5,000,000
Institution career-technical programs	\$1,938,922	\$2,563,000	\$2,563,000
Tech prep expansion grants	\$2,748,041	\$4,000,000	\$4,000,000
Agriculture 5 th Quarter Project	\$622,470	\$600,000	\$600,000
OhioMeansJobs website	\$349,247	\$650,000	\$650,000
Ohio ProStart School Restaurant Program	\$250,000	\$250,000	\$250,000
Rural computer science programming	\$0	\$100,000	\$100,000
Regional partnership grants	\$0	\$250,000	\$250,000

Earmark	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Ohio Code-Scholar Pilot Program	\$240,000	\$0	\$0
GRF ALI 200545 total	\$22,434,710	\$13,413,000	\$13,413,000
% change	--	-40.2%	0.0%

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 budget adds career and workforce skill mentorship opportunities as an eligible expense of the funds. 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 decreases the per-pupil amount from \$10 in FY 2025 to \$3 in each of FY 2026 and FY 2027.

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. Prior to FY 2026, funds were 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 planning districts). Beginning in FY 2026, DEW must distribute the funds to an entity in each of the seven JobsOhio regions. The funds must be used to support and provide technical assistance to schools and districts in delivering and expanding career-technical education; to offer mentoring, career planning, and advising to students in public and chartered nonpublic schools; and to assist adults who hold a high school diploma but have not enrolled in postsecondary education. The budget allows the grants to be used for award-related expenses for up to two years from the date of the award.

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, create a budget based on future expenses, research college financial aid and scholarship opportunities, access practice tests for the SAT, ACT, and Advanced Placement examinations, virtual interview practice, and computer skills training, all free of charge.

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 in the program can earn industry-recognized certificates (including Certificate of Achievement, SERV Safe, and Food Manager SERV Safe credentials), college credit, and scholarships.

Rural computer science programming

This funding will be used to prepare students in rural areas for careers in computer science through programming provided by Tech Corps.

Regional partnership grants

These funds will be used by DEW, in partnership with the Ohio Department of Higher Education (ODHE), to support regional partnerships spanning early childhood through postsecondary education. DEW must distribute the funds through grants to eligible partnerships that promote regional collaboration among early learning providers, K-12 schools, postsecondary institutions, and workforce organizations. These partnerships aim to align educational resources with regional in-demand jobs and workforce needs. Grants must be awarded based on a formula that DEW will determine.

C2:3: Industry-Recognized Credentials High School Students (ALI 200478)

Earmark	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Industry-recognized credential reimbursements	\$5,499,593	\$0	\$0
Innovative Workforce Incentive Program	\$10,498,587	\$16,000,000	\$16,000,000
GRF ALI 200478 total	\$15,998,179	\$16,000,000	\$16,000,000
% change	--	0.0%	0.0%

Beginning in FY 2026, this ALI will be used solely to operate the Innovative Workforce Incentive Program (IWIP), which provides reimbursements to districts and schools for industry-recognized credentials earned by students in 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. Under the program, the Governor’s Office of Workforce Transformation (OWT) maintains a list of credentials that qualify for the program. Prior to FY 2026, districts and schools were eligible for up to \$1,250 for each qualifying credential earned by a student during the prior fiscal year. Due to the volume of credentials earned, the payments were prorated to \$550 per credential in FY 2024 and \$471 per credential in FY 2025 to stay within the earmarked amount. The budget reduces the maximum payment to \$725, which, when combined with increased funding for the program, is intended to support full payment for qualifying credentials each year. The budget continues to require DEW to prorate the payments if necessary.

Prior to FY 2026, this ALI also provided funding for reimbursements to school districts and other public schools for the testing fees to obtain an industry-recognized credential. The budget discontinues these general reimbursements for credentials earned. However, it continues to require districts and schools to pay for the cost of a credential. Due to the volume of credentials earned, DEW also was required to prorate the general industry-recognized credential reimbursements to avoid exceeding the amount earmarked for them. DEW explained that a significant amount under the general reimbursement program went for large numbers of students earning a small number of what it described as lower-value credentials, such as CPR/First Aid and the Occupational Health and Safety Administration (OHSA) 10-Hour credential, which teaches basic safety and health information to entry-level workers in construction and general industry.

C2:4: Program and Project Support (ALI 200597)

This GRF ALI is used to provide funding to various entities for certain educational programs. This ALI 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 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Financial Literacy and Workforce Readiness Initiative	\$1,500,000	\$1,250,000	\$1,250,000
Girl Scout Councils of Ohio – Trailblazers in Training Program	\$0	\$400,000	\$400,000
National Inventors Hall of Fame – K-6 Summer STEM Learning	\$0	\$250,000	\$250,000
Stark Education Partnership – Stark County Career Connected Learning Program	\$225,000	\$250,000	\$250,000
Ohio Valley Youth Network – Sycamore Youth Center Education Enrichment and Life Skills After Schools Program	\$100,000	\$350,000	\$250,000
Shoes 4 the Shoeless	\$0	\$50,000	\$50,000

Earmark	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
The Legacy Project of Stark	\$0	\$50,000	\$50,000
The Music Settlement – Center for Music Initiative	\$0	\$250,000	\$250,000
Discontinued earmarks	\$6,730,189	\$0	\$0
GRF ALI 200597 total	\$8,555,189	\$2,850,000	\$2,750,000
% change	--	-66.7%	-3.5%

Financial Literacy and Workforce Readiness Initiative

These funds are distributed to six Junior Achievement organizations (North Central Ohio, Greater Cleveland, Eastern Ohio, Northwestern Ohio, OKI Partners, and Central Ohio) 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 and increase the number of counties where services are offered, (4) assist grades 9-12 students with direct entry into the workforce, access to higher education, or in-demand job training, (5) assist students in creating and implementing career pathways, 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 the northeast and central regions of the state.

Girl Scout Councils of Ohio – Trailblazers in Training Program

These funds are distributed to the Girl Scout Councils of Ohio to support the Trailblazers in Training: Preparing Girls for Tomorrow's Workforce Program.

National Inventors Hall of Fame – K-6 Summer STEM Learning

This funding is distributed to the National Inventors Hall of Fame to expand STEM summer learning opportunities for students in grades K-6. The funds will be used to support economically disadvantaged student enrollment at Camp Invention sites.

Stark Education Partnership – Stark County Career Connected Learning Program

These funds are distributed to the Stark Education Partnership to support the Stark County Career Connected Learning Program. The funds must be used to help participating schools in Stark County provide career counselors or career champions for all students, as well as to purchase and implement YouScience career assessments.

Ohio Valley Youth Network – Sycamore Youth Center Education Enrichment and Life Skills After Schools Program

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

Shoes 4 the Shoeless

This funding is distributed to Shoes 4 the Shoeless to provide shoes and socks to children in need. The organization serves children living within 19 Ohio counties primarily located in southwest Ohio.

The Legacy Project of Stark

These funds are distributed to The Legacy Project of Stark, which facilitates mentoring relationships between K-12 students in Stark County and members of the community. Funds will be used to support personnel, materials, and program expansion costs associated with its school-based mentoring program.

The Music Settlement – Center for Music Initiative

These funds are distributed to The Music Settlement to support their Center for Music Initiative. According to the organization, which is located in the Cleveland area, its Center for Music provides music instruction in a variety of musical styles in private lessons, ensembles, immersion programs, and performance opportunities.

C2:5: STEM Initiatives (ALI 200457)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200457, STEM Initiatives	\$0	\$500,000	\$500,000
% change	--	N/A	0.0%

The funds in this ALI will be distributed to the Alliance for Working Together Foundation to support the expansion of STEAM-to-Career programming for youth and adult students. The Foundation offers manufacturing workforce development programs to adults, students, and educators in northeast Ohio.

C2:6: Adaptive Sports Program (ALI 200576)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200576, Adaptive Sports Program	\$250,000	\$400,000	\$400,000
% change	--	60.0%	0.0%

This ALI is used by DEW, in collaboration 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.

C2:7: Student Support and Academic Enrichment (ALI 200634)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3H10 ALI 200634, Student Support and Academic Enrichment	\$65,963,091	\$54,131,000	\$50,604,930
% change	--	-17.9%	-6.5%

This item mainly 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). 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. According to DEW, funding in this ALI decreases due to the wind down of the one-time, federal Stronger Connections grant, a \$33 million supplemental grant, that expires in September 2026.

C2:8: Rural and Low Income Technical Assistance (ALI 200639)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3Y80 ALI 200639, Rural and Low Income Technical Assistance	\$3,596,957	\$3,300,000	\$3,300,000
% change	--	-8.3%	0.0%

This ALI 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.

C2:9: Homeless Children Education (ALI 200622)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3EJ0 ALI 200622, Homeless Children Education	\$3,990,553	\$4,823,000	\$5,112,380
% change	--	20.9%	6.0%

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, among a host of other eligible

activities, enriched supplemental instruction, transportation, health care referral services, wraparound services, and professional development for teachers. Grant funds also may be used by DEW for state-level planning activities.

C2:10: Migrant Education (ALI 200620)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3EH0 ALI 200620, Migrant Education	\$959,335	\$1,700,000	\$1,700,000
% change	--	77.2%	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. Beginning in FY 2026, DEW awards funds from this ALI to two school districts and three ESCs 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.

C2:11: Education of Exceptional Children (ALI 200624)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3700 ALI 200624, Education of Exceptional Children	\$1,934,140	\$1,750,000	\$1,750,000
% change	--	-9.5%	0.0%

These federal funds, provided through the State Personnel Development Grant (SPDG) Program, provide 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.

C2:12: Schools Medicaid Administrative Claims (ALI 657601)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 657401, Medicaid in Schools	\$199,439	\$0	\$0
Fund 3AF0 ALI 657601, Schools Medicaid Administrative Claims	\$154,480	\$150,000	\$150,000
Medicaid in Schools Program total	\$353,918	\$150,000	\$150,000
% change	--	-57.6%	0.0%

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. Prior to FY 2026, GRF and federal funding supported DEW's administrative costs for the program. The budget redirects GRF funding to the Ohio Department of Medicaid (MCD), which is newly tasked with administering the program. DEW has indicated plans to use some of the appropriated federal funds during the program's transition, though significant use is unlikely. DEW will coordinate with the Office of Budget and Management and MCD to address any remaining cash in the Schools Medicaid Administrative Claims Fund (Fund 3AF0).

Category 3: Nonpublic School Support

This category of appropriations provides funding to support chartered nonpublic schools. In FY 2025, 725 chartered nonpublic schools operated in Ohio.

C3:1: Auxiliary Services (ALI 200511)

Earmark	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
College Credit Plus Program	\$2,739,015	\$2,600,000	\$2,600,000
Remainder – Auxiliary Services	\$164,077,754	\$167,692,963	\$169,662,613
GRF ALI 200511 total	\$166,816,769	\$170,292,963	\$172,262,613
% change	--	2.1%	1.2%

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. The budget adds mental health services as an allowable use of auxiliary services funds. Moneys may not be expended for any religious activities. In FY 2025, auxiliary services funding was \$913 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.

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 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200532, Nonpublic Administrative Cost Reimbursement	\$75,337,397	\$76,935,110	\$77,824,960
% change	--	2.1%	1.2%

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 2026 and FY 2027, the same amount authorized for FY 2024 and FY 2025. In FY 2025, the amount appropriated permitted DEW to pay up to \$440 per student.

C3:3: Auxiliary Services Reimbursement (ALI 200659)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 5980 ALI 200659, Auxiliary Services Reimbursement	\$534,753	\$650,000	\$650,000
% change	--	21.6%	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 GRF ALI 200511. The revenue for these expenses comes from transfers of cash from the Auxiliary Services Personnel Unemployment Compensation Fund that is estimated to be in excess of the amount needed to pay unemployment claims. No transfers have occurred since FY 2013. 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 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200437, Student Assessment	\$72,532,480	\$50,609,125	\$50,882,346
<i>Advanced Placement & CLEP test reimbursement</i>	\$622,713	\$622,713	\$622,713
<i>Remainder – Assessments</i>	\$71,909,767	\$49,986,412	\$50,259,633
Fund 3Z20 ALI 200690, State Assessment	\$12,825,759	\$11,500,000	\$11,500,000
Assessment total	\$85,358,240	\$62,109,125	\$62,382,346
% change	--	-27.1%	0.4%

This funding primarily 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 ALI 200690, State Assessment, provides federal funds in support of the contract for federally mandated achievement assessments in grades 3-8 and 10. FY 2025 expenditures were elevated due to a timing issue with the payment of an invoice from Cambium, Ohio's primary vendor for state tests. DEW received the Cambium invoice for 2024-2025 school year tests early enough in June that it was paid before the close of the FY 2025. Typically, the invoice is paid in the next fiscal year.

The budget continues to earmark \$622,713 in each fiscal year to reimburse a portion of the costs associated with Advanced Placement and College-Level Examination Program (CLEP) tests for low-income students. The budget adds that, if the earmarked funds and federal funds are not sufficient to cover the costs of Advanced Placement, CLEP, and International Baccalaureate tests for low-income students, school districts and other public schools must pay the remainder of the costs using other funds.

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

Diagnostic assessment

Under the budget, by the end of FY 2026, DEW must adopt a diagnostic assessment for each of grades K-3 in reading. Also, DEW must approve a list of up to five diagnostic assessments aligned with the academic standards for each of grades K-3 for both reading and math. The list of approved assessments must include the three most widely used reading diagnostic assessments approved by DEW for use as a comparable tool under the Third Grade Reading Guarantee prior to September 30, 2025. These provisions replace the previous requirement for a diagnostic assessment for first and second grade in reading, writing, and mathematics, and for third grade in reading and writing. The budget requires the diagnostic assessment for reading to

measure student comprehension of foundational reading skills aligned to the science of reading. All public schools must use the diagnostic assessments adopted or approved by DEW and must administer the diagnostic assessments by September 30 of each year, beginning with the 2026-2027 school year. DEW may leverage some of the funds in ALI 200437 to support this expense. While DEW may incur some development costs, it explained that the cost of administering the diagnostic assessment will be borne by districts and schools.

State assessments as public records

The budget eliminates the requirement that at least 40% of state assessment questions be made a public record and, instead, requires DEW to determine which questions are made a public record, if any.

Classical schools and assessment administration

The budget permits a classical school to generally administer state assessments in a paper format. A “classical school” is a community school that is a member of the Ohio Classical School Association or its successor organization and uses a curriculum substantially similar to that of a nationally recognized classical school network. Five classical schools were in operation in FY 2025.

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

Earmarks	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
EMIS Grants	\$123,978	\$405,000	\$405,000
Information technology center subsidy	\$950,000	\$950,000	\$950,000
Remainder – Education Management Information System	\$8,307,905	\$8,603,226	\$8,970,278
GRF ALI 200446 total	\$9,381,883	\$9,958,226	\$10,325,278
% change	--	6.1%	3.7%

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 ALI 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 16 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.

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

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200439, Accountability/Report Cards	\$5,224,551	\$7,369,440	\$7,437,742
% change	--	41.1%	0.9%

This ALI supports the development and distribution of report cards for each of 607 school districts, 91 career-technical planning districts, nearly 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 DEW personnel and other administrative costs, including supplies, maintenance, and IT expenses.

The budget revises the performance measure regarding the percentage of students promoted to the fourth grade under the Third Grade Reading Guarantee so that it is based on students who attain a promotion score on the third grade English language arts assessment or an alternative assessment, rather than any student who attains a promotion score or otherwise qualifies for an exemption from retention. The budget also eliminates the requirement that DEW include data from the Kindergarten Readiness Assessment (KRA) on the district or school's state report card.

The budget adds the CLEP as a qualifier or criteria for different programs, including a passing score as demonstration of postsecondary readiness on the state report card and a passing score as qualification for the college ready, citizenship, science, and technology diploma seals. The budget requires that the passing score be determined by DEW.

C4:4: Academic Standards (ALI 200427)

Earmark	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Civics and social studies integrated model curriculum	\$0	\$500,000	\$0
Remainder – Academic Standards	\$4,452,382	\$5,035,410	\$5,429,033
GRF ALI 200427 total	\$4,452,382	\$5,535,410	\$5,429,033
% change	--	24.3%	-1.9%

This ALI 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.

Civics and social studies integrated model curriculum

The budget earmarks \$500,000 in FY 2026 to contract with experts in civics education and social studies to develop an integrated model curriculum that includes courses in English language arts, social studies, and civics education. DEW anticipates contracting with either the state university centers for civics, society, and culture, or other national experts.

Provisions related to curriculum and graduation

The budget includes a number of provisions that revise requirements related to curriculum or graduation. Each is discussed briefly below.

Advanced learning opportunities in mathematics

The budget requires each school district to provide advanced learning opportunities in mathematics, which includes a math course that is two grade levels above the student's current grade level, in the following school year for each student that achieves an advanced level of skill (the highest achievement level) on a mathematics achievement assessment or end-of-course examination. It also requires a student enrolled in an advanced mathematics course to take the required corresponding mathematics achievement assessment or end-of-course examination for that course. In the 2023-2024 school year, about 138,000 (16%) students taking the state mathematics tests scored at an advanced level of skill. However, it exempts from the requirements school districts that do not offer advanced learning opportunities in mathematics for the grade in which the student is enrolled in the next school year and permits a student's parent or guardian to submit a written request to opt out of the advanced mathematics learning opportunities and classes. According to DEW, these provisions aim to require districts to automatically enroll students who score at the advanced level of skill into advanced mathematics classes if the district offers those classes for the student's grade level.

Middle school career-technical education

Beginning July 1, 2026, the budget eliminates waivers from a school district's obligation to provide a career-technical education to seventh and eighth graders. According to DEW, roughly a third of school districts are receiving a waiver. Career-technical education for seventh and eighth graders tends to focus on career exploration and awareness activities. DEW reports that high participation rates in middle school career-technical education lead to greater student success in high school career-technical education programs.

While the provision may increase costs for the districts that currently receive a waiver, those districts may also receive additional state aid. According to DEW, students in grades 7-8 who participate in approved career connection courses generate career-technical education weighted funds through the state foundation aid formula.

Core curriculum and evidence-based reading programs

The budget establishes a limit on the law that requires each school district, community school, and STEM school to only use core curriculum and instructional materials in English language arts from a list of high-quality curricula, materials, and programs aligned to the Science of Reading and developed by DEW. Specifically, it narrows that requirement so that it applies to core curriculum and instructional materials for students in grades pre-K through 5. The budget expressly requires each district or school to use evidence-based reading intervention programs from that list for students in grades pre-K through 12.

Religious instruction released time policy

The budget requires each school district, under its released time courses in religious instruction policy established under continuing law, to add minimum and maximum time parameters that (1) permit students to attend such a course for at least one period a week and (2) limit that attendance to no more than two periods per week for elementary or middle school students and no more than two units of high school credit per week for high school students. A school's policy also cannot prohibit students from bringing external educational and program materials into school.

Student absences to attend a private driver education course

The budget requires school districts to excuse, up to eight hours (two hours per day for up to four days), the absence of a high school student to attend a private driver education course. The budget requires school districts to require any student absent from school under these conditions to complete any classroom assignments that the student misses because of the absence. The budget also prohibits a district from releasing a student from a core curriculum subject course to attend a driver education course.

Financial literacy instruction exemptions

The budget permits a school district, other public school, or chartered nonpublic school to adopt a policy to excuse from the financial literacy instruction graduation requirement each student who participates in a financial literacy program offered through the student branch of a credit union or by a bank during high school. A program must meet or exceed the state standards and model curriculum for financial literacy and entrepreneurship instruction and a student must participate in it for at least 60 hours of instruction to qualify for the exemption. By July 1, 2026, DEW must adopt and post on its website a model policy and guidelines for districts and schools to use in developing a policy.

Industry-recognized credentials toward graduation requirements

The budget eliminates the requirement for the DEW Director's industry-recognized credentials committee to establish a point value system for credentials to help determine whether a student qualifies for a high school diploma and, instead, requires the committee to establish a new set of criteria for that purpose.

C4:5: Policy Analysis (ALI 200424)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200424, Policy Analysis	\$407,920	\$500,000	\$516,419
% change	--	22.6%	3.3%

This ALI 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: National Education Statistics (ALI 200685)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 5U20 ALI 200685, National Education Statistics	\$164,553	\$185,000	\$185,000
% change	--	12.4%	0.0%

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 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Building connectivity	\$7,572,539	\$8,425,500	\$8,425,500
Information technology centers	\$5,550,000	\$6,305,000	\$6,305,000
Cybersecurity initiatives	\$0	\$1,650,000	\$1,650,000
Middle-mile lease renewal	\$3,662,926	\$0	\$0
Remainder – State software support	\$5,420,780	\$2,613,500	\$2,613,500
GRF ALI 200426 total	\$22,206,244	\$18,994,000	\$18,994,000
% change	--	-14.5%	0.0%

Building connectivity

This funding is used to support the connection of public school buildings and participating chartered nonpublic schools to the state education network, called the Ohio Educational Computer Network (OECN). Schools receive a per-building subsidy for this purpose. These funds also support management of the OECN; internet service provider charges; Internet2, which is a private network connecting schools and universities across the country; and the disaster recovery back-up site for the state network. The actual subsidy disbursed is somewhat less than the maximum earmarked amount. DEW uses the difference in the “remainder” of the item for state software support (see below).

Information technology centers

This funding supports the 16 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, JVSDs, 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.

Cybersecurity initiatives

These funds will support cybersecurity initiatives in public and nonpublic schools. The initiatives will be led by the Management Council of the OECN (MCOECN). These efforts may include vulnerability management, security awareness training, multifactor authentication, and endpoint detection and response capabilities. The budget requires DEW to consult with the Governor’s Cybersecurity Strategic Advisor to determine the specific programs and initiatives to support.

Remainder – State software support

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. The funds are provided as grants to the MCOECN.

C5:2: Education Technology Resources (ALI 200465)

Earmark	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
INFOhio and Union Catalog	\$2,346,579	\$2,500,000	\$2,500,000
Education Technology Centers	\$1,778,879	\$0	\$0
Remainder – Education Technology Resources	\$812,312	\$393,949	\$406,346
GRF ALI 200465 total	\$4,937,771	\$2,893,949	\$2,906,346
% change	--	-41.4%	0.4%

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.

Remainder – Education Technology Resources

This funding mainly supports DEW administrative costs associated with the federal E-Rate Program. The program provides discounts on internet access and equipment necessary for broadband internet access in schools and libraries. DEW staff duties include training, technical support, guidance, and assistance with compliance reporting to school districts and public libraries applying for federal E-Rate funds.

C5:3: School Management Assistance (ALI 200422)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200422, School Management Assistance	\$2,624,818	\$2,800,000	\$2,800,000
% change	--	6.7%	0.0%

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 School Facilities (ALI 200684)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 7017 ALI 200684, Community School Facilities	\$88,554,999	\$90,155,000	\$90,155,000
% change	--	1.8%	0.0%

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

Unused school facilities

Under continuing law, school districts must offer any unused school facilities it owns for lease or sale to the governing authorities of community schools and STEM schools that are located within the territory of the district, with priority given to high-performing community schools located in the district. The bill revises the definition of a “high-performing community school.” For a detailed description of these provisions, see the “**High-performing community school definition**” section of the [LSC bill analysis \(PDF\)](#) for H.B. 96 of the 136th General Assembly, which is available on the General Assembly’s website: legislature.ohio.gov.

C5:5: School District Solvency Assistance (ALI 200687)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 5H30 ALI 200687, School District Solvency Assistance	\$2,994,000	\$2,000,000	\$2,000,000
% change	--	-33.2%	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 continues to require the DEW Director to determine the allocations to each account. The budget continues to authorize the OBM Director to transfer from any fund used by DEW, the Lottery Profits Reserve Fund (Fund 7018), or the GRF to the School District Solvency Assistance Fund (Fund 5H30) if the cash in Fund 5H30 is insufficient to provide the needed assistance. However, the budget requires Controlling Board approval before the OBM Director may transfer cash, instead of requiring the OBM Director to notify the Controlling Board of any such transfers as under prior uncoded law.

In April 2025, DEW paid a \$3.0 million solvency advance to Trimble Local School District in Athens County to cover an operating deficit the district faced.

C5:6: Child Nutrition Refunds (ALI 200677)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 5MM0 ALI 200677, Child Nutrition Refunds	\$258,089	\$550,000	\$550,000
% change	--	113.1%	0.0%

This ALI 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.

C5:7: School Meal Programs (ALIs 200505, 200617, and 200618)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200505, School Meal Programs	\$13,883,797	\$13,163,000	\$13,163,000
Fund 3L60 ALI 200617, Federal School Lunch	\$488,518,083	\$565,999,000	\$595,000,000
Fund 3L70 ALI 200618, Federal School Breakfast	\$172,557,447	\$195,000,000	\$205,000,000
School Meal Programs total	\$674,959,327	\$774,162,000	\$813,163,000
% change	--	14.7%	5.0%

These ALIs mainly support the federal National School Lunch Program (NSLP) and National School Breakfast Program (SBP), which are federal programs that support free and reduced-price meals for students meeting income and eligibility guidelines. Under federal law, 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 25% of students, reduced from 40% beginning in the 2024-2025 school year, 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 serve as the required match for receiving the federal funds in ALI 200617. According to DEW, the state match requirement is just under \$9.0 million per year. Schools use these GRF funds for food service operations to lower the cost of lunches provided to students. Since FY 2024, ALI 200505 is also used to provide state reimbursements that make reduced-price meals free, at a cost of approximately \$4 million each year. Continuing law 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 any appropriation in ALI 200505 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 or, under the budget, to support the Summer EBT Program in coordination with the Department of Job and Family Services. School districts must participate in the school breakfast program if at least 20% of their students are eligible for free or reduced-price lunches unless they opt out for financial reasons. According to DEW, the Summer EBT Program provides cash grocery benefits through the Supplemental Nutrition Assistance Program (SNAP) to households with children who qualify for free or reduced-price meals. Each eligible child receives a one-time \$120 benefit for the summer.

C5:8: Child/Adult Food Programs (ALI 200619)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3L80 ALI 200619, Child/Adult Food Programs	\$108,162,401	\$116,000,000	\$118,000,000
% change	--	7.2%	1.7%

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.

C5:9: Summer Food Service Program (ALI 200674)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3GE0 ALI 200674, Summer Food Service Program	\$20,738,513	\$23,000,000	\$23,000,000
% change	--	10.9%	0.0%

This ALI 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. An individual ages 19-21 who has been identified with mental or physical disabilities and has an individualized education program (IEP) also are eligible. Participating sites must be located in low-income areas.

C5:10: School Food Services (ALI 200607)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3670 ALI 200607, School Food Services	\$11,761,830	\$13,379,350	\$13,379,350
% change	--	13.8%	0.0%

This federal funding is used by DEW for administrative support and monitoring of federally funded school food programs, including funding the Department's child nutrition staff. 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.

DEW receives separate federal grants to (1) improve child nutrition program accountability, performance measurement, and data accuracy through innovative technology and (2) improve food and supply chain resiliency by coordinating and providing technical assistance to build and increase the capacity of schools to buy and use local foods in school meals and provide agricultural education opportunities to children. This ALI also distributes federal funding under discretionary nutrition grant programs, such as the Equipment Assistance Grant Program to improve school food services.

C5:11: Fresh Fruit and Vegetable Program (ALI 200676)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3GG0 ALI 200676, Fresh Fruit and Vegetable Program	\$5,983,043	\$5,500,000	\$6,000,000
% change	--	-8.1%	9.1%

This ALI 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 and Principal Preparation (ALI 200448)

Earmark	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Military Veteran Educators Program	\$426,879	\$1,612,500	\$1,612,500
State system of support assistance	\$281,866	\$350,993	\$364,254
SmartOhio Financial Literacy Program	\$500,000	\$500,000	\$500,000
FASTER Saves Lives training	\$200,000	\$200,000	\$200,000
Teach for America	\$2,000,000	\$0	\$0
College Credit Plus teacher credential grants	\$1,318,634	\$0	\$0

Earmark	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
PAST Foundation	\$500,000	\$0	\$0
GRF ALI 200448 total	\$5,227,379	\$2,663,493	\$2,676,754
% change	--	-49.0%	0.5%

GRF ALI 200448, Educator and Principal Preparation, includes funding for various earmarks. The earmarks are listed in the table above and described briefly below.

Military Veteran Educators Program

The budget continues to support the Military Veteran Educators Program, which is operated in consultation with the Department of Veterans Services. In general, the program assists veterans in seeking a career in education through a multi-pronged approach that may include:

- 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. DEW offers such grants to higher education institutions competitively through the EmpowerEdVet Program, which has awarded grants to 11 colleges and universities.
- Assistance with costs for eligible military individuals to complete college coursework or professional development in pedagogy to obtain an alternative military educator license. The budget also allows for this assistance to be used for an eligible military individual to advance to a professional educator license. DEW subsidizes the cost of educator license fees, fees to take the Ohio Assessment for Educators, and the costs of attending the Alternative Resident Educators Institute and Intensive Pedagogical Training Institute.
- 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. The budget expands the entities eligible for assistance to include educational service centers (ESCs) and county developmental disabilities (DD) boards. DEW offers \$1,500 unrestricted incentive payments to schools or districts 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. Like the assistance above, ESCs and county DD boards are also eligible for the reimbursements under the budget. DEW reimburses districts and schools for costs associated with offering a \$3,000 hiring bonus to eligible military individuals.
- 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 federal Every Student Succeeds Act. Specifically, DEW uses the funds to support school improvement for struggling schools through data analysis, needs assessment, curriculum and instructional support, 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 annual set-aside for ESC school improvement initiatives in GRF ALI 200550, Foundation Funding – All Students.

SmartOhio Financial Literacy Program

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

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.

Provisions related to educator employment and training

The budget requires a district superintendent to assign teachers based on the best interests of the students enrolled in the district and prohibits superintendents from using seniority or continuing contract status as the primary factor in determining a teacher's assignment and specifies that the law pertaining to teacher assignments prevails over conflicting provisions of collective bargaining agreements between employee organizations and public employers entered into on or after the effective date of this amendment. In addition, the budget requires DEW to annually collect employment and vacancy data from school districts, community schools, and STEM schools, along with educator preparation program enrollment, licensure, retention, and demographic data at the state, district, and school level. DEW must then aggregate and report the data on its public website.

The budget requires each school district, community school, and STEM school to develop its own youth suicide awareness and prevention in-service educator training curriculum instead of adopting or adapting curriculum developed by DEW. It also eliminates (1) the option for a school employee to satisfy youth suicide awareness in-service training through self-review of suitable suicide prevention materials approved by the school board or governing authority, and (2) the requirement that child sexual abuse in-service training for educators be provided by law enforcement officers or prosecutors and instead requires a district to develop its own curriculum in consultation with public or private agencies.

As described in the "**Overview**," the budget requires DEW to maintain an introductory science of reading training course and develop a competency-based training course that updates and reinforces educators' knowledge in the science of reading. It requires each teacher, administrator, or speech-language pathologist employed by a public school to complete the DEW science of reading training by a specified date dependent upon when the individual was hired, and every five years thereafter. Additionally, the budget requires local professional development committees to count science of reading training towards professional development requirements

for educator licensure renewal. A committee must permit an individual to apply any hours earned over the minimum required hours of professional development coursework for licensure renewal to the next renewal period for that license.

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

C6:2: Improving Teacher Quality (ALI 200635)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3Y60 ALI 200635, Improving Teacher Quality	\$80,238,769	\$77,157,900	\$78,701,058
% change	--	-3.8%	2.0%

Most of this federal grant is passed through to school districts based on a federal formula that considers enrollment and poverty in each district. The bulk of the funds are distributed to school districts for a wide variety of activities related to recruitment and retention of effective teachers and school leaders and professional development. Up to 1% of the state's grant allocation may be used for state administration. Additional portions may be reserved for various other state activities.

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 2006A7)

The budget continues funding for literacy coaches and regional literacy support teams, but modifies how they are funded. In FY 2024 and FY 2025, the budget combined appropriations in GRF ALI 200566 and Fund 5AQ1 ALI 2006A4, both named Literacy Improvement, to substantially increase funding for literacy improvement, including one-time funding to reimburse school districts, community schools, and STEM schools for stipends paid to teachers to complete mandated professional development in the science of reading and evidence-based strategies for effective literacy instruction and new state funding for literacy coaches. The budget supported ALI 2006A4 through two cash transfers to the 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 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200566, Literacy Improvement	\$1,419,644	\$2,472,674	\$2,500,000
Fund 7017 ALI 2006A7, Literacy Coaches	\$0	\$12,000,000	\$12,000,000
Fund 5AQ1 ALI 2006A4, Literacy Improvement	\$68,110,948	\$0	\$0
Literacy improvement total	\$69,530,592	\$14,472,674	\$14,500,000
% change	--	-79.2%	0.2%

The budget funds two ALIs to direct GRF and lottery support to literacy activities, totaling \$14.5 million in each of FY 2026 and FY 2027. This represents a decrease of 79.2% from FY 2025 literacy spending of \$69.5 million, largely due to the discontinuation of Fund 5AQ1 ALI 2006A4, Literacy Improvement, which supported the one-time stipends for teacher professional development and other literacy initiatives. The budget does not continue the teacher stipend program and moves funding for literacy coaches to its own ALI, 2006A7, Literacy Coaches, funded by \$12 million in each fiscal year from lottery profits. GRF funding through ALI 200566, Literacy Improvement, will continue to support regional literacy activities to align state, local, and federal efforts in order to bolster all student's reading success.

For comparison purposes, the table below shows the allocations for each activity in FY 2025 based on actual spending and the appropriated amounts for FY 2026 and FY 2027 regardless of the ALI used.

Purpose	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Literacy coaches	\$1,033,927	\$12,000,000	\$12,000,000
Literacy support teams and program administration	\$4,267,665	\$2,472,674	\$2,500,000
Literacy professional development stipends	\$64,229,000	\$0	\$0
Literacy improvement total	\$69,530,592	\$14,472,674	\$14,500,000
% change	--	-79.2%	0.2%

Literacy coaches (Fund 7017 ALI 2006A7)

This new ALI will continue funding 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 work through ESCs while DEW trains and directs them.

Literacy Improvement (GRF ALI 200566)

These funds support regional literacy professional development teams that are established by ESCs or consortia of ESCs. These teams work to bolster 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.

Provisions related to tutoring

The budget eliminates the requirement that high-dosage tutoring provided to students on reading improvement and monitoring plans by school districts and other public schools be provided outside of the student's regular instruction time and expressly permits a district or school to incorporate high-dosage tutoring into a student's regular instruction time. It also requires a locally approved high-dosage tutoring program to align with best practices identified by DEW.

In addition, the budget requires (1) DEW's request for qualifications for high-quality tutoring programs to include a request for program efficacy data or other evidence of program effectiveness for participating students, (2) requires DEW to remove from the high-quality tutoring program list any program that DEW determines is not aligned to the science of reading or uses a three-cueing approach, and (3) DEW to, at least every three years after the initial list is posted, provide an opportunity for entities to submit their qualifications for consideration to be included on the list and post an updated list to the DEW website.

C7:2: Adult Education Programs (ALIs 200572 and 2006A9)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200572, Adult Education Programs	\$11,324,428	\$9,348,399	\$15,688,404
<i>Aspire Program state match</i>	\$0	\$0	\$6,322,267
<i>Remainder – Adult Education Programs</i>	\$11,324,428	\$9,348,399	\$9,366,137
Fund 3120 ALI 2006A9, Aspire – Federal	\$0	\$0	\$18,996,799
Adult Education Programs total	\$11,324,428	\$9,348,399	\$34,685,203
% change	--	-17.4%	271.0%

These ALIs support various adult education initiatives, as described below.

Adult high school diploma programs

GRF ALI 200572 mainly supports the 22+ Adult High School Diploma Program and the Adult Diploma Program. The former 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.

The latter provides the education and training necessary for an individual ages 18 and older 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.

As described in the **"Overview,"** the budget eliminates the Adult Diploma Program and 22+ Adult High School Diploma Program on July 1, 2026, but permits an individual enrolled in either of them to complete that program by June 30, 2027. The budget replaces the eliminated programs with a competency-based adult education system for eligible individuals to earn a high school diploma. The new system is intended to provide more flexibility with fewer mandates to local program providers. Eligible individuals who are at least 18 years old, have officially withdrawn from school, and who have not received a high school diploma or certificate of high school equivalence qualify to participate in a competency-based educational program. DEW must certify the enrollment and attendance of individuals reported by providers and will make a payment to each provider of up to \$7,500 per school year based on the extent of each enrolled individual's successful completion of the program's diploma requirements.

Aspire

The budget transfers the Aspire Program from ODHE to DEW starting in FY 2027. The Aspire Program provides grants to develop and administer courses with a focus on instruction in basic literacy, workplace literacy, family literacy, English for speakers of other languages (ESOL), and preparation for high school equivalency tests. A funding cap of 5% is in place for administrative costs. Currently, ODHE awards Aspire funds to local grantees through a competitive grant process approximately every three years. Once the transfer occurs, GRF ALI 200572 will provide the state match for the program through an earmark of \$6.3 million. Federal funds will provide \$19.0 million in federal Fund 3120 ALI 2006A9, Aspire – Federal, for total program funding of \$25.3 million.

Vouchers for first-time high school equivalency test takers

GRF ALI 200572 supports vouchers that lower the cost of high school equivalency examinations for first-time test takers. Each career-technical planning district reimburses individuals taking a nationally recognized high school equivalency examination approved by DEW for the first time for application fees, examination fees, or both, in excess of \$40, up to a maximum reimbursement per individual of \$80. The career-technical planning district makes available and offers career counseling services, including information on adult education programs that are available. A portion of the appropriation line item is used to reimburse the Department of Youth Services and the Department of Rehabilitation and Correction for individuals in these facilities who have taken an approved examination for the first time.

Program operating costs

GRF ALI 200572 also supports DEW's operating expenses associated with program administration and evaluation, technical assistance, and research.

C7:3: Accelerate Great Schools (ALI 200614)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 7017 ALI 200614, Accelerate Great Schools	\$1,500,000	\$1,500,000	\$1,500,000
% change	--	0.0%	0.0%

This ALI, 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 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 6200 ALI 200615, Educational Improvement Grants	\$846,116	\$600,000	\$600,000
% change	--	-29.1%	0.0%

This ALI 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 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3Y20 ALI 200688, 21 st Century Community Learning Centers	\$56,058,910	\$47,940,000	\$48,898,800
% change	--	-14.5%	2.0%

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 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3HLO ALI 200678, Comprehensive Literacy State Development Program	\$4,908,721	\$14,630,000	\$14,630,000
% change	--	198.0%	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. DEW was awarded a new five-year grant in September 2024. It awarded new subgrants for K-12 activities through a competitive opportunity in July 2025. Later in 2025, DEW will launch the application process for the remaining portion of the subgrants, which will support pre-kindergarten literacy activities. Approximately 95% of the award is to be distributed to local education agencies (LEAs) and early childhood education programs. According to DEW's January 2025 Plan to Raise Literacy Achievement, LEAs will use the grant awards to enhance literacy instruction through leadership training, coaching, curriculum-based professional development, student support systems, and family engagement. Early childhood education programs will use their awards to provide high-quality staff training and collaborate with families and schools to support literacy and smooth transitions into kindergarten.

C7:7: English Language Acquisition (ALI 200689)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3Y70 ALI 200689, English Language Acquisition	\$13,769,725	\$13,728,000	\$14,277,120
% change	--	-0.3%	4.0%

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 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 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3HF0 ALI 200649, Federal Education Grants	\$4,194,553	\$5,000,000	\$5,000,000
% change	--	19.2%	0.0%

This ALI consolidates funding for the activities of several smaller federal grants from multiple federal agencies. Federal grants disbursed from this ALI have supported:

- Financial assistance to state or local institutions that serve neglected and delinquent students;
- DEW's administrative expenses with respect to the federal Troops to Teachers Program, which assists eligible veterans with the transition to careers in education;
- Competitive grants for model demonstration projects to develop coaching systems;
- Improvement of coordination for education programs that address the needs of migrant children whose education is interrupted;
- The statewide longitudinal data system;
- School-based mental health services in districts and schools with demonstrated need;
- School violence prevention; and
- A model demonstration project to identify students with dyslexia and provide professional development for their teachers.

Category 8: State Administration**C8:1: Operating Expenses (ALIs 200321 and 200416)**

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200321, Operating Expenses	\$14,932,080	\$14,474,898	\$15,054,312
GRF ALI 200416, Career Technical Education	\$0	\$2,500,000	\$2,500,000
Total	\$14,932,080	\$16,974,898	\$17,554,312
% change	--	13.7%	3.4%

GRF ALI 200321, Operating Expenses, funds personal services, maintenance, and equipment for administrative functions not directly related to one program, including the Director's office, communications, legal counsel, and school funding. This ALI also supports the administrative expenses necessary to meet certain federal match or maintenance of effort (MOE) requirements. Specifically, this ALI provides the state match for federal maintenance of effort requirements for the State Administrative Expenses for the Child Nutrition grant spent from Fund 3670 ALI 200607, School Food Services. Prior to FY 2026, ALI 200321 also supported the

state match for administrative expenses for federal career-technical education funds spent from Fund 3L90 ALI 200621, Career-Technical Education Basic Grant. The budget shifts the administrative matching funds for the federal career-technical education grant into its own line item: GRF ALI 200416, Career Technical Education.

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

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200420, Information Technology Development and Support	\$4,114,989	\$4,231,479	\$4,316,527
Fund 1380 ALI 200606, Information Technology Development and Support	\$14,569,024	\$18,394,387	\$18,597,721
Information Technology Development and Support total	\$18,684,012	\$22,625,866	\$22,914,248
% change	--	21.1%	1.3%

GRF funding in ALI 200420 supports development and implementation of information technology (IT) solutions to improve DEW's performance and services. It also supports data-driven decision making, differentiated instruction, and web-based application development to communicate academic content standards and curriculum models to schools. GRF ALIs 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, DEW has been consolidating IT project costs into this ALI rather than directly from program ALIs. The item is supported by charges assessed to DEW offices based on usage of IT services and from program offices for specific projects.

C8:3: Community Schools and Choice Programs (ALI 200455)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200455, Community Schools and Choice Programs	\$3,860,667	\$4,370,165	\$4,446,705
% change	--	13.2%	1.8%

This item is used by DEW to support the administrative costs of the Office of Community Schools and, in combination with a set-aside from GRF ALI 200550, Foundation Funding – All Students, 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. A

portion of the appropriation may be used to support the community school sponsor evaluation system.

The budget also makes various changes to the community school law, including to DOPR community school requirements, sponsor evaluations, opening assurances, facilities, and contracts. These provisions are briefly described below.

Dropout prevention and recovery community schools

The budget narrows the application of law regarding community schools that specialize in students enrolled in DOPR programs to only apply to schools that meet certain requirements the budget establishes. These provisions are described in more detail in the “**Overview.**”

Community school sponsor evaluations

Under continuing law, DEW administers an evaluation system for community school sponsors. This system consists of three components (academic performance, compliance with laws, and adherence to quality practices) that determine an overall rating of “exemplary,” “effective,” “ineffective,” or “poor.” DEW uses the overall ratings to assign certain incentives and sanctions for sponsors.

The budget makes the following changes to the sponsor evaluation system:

- Excludes all community schools whose contracts were not renewed or terminated by their sponsors before the sponsor’s evaluation from the calculation of that evaluation’s academic performance component.
- Eliminates DEW’s authority to permit a peer review of a sponsor’s adherence to the quality practices component on its evaluation.
- Requires DEW to evaluate sponsors that receive an “exemplary” rating every five full school years and sponsors with a rating of “effective” every three full school years, rather than requiring both to be evaluated once every three years under prior law.
- Qualifies “exemplary” sponsors for specified continuing law incentives rather than requiring an “exemplary” rating for the two most recent school years.
- Requires DEW to annually publish academic performance data for each sponsor, regardless of whether the sponsor is being evaluated for that school year.
- Requires DEW to evaluate community school sponsors for the 2025-2026 school year and to use these ratings to determine the sponsor’s evaluation cycle.
- Prohibits DEW from including Alternative Education Academy (also known as “OHDELA”) in the academic component calculation of the sponsor evaluation for the Office of Ohio School Sponsorship for the 2025-2026 and 2026-2027 school years, but includes the school in that component if the Office continues to sponsor it after 2026-2027.

Community school opening assurances

Under continuing law, a sponsor must submit the list of assurances for each school once when the school first opens for operation and, in the case of a brick-and-mortar school, once again if it begins operating from a new building. The budget reduces from ten to five the number

of days prior to opening for its first year of operation or first year of operation from a new building that a community school sponsor must provide prescribed assurances to DEW. The budget also requires the sponsor of a community school that adds a facility to an existing location, or an internet- or computer-based community school (i.e., an e-school) that changes its location or adds a satellite location, to provide the prescribed assurances at least one day prior to the operation in the new facility.

Community schools operating in multiple facilities

Under continuing law, the governing authority of a community school that maintains facilities in more than one school district must designate one of those districts to be considered the school's primary location and to notify DEW of that designation. If the governing authority elects to modify a community school's primary location, it must notify DEW of that modification. The budget permits any community school to maintain multiple facilities in more than one school district under the same contract. Prior to this change, a community school generally could be established in only one school district under the same sponsorship contract.

Community school contracts and comprehensive plans

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

C8:4: Indirect Operational Support (ALI 200695)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 4R70 ALI 200695, Indirect Operational Support	\$8,795,769	\$9,944,311	\$10,166,435
% change	--	13.1%	2.2%

This ALI supports a variety of administrative functions not directly tied to a specific funding source, including accounting, human resources, grants management, and auditing. Funding for these costs is recouped from the federal government and other various funds used by DEW containing payroll expenses by applying an indirect cost rate 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).

C8:5: Interagency Program Support (ALI 200633)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 4V70 ALI 200633, Interagency Program Support	\$1,730,465	\$3,000,000	\$3,000,000
% change	--	73.4%	0.0%

This ALI 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.

C8:6: Charges and Reimbursements (ALI 200638)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 4520 ALI 200638, Charges and Reimbursements	\$786,233	\$1,500,000	\$1,500,000
% change	--	90.8%	0.0%

This ALI 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. Specifically, this ALI primarily supports DEW's responsibility for organizing the annual Ohio Educational Technology Conference.

C8:7: Consolidated Federal Grant Administration (ALI 200645)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 3Z30 ALI 200645, Consolidated Federal Grant Administration	\$12,496,100	\$15,000,000	\$15,000,000
% change	--	20.0%	0.0%

This ALI 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 ALI 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.

Category 9: Property Tax Reimbursements

This category of ALIs includes reimbursements to school districts for property tax losses due to state tax policy. The two ALIs 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 ALIs 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.

C9:1: Property Tax Reimbursement – Education (ALI 200903)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200903, Property Tax Reimbursement – Education	\$1,283,535,224	\$1,291,917,108	\$1,312,678,846
% change	--	0.7%	1.6%

The state pays 10% of locally levied property taxes for residential and agricultural real property owners and an additional 2.5% for homeowners on new levies enacted prior to November 2013, thus decreasing property taxes paid by individual property taxpayers in Ohio. These provisions are often referred to as property tax “rollbacks.” This ALI funds the rollback reimbursements for traditional school districts and JVSs.

This ALI 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 income threshold in 2025 is \$40,000. Prior to 2007, the homestead exemption was also means-tested. Persons who became eligible for the exemption from 2007 through 2013 were not subject to any income qualifications. H.B. 59 reinstated means-testing for persons who had not received the exemption for TY 2013 and who became eligible for the exemption thereafter. The standard threshold exempts the first \$9,800 of taxable value (\$28,000 of true value) from property taxes while an enhanced threshold exempts the first \$19,600 of taxable value (\$56,000 of true value) from property taxes for disabled veterans and spouses of certain deceased public service officers. Both the standard and enhanced thresholds are adjusted for inflation each year.

Local option property tax reductions

The budget allows counties to offer a property tax exemption that would “piggyback” on the existing state homestead exemption. The local option exemption is available to the same homeowners who meet the means test for the existing state exemption and offers the same benefit amount as the state exemption. The budget requires the board of county commissioners to authorize the exemption by resolution.

The budget also allows counties to authorize by resolution a tax exemption for owner-occupied homes that would “piggyback” on the existing state 2.5% property tax rollback. The budget permits the locally authorized credit to equal up to 2.5% of the amount of taxes to be levied by qualifying levies on the property or home.

The local option homestead exemption and owner-occupied tax credit are not reimbursed by the state.

C9:2: Personal Property Tax Replacement Phase Out – School District (ALI 200417)

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 200417, Personal Property Tax Replacement Phase Out – School District	--	\$46,478,241	\$42,618,185
Fund 7047 ALI 200902, Property Tax Replacement Phase Out – Education	\$51,409,162	\$0	\$0
Personal Property Tax Replacement Phase Out total	\$51,409,162	\$46,478,241	\$42,618,185
% change	--	-9.6%	-8.3%

New GRF ALI 200417 supports the payments replacing the loss in school district tax revenues due to both the phase out of general business tangible personal property (TPP) tax and changes in the taxation of utilities. Previously, TPP replacement payments were supported by receipts from the commercial activity tax that were deposited into the School District Tangible Property Tax Replacement Fund (Fund 7047). The budget eliminates these deposits and, instead, funds the payments directly from the GRF. It also permits the OBM Director to transfer cash as necessary from Fund 7047 to the GRF during the FY 2026-FY 2027 biennium.

The budget maintains the continuing 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 are equal to the payments received in FY 2017. The budget extends this exception to FY 2027.

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EDU Department of Education and Workforce								
GRF	200321	Operating Expenses	\$15,378,176	\$14,932,080	\$14,474,898	\$15,054,312	-3.06%	4.00%
GRF	200408	Early Childhood Education	\$112,723,609	\$40,872,330	\$0	\$0	-100.00%	N/A
GRF	200416	Career Technical Education	\$0	\$0	\$2,500,000	\$2,500,000	N/A	0.00%
GRF	200420	Information Technology Development and Support	\$3,917,570	\$4,114,989	\$4,231,479	\$4,316,527	2.83%	2.01%
GRF	200422	School Management Assistance	\$2,870,058	\$2,624,818	\$2,800,000	\$2,800,000	6.67%	0.00%
GRF	200424	Policy Analysis	\$467,332	\$407,920	\$500,000	\$516,419	22.57%	3.28%
GRF	200426	Ohio Educational Computer Network	\$17,566,442	\$22,206,244	\$18,994,000	\$18,994,000	-14.47%	0.00%
GRF	200427	Academic Standards	\$4,406,048	\$4,452,382	\$5,535,410	\$5,429,033	24.32%	-1.92%
GRF	200437	Student Assessment	\$54,491,057	\$72,532,480	\$50,609,125	\$50,882,346	-30.23%	0.54%
GRF	200439	Accountability/Report Cards	\$6,638,062	\$5,224,551	\$7,369,440	\$7,437,742	41.05%	0.93%
GRF	200442	Child Care Licensing	\$2,906,434	\$110,288	\$0	\$0	-100.00%	N/A
GRF	200446	Education Management Information System	\$9,307,230	\$9,381,883	\$9,958,226	\$10,325,278	6.14%	3.69%
GRF	200448	Educator and Principal Preparation	\$3,504,563	\$5,227,379	\$2,663,493	\$2,676,754	-49.05%	0.50%
GRF	200455	Community Schools and Choice Programs	\$3,910,360	\$3,860,667	\$4,370,165	\$4,446,705	13.20%	1.75%
GRF	200457	STEM Initiatives	\$500,000	\$0	\$500,000	\$500,000	N/A	0.00%
GRF	200465	Education Technology Resources	\$5,170,325	\$4,937,771	\$2,893,949	\$2,906,346	-41.39%	0.43%
GRF	200478	Industry-Recognized Credentials High School Students	\$16,000,000	\$15,998,179	\$16,000,000	\$16,000,000	0.01%	0.00%
GRF	200492	College Credit Plus - Auxiliary Funding	\$0	\$904,000	\$0	\$0	-100.00%	N/A
GRF	200502	Pupil Transportation	\$747,152,516	\$797,128,237	\$882,035,414	\$959,429,701	10.65%	8.77%
GRF	200505	School Meal Programs	\$11,368,379	\$13,883,797	\$13,163,000	\$13,163,000	-5.19%	0.00%
GRF	200511	Auxiliary Services	\$162,864,614	\$166,816,769	\$170,292,963	\$172,262,613	2.08%	1.16%
GRF	200532	Nonpublic Administrative Cost Reimbursement	\$73,440,062	\$75,337,397	\$76,935,110	\$77,824,960	2.12%	1.16%
GRF	200540	Special Education Enhancements	\$194,941,895	\$195,160,040	\$193,272,426	\$193,272,426	-0.97%	0.00%
GRF	200545	Career-Technical Education Enhancements	\$18,616,591	\$22,434,710	\$13,413,000	\$13,413,000	-40.21%	0.00%
GRF	200550	Foundation Funding - All Students	\$7,975,003,597	\$8,345,695,915	\$8,457,598,772	\$8,733,217,991	1.34%	3.26%
GRF	200566	Literacy Improvement	\$1,818,111	\$1,419,645	\$2,472,674	\$2,500,000	74.18%	1.11%

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Detail by Agency			FY 2024	FY 2025	Appropriation FY 2026	Appropriation FY 2027	FY 2025 to FY 2026 % Change	FY 2026 to FY 2027 % Change
EDU Department of Education and Workforce								
GRF	200572	Adult Education Programs	\$11,176,818	\$11,324,428	\$9,348,399	\$15,688,404	-17.45%	67.82%
GRF	200574	Half-Mill Maintenance Equalization	\$13,657,997	\$10,358,000	\$6,420,640	\$6,152,450	-38.01%	-4.18%
GRF	200576	Adaptive Sports Program	\$250,000	\$250,000	\$400,000	\$400,000	60.00%	0.00%
GRF	200597	Program and Project Support	\$9,305,189	\$8,555,189	\$2,850,000	\$2,750,000	-66.69%	-3.51%
GRF	657401	Medicaid in Schools	\$319,713	\$199,439	\$0	\$0	-100.00%	N/A
General Revenue Fund Subtotal			\$9,479,672,747	\$9,856,351,527	\$9,971,602,583	\$10,334,860,007	1.17%	3.64%
4520	200638	Charges and Reimbursements	\$834,101	\$786,233	\$1,500,000	\$1,500,000	90.78%	0.00%
4L20	200681	Teacher Certification and Licensure	\$6,652,988	\$22,071	\$0	\$0	-100.00%	N/A
5980	200659	Auxiliary Services Reimbursement	\$573,700	\$534,753	\$650,000	\$650,000	21.55%	0.00%
5AD1	2006A2	Career-Technical Education Equipment	\$2,249,244	\$42,856,383	\$0	\$0	-100.00%	N/A
5AQ1	2006A4	Literacy Improvement	\$68,303,264	\$68,110,948	\$0	\$0	-100.00%	N/A
5AR1	2006A5	Feminine Hygiene Products	\$2,803,629	\$144,325	\$0	\$0	-100.00%	N/A
5BX1	200415	High School Financial Literacy	\$0	\$2,112	\$0	\$0	-100.00%	N/A
5H30	200687	School District Solvency Assistance	\$10,758,000	\$2,994,000	\$2,000,000	\$2,000,000	-33.20%	0.00%
5KX0	200691	Ohio School Sponsorship Program	\$920,447	\$942,545	\$1,900,000	\$1,900,000	101.58%	0.00%
5MM0	200677	Child Nutrition Refunds	\$0	\$258,089	\$550,000	\$550,000	113.11%	0.00%
5U20	200685	National Education Statistics	\$142,841	\$164,553	\$185,000	\$185,000	12.43%	0.00%
5VS0	200604	Foundation Funding - All Students	\$600,000,000	\$600,000,000	\$600,000,000	\$600,000,000	0.00%	0.00%
5VU0	200663	School Bus Purchase	\$12,244,731	\$794,999	\$0	\$0	-100.00%	N/A
5Y00	200491	Public and Nonpublic Education Support	\$193,800,000	\$196,200,000	\$171,200,000	\$171,200,000	-12.74%	0.00%
6200	200615	Educational Improvement Grants	\$501,693	\$846,116	\$600,000	\$600,000	-29.09%	0.00%
Dedicated Purpose Fund Group Subtotal			\$899,784,639	\$914,657,125	\$778,585,000	\$778,585,000	-14.88%	0.00%
1380	200606	Information Technology Development and Support	\$15,749,284	\$14,569,024	\$18,394,387	\$18,597,721	26.26%	1.11%
4R70	200695	Indirect Operational Support	\$9,285,390	\$8,795,769	\$9,944,311	\$10,166,435	13.06%	2.23%

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EDU Department of Education and Workforce						
4V70 200633 Interagency Program Support	\$1,460,078	\$1,730,465	\$3,000,000	\$3,000,000	73.36%	0.00%
Internal Service Activity Fund Group Subtotal	\$26,494,752	\$25,095,257	\$31,338,698	\$31,764,156	24.88%	1.36%
7017 200413 School Bus Safety	\$0	\$0	\$10,000,000	\$0	N/A	-100.00%
7017 200611 Education Studies	\$0	\$499,944	\$0	\$0	-100.00%	N/A
7017 200612 Foundation Funding - All Students	\$1,274,945,000	\$1,323,945,000	\$1,436,583,202	\$1,398,174,884	8.51%	-2.67%
7017 200614 Accelerate Great Schools	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	0.00%	0.00%
7017 200631 Quality Community and Independent STEM Schools Support	\$87,586,345	\$102,453,004	\$115,000,000	\$125,000,000	12.25%	8.70%
7017 200684 Community School Facilities	\$87,054,890	\$88,554,999	\$90,155,000	\$90,155,000	1.81%	0.00%
7017 2006A7 Literacy Coaches	\$0	\$0	\$12,000,000	\$12,000,000	N/A	0.00%
State Lottery Fund Group Subtotal	\$1,451,086,236	\$1,516,952,947	\$1,665,238,202	\$1,626,829,884	9.78%	-2.31%
3120 2006A9 Aspire - Federal	\$0	\$0	\$0	\$18,996,799	N/A	N/A
3670 200607 School Food Services	\$10,002,729	\$11,761,830	\$13,379,350	\$13,379,350	13.75%	0.00%
3700 200624 Education of Exceptional Children	\$1,681,518	\$1,934,140	\$1,750,000	\$1,750,000	-9.52%	0.00%
3AF0 657601 Schools Medicaid Administrative Claims	\$80,686	\$154,480	\$150,000	\$150,000	-2.90%	0.00%
3C50 200661 Early Childhood Education	\$14,085,075	\$7,745,811	\$0	\$0	-100.00%	N/A
3EH0 200620 Migrant Education	\$1,486,528	\$959,335	\$1,700,000	\$1,700,000	77.21%	0.00%
3EJ0 200622 Homeless Children Education	\$3,596,332	\$3,990,553	\$4,823,000	\$5,112,380	20.86%	6.00%
3GEO 200674 Summer Food Service Program	\$16,553,719	\$20,738,513	\$23,000,000	\$23,000,000	10.90%	0.00%
3GG0 200676 Fresh Fruit and Vegetable Program	\$4,629,886	\$5,983,043	\$5,500,000	\$6,000,000	-8.07%	9.09%
3HF0 200649 Federal Education Grants	\$4,178,560	\$4,194,553	\$5,000,000	\$5,000,000	19.20%	0.00%
3HI0 200634 Student Support and Academic Enrichment	\$62,799,045	\$65,963,091	\$54,131,000	\$50,604,930	-17.94%	-6.51%
3HLO 200678 Comprehensive Literacy State Development Program	\$12,693,512	\$4,908,721	\$14,630,000	\$14,630,000	198.04%	0.00%
3HQ0 200627 Governor Emergency Education Relief - EDU	\$9,732,670	\$45,463	\$0	\$0	-100.00%	N/A

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

H.B. 96 - Main Operating Appropriations Bill

Detail by Agency			FY 2024	FY 2025	Appropriation FY 2026	Appropriation FY 2027	FY 2025 to FY 2026 % Change	FY 2026 to FY 2027 % Change
EDU Department of Education and Workforce								
3HQ0	200651	Emergency Assistance to Non-Public Schools	\$86,446,473	\$48,578,449	\$0	\$0	-100.00%	N/A
3HS0	200640	Federal Coronavirus School Relief	\$1,933,522,641	\$597,591,635	\$0	\$0	-100.00%	N/A
3HZ0	200641	ARP - Homeless Children and Youth	\$10,561,606	\$6,038,013	\$0	\$0	-100.00%	N/A
3IA0	200657	ARP - Students with Disabilities	\$26,732,139	\$0	\$0	\$0	N/A	N/A
3L60	200617	Federal School Lunch	\$494,956,258	\$488,518,083	\$565,999,000	\$595,000,000	15.86%	5.12%
3L70	200618	Federal School Breakfast	\$161,079,077	\$172,557,447	\$195,000,000	\$205,000,000	13.01%	5.13%
3L80	200619	Child/Adult Food Programs	\$101,414,122	\$108,162,401	\$116,000,000	\$118,000,000	7.25%	1.72%
3L90	200621	Career-Technical Education Basic Grant	\$51,704,716	\$54,581,741	\$56,680,000	\$58,947,200	3.84%	4.00%
3M00	200623	ESEA Title 1A	\$651,599,268	\$658,668,642	\$677,740,000	\$698,072,200	2.90%	3.00%
3M20	200680	Individuals with Disabilities Education Act	\$513,691,047	\$526,177,194	\$530,400,000	\$541,008,000	0.80%	2.00%
3T40	200613	Public Charter Schools	\$947,845	\$65,923	\$0	\$0	-100.00%	N/A
3Y20	200688	21st Century Community Learning Centers	\$45,837,209	\$56,058,910	\$47,940,000	\$48,898,800	-14.48%	2.00%
3Y60	200635	Improving Teacher Quality	\$75,520,780	\$80,238,769	\$77,157,900	\$78,701,058	-3.84%	2.00%
3Y70	200689	English Language Acquisition	\$12,885,282	\$13,769,725	\$13,728,000	\$14,277,120	-0.30%	4.00%
3Y80	200639	Rural and Low Income Technical Assistance	\$2,221,616	\$3,596,957	\$3,300,000	\$3,300,000	-8.26%	0.00%
3Z20	200690	State Assessments	\$16,296,641	\$12,825,759	\$11,500,000	\$11,500,000	-10.34%	0.00%
3Z30	200645	Consolidated Federal Grant Administration	\$24,826,624	\$12,496,100	\$15,000,000	\$15,000,000	20.04%	0.00%
Federal Fund Group Subtotal			\$4,351,763,600	\$2,968,305,281	\$2,434,508,250	\$2,528,027,837	-17.98%	3.84%
Department of Education and Workforce Total			\$16,208,801,973	\$15,281,362,137	\$14,881,272,733	\$15,300,066,884	-2.62%	2.81%