
DEPARTMENT OF EDUCATION AND WORKFORCE

I. School finance

Funding for FY 2026 and FY 2027

- Extends, with changes, the operation of the school financing system established in H.B. 110 of the 134th General Assembly and the payment of temporary transitional aid and the formula transition supplement, but generally prohibits the Department of Education and Workforce from making payments under it for FYs 2026 and 2027 but uses calculations under the system for certain payments.
- Requires the Department to generally calculate and pay temporary foundation funding and a base funding supplement to each school district, STEM school, and community school that did not open for the first time in FY 2026 or FY 2027.
- Requires the Department to pay an enrollment growth supplement in each of FYs 2026 and 2027 to each city, local, or exempted village school district that experienced at least 3% growth in enrolled ADM between specified fiscal years.
- Requires the Department to pay two additional guarantees in FYs 2026 and 2027 to city, local, and exempted village school districts to ensure their state foundation funding, including supplemental targeted assistance otherwise eliminated under the bill, and preschool special education funding do not fall below FY 2025 levels.
- Requires the Department to make payments under the school financing system, and to pay a formula transition supplement and base funding supplement, to each newly opened community school in FYs 2026 and 2027.

Disadvantaged pupil impact aid

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

Career-technical education associated services funds

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

Quality Community and Independent STEM School Support Programs

- Codifies the Quality Community School Support Program and the Quality Independent STEM School Support Program, both of which annually pay qualifying community and STEM schools up to \$3,000 for each economically disadvantaged student and up to \$2,250 for each student who is not economically disadvantaged.

Facilities funding for community and STEM schools

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

Auxiliary services funding

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

Payment for districts with decreases in utility TPP value

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

II. State scholarships

Nonchartered Educational Savings Account Program

- Establishes the Nonchartered Educational Savings Account Program to provide eligible students with an educational savings account (ESA) beginning in the 2026-2027 school year.
- Requires the Treasurer of State to administer the program with the assistance of the Department of Education and Workforce.
- Disallows a home school expense income tax credit from being claimed on the basis of expenses paid from ESA proceeds.
- Qualifies a student for an ESA if the student's parent applies to participate in the program and, for the school year for which the ESA is sought if:
 - The student is enrolling in any of grades K-12 in a participating nonchartered nonpublic school; and
 - The student has not received an EdChoice, Pilot Project (Cleveland), Autism, or Jon Peterson Special Needs (JPSN) scholarship.
- Establishes an ESA award amount for a school year as 75% of the traditional EdChoice scholarship amount for the student's grade level for that school year and also prescribes specific, partial scholarship amounts for students with a family income at or above 450% of federal poverty level (FPL).
- Requires the Department of Education and Workforce to use state operating funding to meet the program's ESA financial obligations in a manner similar to how other state scholarship programs are funded under current law.
- Requires the Department to annually compile and report performance data of participating students by February 1.
- Requires the Department to develop a measure of student growth for participating students by July 1, 2026, and annually report data on student growth using that measure.

Autism and Jon Peterson Special Needs scholarships

- Increases the maximum amount of an Autism Scholarship and a JPSN Scholarship from \$32,445 to \$34,000.
- Increases the categorical amounts for a JPSN Scholarship.
- Qualifies for a scholarship a child who is enrolled in a chartered or nonchartered nonpublic school, is home educated, or is older than compulsory school age and younger than 22 and is still eligible to receive transition services under the child's IEP.
- Permits multiple alternative public providers or registered private providers to be contracted to provide services to implement an IEP or education plan.
- Specifies that intervention services, educational services, academic services, tutoring services, aide services, and other related special education services may be provided virtually.
- Prohibits a qualified special education child who participates in JROTC maintained by the child's resident school district from being considered enrolled in that district for determining eligibility for an Autism or JPSN scholarship
- Clearly states that a child is eligible under the Autism Scholarship if that child is at least 3 years of age and younger than 22.
- Expands eligibility for the JPSN Scholarship to three- and four-year-olds.
- Requires the Department to maintain a list of Autism and JPSN scholarship registered private providers and their locations on its publicly accessible website.

Chartered nonpublic schools and state scholarships

- Requires the Department to post annually for each chartered nonpublic school the school's total enrollment, the number of scholarship students enrolled in the school, what kind of school each scholarship student attended in the prior school year, and the amount of state support the school received.
- Requires the Department to post annually on its website the number of students who receive EdChoice Expansion and, as data is available, traditional EdChoice and Cleveland scholarships disaggregated by family income.
- Requires the Department to establish a system to permit an individual to compare the performance data of scholarship students enrolled in a chartered nonpublic school with the performance data of similar students enrolled in nearby schools.
- Requires the Department to require each EdChoice scholarship applicant to include the school, and if applicable the district, in which the applicant was enrolled for the school year prior to the one for which the applicant is submitting an application.

III. Career-technical education and workforce development

Waivers for middle school career-technical education

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

Approval deadlines for career-technical programs

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

Career-Technical Assurance Guides (CTAG)

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

Work-based learning hours

- Specifies that, to meet the state’s high school graduation requirements, a student’s completion of 250 hours of work-based learning experience is a “foundational” option to demonstrate competency, rather than a “supporting” one as under current law.

IV. Assessments, instruction, and tutoring

Kindergarten readiness assessment

- Eliminates the kindergarten readiness assessment.

State assessments as public records

- Reduces from 40% to 20% the percentage of state assessment questions that must be made a public record.

College-Level Examination Program (CLEP)

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

Core curriculum and evidence-based reading programs

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

Approved evidence-based training programs

- Requires the Department to maintain a *universal* list of approved evidence-based training programs for instruction in suicide awareness and prevention and violence prevention.
- Qualifies a program using the success sequence curriculum provided by Ohio Adolescent Health Centers as an approved evidence-based training program for instruction on mental health promotion, suicide prevention, and health and wellness outcomes and as meeting the minimum requirements to teach risk prevention skills across the required subject areas to youth.

Advanced math learning opportunities

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

Provision of high-dosage tutoring

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

High-quality tutoring program list

- Requires the Department's request for qualifications for high-quality tutoring programs to include a request for program efficacy data or other evidence of program effectiveness for participating students.
- Requires the Department to remove from the high-quality tutoring program list any program that is not aligned to the science of reading or uses a three-cueing approach.

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

Financial literacy instruction exemptions

- Permits a public or chartered nonpublic school to adopt a policy to excuse from the financial literacy instruction graduation requirement each student who, during high school, participates in a financial literacy program offered through the student branch of a credit union or by a bank.
- By July 1, 2026, requires the Department to develop and post to its website a model policy and guidelines for schools to use in developing a policy.

V. Educators

Use of seniority in teacher assignments

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

Principal Apprenticeship Program

- Requires the Department to establish a Principal Apprenticeship Program to provide pathways for qualifying individuals to receive school leadership and administration training and development, and an optional master's degree.
- Requires the State Board of Education to issue a professional administrator license for grades pre-K-12 to individuals who successfully complete the program.

Science of Reading professional development

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

Computer science educator licensure

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

Cap on school district administrative expenses

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

VI. Community schools

High-performing community school definition

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

Dropout prevention and recovery community schools

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

Community school opening assurances

- Reduces from ten to five the number of days prior to opening for its first year of operation or first year of operation from a new building that a community school sponsor must provide prescribed assurances to the Department.

Multiple facilities

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

Contracts and comprehensive plans

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

Classical schools

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

Community school FTE reporting

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

VII. School policies

Absence intervention, truancy, and chronic absenteeism

- Modifies the process school districts, brick-and-mortar community schools, and STEM schools must follow when addressing student absences.
- Aligns the definition of “chronic absenteeism” with federal law.
- Permits grade level promotion of certain truant students enrolled in community schools.
- Eliminates the timeline under which a school district attendance officer must file a complaint and instead bases the filing solely on whether a student is making satisfactory progress in improving attendance.
- Clarifies that certain required notices to parents regarding truancy and consequences that are sent by email or text message are legal notices.
- Beginning in the 2025-2026 school year, requires each school district and other public school to categorize and report to Education Management Information System (EMIS) the causes of student absences.
- Excuses a high school student from school to attend a driver education course.

Student cellphone use

- Requires each public school to adopt a policy prohibiting the use of cellphones by students during instructional hours.

Artificial intelligence policies

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

Religious instruction released time policy

- Requires a school district to permit students to attend a released time course in religious instruction for at least one period a week.
- Limits student attendance in released time course in religious instruction to no more than two periods per week for elementary school students and two units of high school credit per week for high school students.

VIII. Transportation

Student transportation using mass transit

- Permits a community school to purchase and certify to the Department the cost of providing mass transit system passes to its students in grades 9-12 if the school district

responsible for transporting those students elects to pay for the cost of the passes instead of directly transporting them for a school year.

- Requires the Department to deduct from a school district's state foundation payment the cost of the passes and pay it to the community school.
- Requires each city, local, exempted village, or municipal school district in the eight most populous Ohio counties that uses the mass transit system to transport students to and from a community or chartered nonpublic school to ensure that any transfer between routes does not occur at the central transfer hub for the mass transit system.

Student transportation workgroup

- Requires the Director of Education and Workforce to establish a workgroup on student transportation to monitor and review annually the student transportation system and develop recommendations for changes that better meet transportation needs.
- Requires the workgroup to submit a report on its findings to the Governor and General Assembly by June 30, 2026, and annually thereafter.

Pupil Transportation Pilot Program

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

Rural Transportation Grant Program

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

IX. Other

Disposition of school district property

- Adds chartered nonpublic schools to the list of schools (1) that qualify for a right of first refusal to purchase real property that a school district is seeking to sell and (2) to which a district must offer to lease or sell its unused school facilities under the involuntary disposition law.
- Requires a school district, prior to demolishing a building worth more than \$10,000, to generally offer that building to qualifying schools located in the district under the right of first refusal law and then, if none of those schools indicate an interest, offer it for sale at a public auction.
- Requires a school district board to accept the highest bid at a public auction of property it plans to sell or demolish.
- Requires, rather than permits, a school district to offer an unused school facility for sale at a public auction if no school offers to purchase or lease the facility under the involuntary disposition law.

- Exempts an unused school facility from the involuntary disposition law if it is located on, or adjacent to, a tract or parcel of land where other school district facilities that are used for educational instruction are located.
- Requires a community, STEM, college-preparatory boarding, or chartered nonpublic school that sells property it purchased from a school district through the involuntary disposition law or the right of first refusal law to pay to the district any profit the school earns from the resale of that property.

State report card – Early Literacy component

- Revises the performance measure regarding the percentage of students promoted to the fourth grade under the Third Grade Reading Guarantee so that it is based on students who attain a promotion score on the third grade English Language Arts assessment or an alternative assessment, rather than any student who attains a promotion score or otherwise qualifies for an exemption from retention.

Competency-based adult education programs

- Eliminates the Adult Diploma Program and 22+ Adult High School Diploma Program, but permits an individual enrolled in either of them to complete that program by June 30, 2027.
- Permits an eligible school district, community school, community college, state community college, technical college, university branch campus, or Ohio technical center (“provider”) to establish a competency-based educational program for eligible individuals to earn a high school diploma.
- Qualifies individuals who are at least 18 years old, have officially withdrawn from school, and who have not received a high school diploma or certificate of high school equivalence to participate in a competency-based educational program.
- Permits a provider to generally enroll an eligible individual in a program for three school years and request extension from the Department for an individual due to a hardship that necessitates additional time to meet the diploma requirements.
- Requires a provider to contact individuals who receive a diploma under a program to collect data on the individual’s career and educational outcomes and report that data to the Department.
- Requires the Department to award a high school diploma to enrolled individuals who demonstrate competency through specified activities or earn specified course credits.
- Requires the Department to pay each provider up to \$7,500 per school year for each enrolled individual based on the extent of the individual’s successful completion of the program’s diploma requirements.

Aim Higher Pilot Program

- Establishes the Aim Higher Pilot Program for FY 2026 to provide additional funding to JVSJs that operate a dropout prevention and recovery (DOPR) program.
- Requires the Department to pay to each JVSD that opts to participate in the program, \$500 for each credit earned by students and \$2,500 for each completed industry-recognized credential, or group of credentials, that meet the criteria to help the student qualify for a high school diploma.
- Requires the Department to pay a one-time grant of \$250,000 to each participating JVSD with a DOPR program in its first three years of operation and that requests it.

Payment of tuition for students in residential treatment facilities

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

School district operational revenue and expenditure report

- Reduces from five to three years the duration for operational revenue and expenditure forecasts school districts are required to develop.
- Requires the Auditor of State or the Department to examine the projections to determine whether a district has the potential to incur a deficit during the first two years of the three-year period, rather than the first three years of the five-year period as under current law.

I. School finance

Funding for FY 2026 and FY 2027

(R.C. 3314.08, 3317.011, 3317.012, 3317.014, 3317.016, 3317.017, 3317.018, 3317.019, 3317.0110, 3317.02, 3317.021, 3317.022, 3317.024, 3317.026, 3317.0212, 3317.0213, 3317.0215, 3317.0217, 3317.0218 (repealed), 3317.051, 3317.11, 3317.16, 3317.162, 3317.165, 3317.20, 3317.201, 3317.25, 3317.31, and 3326.44; Sections 265.190, 265.220, 265.230, 265.235, and 265.450)

Overview

The bill extends, with changes, the operation of the current school financing system to FY 2026 and FY 2027, but generally prohibits the Department of Education and Workforce from making payments under it in either of those fiscal years. Instead, the bill generally requires the Department to calculate and pay each school district, community school, and STEM school an amount of temporary foundation funding that factors in the district's or school's FY 2025 state foundation aid and the state foundation aid calculated for a district or school under the school

financing system, as modified by the bill, in the year for which the payment is made. The bill also establishes a base funding supplement for each district or school. Furthermore, it provides an enrollment growth supplement and two additional guarantee payments to city, local, and exempted village school districts – one to ensure a district does not receive less state foundation aid, including supplemental targeted assistance, than it received in FY 2025 and the other to ensure the district does not receive less preschool special education funding than it received in FY 2025. The bill also makes changes to the calculation of the state share percentage for special education transportation.

Finally, the bill does establish one exception to the prohibition against making payments under the current school financing system. It expressly requires the Department to use that system, as modified by the bill, to make payments in FY 2026 and FY 2027 to each community school that opens for the first time in either of those fiscal years. Newly opened community schools also receive payments under the formula transition supplement and the base funding supplement. Otherwise, the bill’s uncodified school funding provisions for FY 2026 and FY 2027 largely do not apply to newly opened community schools.

State foundation aid

The bill uses a district or school’s state foundation aid for FYs 2025, 2026, and 2027 to calculate and make payments for the latter two fiscal years. State foundation aid for a fiscal year is the sum of several payments included in the school financing system. The table below indicates the payments that are included.

State foundation aid		
City, local, exempted village school districts	Joint vocational school districts	Community and STEM schools
<ul style="list-style-type: none"> ▪ State core foundation funding ▪ Temporary transitional aid ▪ Formula transition supplement ▪ Transportation aid ▪ Temporary transitional transportation aid 	<ul style="list-style-type: none"> ▪ State core foundation funding ▪ Temporary transitional aid ▪ Formula transition supplement 	<ul style="list-style-type: none"> ▪ State core foundation funding ▪ Formula transition supplement ▪ If a community school that provides transportation services, transportation aid

State core foundation funding is the sum of a district or school’s base cost payment and categorical payments (for example, disadvantaged pupil impact aid, career-technical education funds, special education funds, etc.). For city, local, and exempted village school districts, supplemental targeted assistance is excluded from their state foundation aid. The community school equity supplement paid to community schools in FY 2025 is included in a community

school's state foundation aid for that fiscal year, and the equity supplement is included in each community and STEM school's state core foundation funding for FYs 2026 and 2027 due to changes to the school financing system (see "**School financing system calculations**" below).

Temporary foundation funding

Under the bill, the Department must pay an amount of temporary foundation funding to each school district, STEM school, and community school that is not a newly opened community school in each of FYs 2026 and 2027. The amount of the temporary foundation funding for a fiscal year must equal the sum of the district's or school's state foundation aid for FY 2025 and an amount equal to 50% of the difference, if positive, between the district's or school's state foundation aid for the fiscal year minus the district's or school's state foundation aid for FY 2025. The table below includes two hypothetical examples for how temporary foundation funding for FY 2026 will be calculated for two school districts, one of which has a positive difference between the state foundation aids for FY 2026 and FY 2025 and the other of which does not. While the examples are for a school district for FY 2026, the calculation is also applicable for community and STEM schools and funding calculated for FY 2027.

Temporary foundation funding calculation for FY 2026		
	School district A	School district B
FY 2025 state foundation aid	\$2.0 million	\$10.0 million
FY 2026 state foundation aid	\$2.8 million	\$9.5 million
Difference	\$0.8 million	-\$0.5 million
Calculation	\$2.0 million + (\$0.8 million X 50%)	\$10.0 million + (\$0.0 X 50%)
Total temporary foundation funding	\$2.4 million	\$10.0 million

FY 2025 guarantees

The bill establishes two additional guarantees for city, local, and exempted village school districts in each of FYs 2026 and 2027.

Under the first, the Department must make an additional payment to a school district that factors in any supplemental targeted assistance the district received in FY 2025. Supplemental targeted assistance is a payment provided to 36 primarily lower wealth urban districts that appear wealthier under the current school financing system because of changes in

how it counts students relative to the previous financing system. A district is eligible if (1) its enrolled ADM for FY 2019 was less than 88% of its total residential ADM that year as counted in prior law, and (2) its targeted assistance wealth index in FY 2019 met a specified threshold.

More specifically, the Department must make the additional payment to a district if the difference between the sum of the district's state foundation aid and supplemental targeted assistance for FY 2025, minus the district's temporary foundation funding for the fiscal year for which the payment is, made is a positive amount. The Department must pay the district an amount equal to that positive amount. The table below provides three hypothetical examples of how this payment will be calculated for FY 2026. The calculation is the same for FY 2027.

FY 2025 supplemental targeted assistance guarantee calculation			
	School district A	School district B	School district C
FY 2025 state foundation aid	\$2.0 million	\$10.0 million	\$30.0 million
FY 2025 supplemental targeted assistance	\$0.0	\$0.5 million	\$2.8 million
FY 2026 temporary foundation funding	\$2.4 million	\$10.0 million	\$33.0 million
Calculation	$(\$2.0 \text{ million} + \$0.0) - \$2.4 \text{ million}$	$(\$10 \text{ million} + \$0.5 \text{ million}) - \$10 \text{ million}$	$(\$30.0 \text{ million} + \$2.8 \text{ million}) - \$33.0 \text{ million}$
Difference	-\$0.4 million	\$0.5 million	-\$0.2 million
Total payment amount	\$0.0	\$0.5 million	\$0.0

Under the second guarantee, the Department must make a payment to a school district, in FY 2026 or FY 2027, if necessary to ensure the district does not receive less preschool special education funding than it received in FY 2025.

Enrollment growth supplement

The bill establishes an enrollment growth supplement for city, local, and exempted village school districts who experienced at least a 3% growth in its enrolled ADM between specified fiscal years. For the FY 2026 supplement, a district must have reached that threshold between FY 2022 and FY 2025. For the FY 2027 supplement, a district must have reached that threshold between FY 2023 and FY 2026. The amount of the supplement is equal to the product the district's enrolled ADM for the fiscal year for which the supplement is calculated multiplied by a specific per pupil amount based on the fiscal year and the growth percentage between the two specified fiscal years. The table below indicates the per student amount.

Enrollment growth supplement per student amount		
District growth percentage	FY 2026 amount	FY 2027 amount
≥ 3%, but ≤ 5%	\$150	\$200
> 5%, but ≤ 10%	\$100	\$150
> 10%	\$50	\$100

The table below provides three hypothetical examples of how the Department must determine whether to pay an enrollment growth supplement and, if so, how the supplement is calculated. The calculation is for FY 2026, but it will be calculated similarly for FY 2027.

Enrollment growth supplement examples			
	School district A	School district B	School district C
Enrollment change percentage between specified fiscal years	3.1%	1.4%	11.0%
Calculate enrollment growth supplement?	Yes	No	Yes
Enrolled ADM for the fiscal year	1,001	N/A	20,583
Per pupil amount for the fiscal year	\$150	N/A	\$50
Calculation	1,001 X \$150	N/A	20,583 X \$50
Total payment amount	\$150,150	N/A	\$1,029,150

Base funding supplement

The bill requires the Department, in each of FYs 2026 and 2027, to pay a base funding supplement to each school district, community school (including each newly opened community school), and STEM school. The supplement is calculated on a per student basis, with the district or school receiving \$20 per student in FY 2026 and \$30 per student in FY 2027.

School financing system calculations

While the bill generally prohibits the Department from making payments under the school financing system for FYs 2026 and 2027. However, calculations under the system are still used to determine certain payments for districts. To that end, the bill does make several changes to how payments are calculated under the system. For each school district, STEM school, and community school that is not a newly opened community school, those calculations are used in determining the amount of temporary foundation funding a district or school receives in those fiscal years. Newly opened community schools have their funding calculated under the system with the changes.

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

1. Increases the general phase-in and disadvantaged pupil impact aid (DPIA) phase-in percentages from 66.67% in FY 2025 to 83.33% in FY 2026 and 100% in FY 2027;
2. Increases the minimum state share percentage for routine student transportation from 41.67% in FY 2025 to 45.83% in FY 2026 and 50% in FY 2027;
3. Eliminates gifted professional development funding for school districts;
4. Eliminates the payment of career awareness and exploration funds for each school district, community school, and STEM school;
5. Eliminates the payment of supplemental targeted assistance to city, local, and exempted village school districts;
6. Extends the payment of DPIA to internet- or computer-based community schools, but requires the Department to use a base per-pupil amount of \$211, rather than \$422 as otherwise required under the bill;
7. Requires, when calculating DPIA for a community school that is a classical school (see “**Classical schools**” below), that the percentage of economically disadvantaged students used to calculate the school’s economically disadvantaged index equal the average of all brick-and-mortar community schools for the fiscal year;
8. Requires a district’s building leadership support in the base cost calculation to be calculated using the number of school buildings in the district for the preceding fiscal year;
9. Requires the base cost and state share percentage for joint vocational school districts to be calculated in a similar manner as city, local, and exempted village school districts;
10. Requires the use data from the previous fiscal year to establish the target number of qualifying riders per bus for each city, local, and exempted village school district;
11. Requires the Tax Commissioner to certify the median federal adjusted gross income of a district’s residents for use in making computations for the district, instead of the total federal adjusted gross income of residents as under current law;
12. Codifies and incorporates into the system the \$650 per student equity supplement for community schools that are not internet- or computer-based community schools and extends that payment to STEM schools; and

13. Extends the uncodified requirement that the academic co-curricular activities, supplies and academic content, athletic co-curricular activities, and building operations cost components of the base cost calculation for city, local, and exempted village school districts be based on the sum of the enrolled ADM of every district that *reported* data, rather than on *every* district as otherwise required under continuing law.

In addition, the bill extends to FYs 2026 and 2027 the calculation of guarantee payments based on prior year funding bases. Those calculations are also factored into the calculation of temporary foundation funding. The extended guarantees include:

1. The calculation of temporary transitional aid and temporary transitional transportation aid using the following:

- a. For FY 2026, 95% of the FY 2020 funding base;
- b. For FY 2027, 90% of the FY 2020 funding base.

2. The calculation of a formula transition supplement using the following:

- a. For FY 2026, 95% of the FY 2021 funding base;
- b. For FY 2027, 90% of the FY 2021 funding base.

Spending requirements for FYs 2026 and 2027

Under continuing law, categorical payments to each school district, community school, or STEM school under the school financing system are often accompanied by spending requirements on how those funds are used. For example, special education funds must be used to provide special education and related services to students with disabilities. Similarly, the student wellness and success component of the base cost payment of each district or school has requirements regarding how those funds are used. Those spending requirements would not automatically apply to the temporary foundation funding, guarantees, and supplements received under the bill by each school district, STEM school, and community school that is not a newly opened community school.

To address this, the bill requires the Department to determine the amount of each of the following categories of funding it paid to each district or school in FY 2025:

1. Special education funds, excluding the funding withheld under continuing law to support the special education threshold cost pool;
2. Disadvantaged pupil impact aid;
3. English learner funds;
4. Gifted funds, excluding gifted professional development funds;
5. Career-technical education funds;
6. Career-technical associated services funds; and
7. Student wellness and success funds.

The Department must notify each district or school of that determined amount for each category of funding. Each district or school must use its temporary foundation funding to spend at least that amount in each category. Such spending is subject to any restrictions established under continuing law for how that category of funding must be spent.

Special education threshold cost pool

For FYs 2026 and 2027, the bill requires the Department to withhold from the temporary foundation funding for each school district, STEM school, and community school that is not a newly opened community school an amount equal to the amount the Department withheld for each district or school for the special education cost threshold pool for FY 2025. It also requires the Department to withhold 10% of the special education funding calculated for each newly opened community school for those fiscal years, subject to any limitation enacted by the General Assembly, in accordance with continuing law. The bill requires the Department to use the withheld funds to support the special education threshold cost pool.

Continuing law requires the Department each fiscal year to withhold 10% of the special education funding for each district or school, subject to any limitation enacted by the General Assembly, to support the special education threshold cost pool. Funds in that pool are used to partially reimburse districts and schools for the exceptionally high cost of providing services to some individual students with disabilities.

State share for special education transportation

The bill increases the minimum state share percentage for special education transportation from 41.67% in FY 2025 to 43.75% in FY 2026 and 45.83% in FY 2027.

Under continuing law, each school year the Department must reimburse city, local, and exempted village school districts, educational service centers (ESCs), and county boards of developmental disabilities for a portion of the actual costs incurred in transporting students with disabilities attending a special education program in the prior school year. For a district or ESC, the costs are limited to those incurred for students with disabilities who cannot be transported by regular school bus during routine student transportation. For a district, the amount of the reimbursement is equal to the costs incurred multiplied by the greater of the district's state share percentage or the minimum state share percentage. For an ESC or county board, the amount is the costs incurred multiplied by the minimum state share percentage.

Deductions

For FYs 2026 and 2027, the bill requires the Department, when required by law to deduct or withhold funds from state payments to a school district, community school, or STEM school, to deduct those funds from the district's or school's temporary foundation funding, guarantee payments, or supplements established under the bill.

In several instances, continuing law requires the Department to deduct or withhold state funding from a district or school. For example, the Department must deduct the costs associated with a public school student's participation in the College Credit Plus Program from the state funding for the district or school in which the student is enrolled.

State share percentages and statewide average base cost per pupil

Continuing law requires several payments and calculations outside of the school financing system to factor in the statewide average base cost per pupil and a city, local, or exempted village school district's state share percentage. For those purposes, the bill requires the use of the FY 2024 state average base cost per pupil and requires the Department to calculate each district's state share percentage in each of FYs 2026 and 2027.

Background

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

1. The LSC [Final Analysis for H.B. 110 of the 134th General Assembly \(PDF\)](#), which enacted the system;
2. The LSC [Final Analysis for H.B. 583 of the 134th General Assembly \(PDF\)](#), which made a number of corrective and technical changes to it; and
3. The LSC [Final Analysis for H.B. 33 of the 135th General Assembly \(PDF\)](#), which extended the system to the FY 2025-FY 2026 biennium.⁵¹

Disadvantaged pupil impact aid

(R.C. 3317.25)

The bill adds community mental health prevention providers to the list of entities with which a school district, community school, or STEM school may partner in developing its plan to use its disadvantaged pupil impact aid (DPIA).

Career-technical education associated services funds

(R.C. 3317.014)

Under continuing law, school districts must use career-technical education associated services funds for purposes approved by the Department. The bill specifically identifies each of the following purposes the Department may approve for the use of those funds:

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

⁵¹ All final analyses are available on the General Assembly's website: legislature.ohio.gov.

- Establishing continuous improvement and program approval processes.

Quality Community and Independent STEM School Support Programs

(R.C. 3317.27, 3317.28, and 3317.29)

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

“Community School of Quality” designation

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

1. The community school meets all of the following:
 - a. The school’s sponsor was rated “exemplary” or “effective” on its most recent evaluation;
 - b. The school received a higher performance index score than the school district in which it is located on the two most recent report cards issued;
 - c. The school either:
 - i. Received a performance rating of four stars or higher for the Progress component or a performance rating of three stars or higher for the Achievement component on its most recent report card; or
 - ii. Is a school where a majority of its students are either enrolled in a dropout prevention and recovery program operated by the school or are children with disabilities receiving special education and related services, and the school did not receive a rating for the Progress component on the most recent report card.
2. The community school meets all of the following:
 - a. The school’s sponsor was rated “exemplary” or “effective” on its most recent evaluation;
 - b. The school is either:
 - i. In its first year of operation; or
 - ii. Opened as a kindergarten school, has added one grade per year, and has been in operation for less than four school years;

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

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

3. The community school meets all of the following:

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

b. The school satisfies either of the following:

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

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

iii. The operator meets all of the following:

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

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

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

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

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

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

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

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

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

- a. The school's sponsor was rated "exemplary" or "effective" on the sponsor's most recent evaluation;
- b. The school received an "exceeds standards" on its two most recent report cards;
- c. The school offers an in-house career-technical education program that leads to a 12-point industry recognized credential;
- d. At least 75% of the school's students are placed in any form of employment, military service, apprenticeship, community or other two-year degree program, or state institution of higher education after graduation; and
- e. The school is not an internet- or computer-based community school.

A school that is designated as a Community School of Quality maintains that designation for the two fiscal years following the fiscal year in which it is designated. Schools that are designated as Community Schools of Quality may renew their designation each year, which extends the designation for the two fiscal years following the renewal. Furthermore, a school that was designated as a Community School of Quality for the first time for the 2022-2023 school year maintains that designation through the 2027-2028 school year and may renew its designation each year after that year.

Merged community schools

The bill specifically qualifies for the program the surviving community school of a merger that takes place on or after June 30, 2022, provided it otherwise qualifies as a Community School of Quality under one of the sets of criteria described above. Payment for these schools is calculated using the adjusted full-time equivalent number of students enrolled in the school for the fiscal year as of the date the payment is made, as reported by the surviving community school, regardless of whether those students were previously enrolled in a community school that was dissolved as part of the merger.

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

Independent STEM schools

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

1. Operates autonomously;
2. Does not have a STEM school equivalent designation;
3. Is not governed by a school district;
4. Is not a community school;
5. Cannot levy taxes or issue tax-secured bonds;
6. Satisfies continuing law requirements for STEM schools; and

7. Satisfies the requirements described in the Quality Model for STEM and STEAM Schools established by the Department.

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

Facilities funding for community and STEM schools

(R.C. 3317.31)

The bill codifies the law requiring the Department to pay an amount to each community school and STEM school for assistance with the cost associated with facilities. The bill requires the Department to pay \$25 each fiscal year for each internet- or computer-based community school (e-school) and \$1,500 each fiscal year for each student in all other community schools or STEM schools.

Traditionally, each main appropriations act has provided, in uncodified law, a per-student facilities payment to community schools and STEM schools. Generally, that payment has increased in each biennium for community schools that are not e-schools and STEM schools. Specifically, for community schools that are not e-schools and STEM schools, H.B. 110 of the 134th General Assembly, June 30, 2021, required a payment of \$500 per student in each fiscal year and H.B. 33 of the 135th General Assembly, effective July 4, 2023, required a payment of \$1,000.

Auxiliary services funding

(R.C. 3317.06)

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

Under continuing law, auxiliary services funds are used to purchase goods and services for students who attend chartered nonpublic schools, such as textbooks, digital texts, workbooks, instructional equipment, library materials, or tutoring and other special services. A chartered nonpublic school may elect to receive these such funds directly from the Department. Otherwise, by default, a chartered nonpublic school receives the funds through the school district in which it is located.⁵²

⁵² R.C. 3317.024 and 3317.062, neither in the bill.

Payment for districts with decreases in utility TPP value

(Section 265.240)

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

Eligibility determination

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

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

Payment amount

The bill requires the Department, for purposes of computing the payment, to replace the three-year average valuations used in computing a district's state education aid for FY 2019 with the district's total taxable value for tax year 2025 (for the FY 2026 payment) or tax year 2026 (for the FY 2027 payment). It then must recompute the state education aid for FY 2019 without applying any funding limitations enacted by the General Assembly.

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

1. The lesser of either:
 - a. The positive difference between the district's state education aid for FY 2019 prior to the recomputation and the district's recomputed state education aid for FY 2019; or
 - b. The absolute value of the change in taxes charged and payable on the district's total taxable value for tax years 2017 and 2025 (for the FY 2026 payment) or for tax years 2017 and 2026 (for the FY 2027 payment).
2. 0.50 times the absolute value of the change in taxes charged and payable on the district's total taxable value for tax years 2017 and 2023 (for the FY 2026 payment) or for tax years 2017 and 2024 (for the FY 2027 payment).

Payment deadline

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

Codified law payment

The bill prohibits the Department from calculating or making a similar payment prescribed under codified law for FYs 2026 and 2027.⁵³

II. State scholarships

Nonchartered educational savings account program

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

The bill establishes 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 must administer the program with the assistance of the Department of Education and Workforce. Under the program, the Treasurer of State must establish an education savings account for participating students to purchase educational goods and services, including tuition at participating nonchartered nonpublic schools. The Department must fund those accounts in a manner similar to how other state scholarship programs are funded under current law.

Application for an education savings account (ESA)

The bill requires the Treasurer of State, by February 1, 2026, to develop an application procedure for the program. Under that procedure, the Treasurer must open an application period for a school year on February 1 immediately prior to the start of that year. The application must require a parent to:

1. Provide the student's and parent's names and address;
2. Provide documentation verifying the student's enrollment and attendance at a participating school;
3. Provide the student's participating school's tuition and fee schedule;
4. Affirm the student will take a nationally recognized standardized achievement assessment;
5. If the parent is applying to renew an ESA, provide the student's nationally recognized standardized achievement assessment scores for the prior school year – though the student's school may submit them on behalf of the parent as a matter of convenience;

⁵³ R.C. 3317.028, not in the bill.

6. Affirm the parent will maintain records and related documentation regarding the educational expenses on which the parent spent funds from the ESA, including any receipts for tuition, fees, textbooks, and curriculum materials;

7. Affirm the parent will not enroll the student in a school district, community school, STEM school, or chartered nonpublic school while the student is participating in the program;

8. Affirm the parent will not use funds in an ESA for any purpose other than approved uses described in statute; and

9. Provide other information determined necessary by the Treasurer.

Beginning with ESAs sought for the 2026-2027 school year, the Treasurer must approve a completed application and establish an ESA for an eligible student, if the student is enrolling in any of grades K through 12 in a participating school and the student has not received an EdChoice, Pilot Program (Cleveland), Autism, or Jon Peterson Special Needs (JPSN) scholarship. The bill also disqualifies a student for whom an ESA is established under the program from receiving those scholarships in the same school year.

The bill further specifies that a student for whom an ESA is established must reapply to have an ESA established for a subsequent school year. The Treasurer must notify parents of students of the renewal process, the deadline for renewal, and that the failure to renew in a timely manner may result in a temporary suspension of access to funds until the ESA is renewed. The Treasurer also must provide support to ensure a smooth transition from school year to school year for renewing parents and students.

To the extent practicable, the Treasurer must establish an ESA prior to the start of the school year for which it is sought if a parent submits an application prior to the start of that year.

ESA amount

The bill establishes an ESA base award amount for a school year as 75% of the traditional EdChoice scholarship amount for the student's grade level for that year. The bill requires the Department of Education and Workforce to determine an ESA award amount for a school year as follows:

1. Any student with a family adjusted gross income at or below 450% of the federal poverty level (FPL) will receive the base amount.

2. Scholarship amounts for students with a family income above 450% FPL are based on a logarithmic function formula that is progressively reduced based on family adjusted gross income, with students with higher family incomes receiving smaller amounts. However, the bill establishes a minimum scholarship amount for an ESA award that is equal to 10% of the formula's base amount.

For purposes of calculating a scholarship amount, the Department must require a student's parents to submit documentation regarding the student's family income. The Department must use the documentation submitted for the first school year a student has an ESA award calculated to calculate for that school year and each subsequent school year, unless a parent requests a recalculation based on updated documentation for a subsequent school year.

The bill requires the Department to determine the form and manner a parent must submit documentation, or a request for recalculation.

Funding of ESAs

The bill requires the Department to use state operating funding to meet the program's financial obligations regarding ESAs in a manner similar to how other state scholarship programs are funded under current law.

Specifically, the bill prescribes a "nonchartered educational savings account unit" that consists of all students for whom an ESA is established for a fiscal year. It requires the Department to compute the sum of all students in the unit multiplied by their ESA amounts. The Department must pay the computed amount using state operating funding and transfer those funds to each student's ESA. The Department must distribute funds in one annual payment. To the extent practicable, the Department must make that payment for an ESA established prior to the school year before the first day of that school year.

Use of ESA funds

The bill requires a student's parent to use funds in an ESA for tuition and fees at a participating school and to use any remaining funds for textbooks, instructional materials, and supplies. A taxpayer may not claim a credit authorized under continuing law for expenses incurred to home school the taxpayer's dependents if the expenses are paid from ESA funds.

The bill states that it does not prohibit the parent of a student for whom an ESA is established from making payments for the costs of educational goods or services not covered by funds in the ESA. Though, the bill does prohibit a parent from depositing funds in the ESA.

Disbursal of funds

Upon the request of the parent, the Treasurer must disburse funds from a student's ESA by either of the following methods as selected by the parent:

1. The Treasurer must disburse funds directly to an approved vendor who provides educational goods or services to the student; or
2. The Treasurer must disburse funds to reimburse the student's parent for any costs the parent incurred for prescribed educational goods and services (see above) for the student. Prior to reimbursing a parent, the Treasurer must require the parent to provide appropriate documentation, as determined by the Treasurer, that the costs incurred for prescribed goods and services.

The Treasurer must establish a process to solicit and approve vendors who will provide educational goods or services to students. Under that process, a participating school who complies with the bill's requirements must be considered an approved vendor.

The bill requires any refund or other repayment of funds by a participating school or other educational provider to be returned to the ESA. It expressly prohibits repayment from being made directly to the student or the student's parent.

The bill authorizes the Treasurer to conduct random audits to verify parents are using funds in an ESA for the prescribed purposes. If the Treasurer determines a misuse of funds, the Treasurer may take any action the Treasurer determines appropriate, including suspension or termination of a student's participating in the program.

Interaction with home school expense income tax credit

The bill prohibits a taxpayer from claiming a credit authorized under continuing law for expenses incurred to home school the taxpayer's dependents if the expenses are paid from an ESA.

Disposition of remaining ESA funds

Disenrollment midyear

If a student with an ESA established for a particular school year disenrolls from the student's participating school and does not enroll in a different participating school during that school year, the Treasurer must transfer the balance of any funds in the student's ESA, including any prorated refund from a school, to the General Revenue Fund (GRF). The Treasurer must make such transfers on January 1 and July 1 of each year. The Treasurer must certify to the Office of Budget and Management (OBM) the amount of funds returned to the GRF from those scholarship accounts.

Student applies for an ESA in subsequent year

If the parent of a student with an ESA established for a particular school year applies to have an ESA established for the next school year, the Treasurer must, on June 30, transfer to the student's new ESA the balance of any funds in the student's old ESA.

Student does not apply for an ESA in subsequent year

If the parent of a student with an ESA established for a particular school year does not apply for a new account for the next school year, the Treasurer must, on July 1, transfer the balance of any funds in the student's old ESA to the GRF. The Treasurer must certify to OBM the amount of funds returned to the GRF from those accounts.

Participating nonpublic schools

Notification of intent to participate

The bill requires a nonchartered nonpublic school that elects to participate in the program to notify the Treasurer by a deadline established by the Treasurer for each school year it elects to participate.

Requirements for schools

Each participating school must:

1. Maintain records and related documentation regarding the educational expenses on which the school spends the funds it receives under the program, including receipts for tuition, textbooks, and curricula;
2. Maintain a physical location, that does not primarily serve as a residence, in Ohio at which each student has regular and direct contact with teachers;

3. Notify the Treasurer and the Department of any change in the school's name, school director, mailing address, or physical location within 15 days of the change; and

4. Require the parent of a student for whom an ESA is established to endorse the use of funds from a scholarship account by the school or approve the transfer of funds from the scholarship account to the school.

Oversight of school compliance

The bill permits the Treasurer to remove a school from the list of participating nonpublic schools if the Treasurer determines the school has failed to comply with the requirements prescribed for those schools.

The Treasurer also must provide the Department with a list of participating schools. Annually, the Department must do all of the following regarding each participating school:

1. Verify the school has filed with the Department, in accordance with continuing law, a copy of the report certifying to the school's parents that the school meets the minimum education standards for nonchartered nonpublic schools;

2. Request from the board of health of the city or general health district in which the school's physical location is located a copy of any report of any inspection conducted by the board of health of that location;

3. Request from the State Fire Marshal a copy of any report of any fire inspection of the school's physical location; and

4. Prepare and submit to the Treasurer a report regarding, based on that collected information, the school is compliant with the minimum education standards and health, fire, and safety laws.

If the Department's report demonstrates that a school is not compliant, the Treasurer must take any action the Treasurer determines appropriate against the school.

Additionally, the bill authorizes the Treasurer to conduct random audits to verify that participating schools are using funds in accordance with the bill's requirements. If the Treasurer determines a misuse of funds, the Treasurer must take any action the Treasurer determines appropriate, including suspension or termination of a school's participation in the program.

Rights of participating schools

The bill states that, while participating schools must comply with requirements prescribed for them, they are autonomous and not an agent of the state or federal government. As such, it further specifies that:

1. The Treasurer is prohibited from regulating the educational or instructional program of a school;

2. The program does not expand the authority of the Treasurer to impose additional requirements on schools beyond those prescribed under the bill;

3. Schools that elect to participate must be given maximum freedom to provide for the educational needs of their students.

Complaint system

The bill requires the Department to establish a system under which a student, parent, participating school, or any other individual may submit a complaint about an alleged violation of the program's requirements. The Department must investigate each complaint it receives. During the investigation, the Department must provide updates to, and respond to questions from, both the subject of the complaint and the party who submitted the complaint. The Department must complete each investigation promptly.

Upon completion of an investigation, the Department must submit to the party who submitted a complaint, the subject of the complaint, and the Treasurer a report regarding the investigation's findings, including whether the program's requirements were violated. If the Department's report indicates the program's requirements were violated, the Treasurer must determine a resolution to the complaint and require corrective action to be taken, including remediation plans and other potential consequences for the subject of the complaint.

Due process procedures

The bill requires the Treasurer to establish due process procedures for individuals and participating schools who are determined noncompliant with any of the program's requirements. The procedures must provide an individual or school with at least a notice of the noncompliance determination, an opportunity for a hearing regarding it, and an opportunity to appeal it prior to the Treasurer determining a resolution or undertaking any action regarding it.

Aggregation of ESA student assessment scores

The bill requires the Department to compile the assessment scores of students with a scholarship account that are provided to the Treasurer of State and aggregate the scores as follows:

1. By state, including all students with a scholarship account;
2. By school district, including all students with a scholarship account for whom the district is the student's resident district;
3. By nonchartered nonpublic school, including all students with a scholarship account who were enrolled in the school.

The Department must disaggregate the student performance data according to (1) grade level, (2) race and ethnicity, (3) gender, (4) program participation duration, separated by students who have participated for one year or less, more than one year but less than three years, and three or more years, and (5) economically disadvantaged students.

Under the bill, the Department must post the student performance data on its website annually by February 1. The Department cannot include any performance data that is statistically unreliable or that could result in the identification of individual students. For this purpose, the Department cannot report performance data for any group containing less than ten students.

By July 1, 2026, the Department must develop a measure of student growth for students participating in the program. The measure must be used to annually report data on student growth for students in grades 4 through 8 during the school year in which data is reported. The

Department cannot report data for schools with fewer than ten participating students. The Department must make the growth reports available on its publicly accessible website.

The bill requires the Treasurer of State to collect and provide to the Department any data necessary for the Department to comply with the data compilation and reporting requirements.

Autism Scholarship maximum amount

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

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

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

Jon Peterson Special Needs Scholarship amount

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

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

- Increases the Category 1 amount from \$2,395 to \$2,510;
- Increases the Category 2 amount from \$5,280 to \$5,533;
- Increases the Category 3 amount from \$11,960 to \$12,534;
- Increases the Category 4 amount from \$15,787 to \$16,545;
- Increases the Category 5 amount from \$21,197 to \$22,214; and
- Increases the Category 6 amount from \$30,469 to \$31,932.

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

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

Autism and Jon Peterson Special Needs scholarship programs

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

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

1. Qualifies a child to whom the following apply:

- a. The child is enrolled in a chartered or nonchartered nonpublic school, is home educated, or is older than compulsory school age and less than 22 years of age and received a home education and has not yet received a diploma from the child's parent or guardian;
- b. The child is still eligible to receive transition services under the child's IEP; and
- c. For the Autism scholarship, the child has an IEP developed that includes services related to autism.

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

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

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

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

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

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

8. Requires rules adopted by the Department to specify that supervision of a qualified, credentialed provider may be conducted virtually.

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

Autism Scholarship Program

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

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

4. The grandparent of a qualified special education child;
5. The surrogate parent appointed for a qualified special education child; and
6. A qualified special education child, if the child does not have a custodian or guardian and the child is at least 18 and less than 22 years of age.

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

Qualified special education child

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

Jon Peterson Special Needs scholarship program

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

List of registered private providers

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

Chartered nonpublic schools and state scholarships

(R.C. 3301.165, 3310.15, and 3310.16)

The bill establishes new reporting requirements for the Department of Education and Workforce regarding chartered nonpublic schools and state scholarship programs. Under the bill, a “state scholarship program” is the EdChoice Scholarship Program, the Autism Scholarship Program, JPSN Scholarship Program, or the Cleveland Scholarship Program.⁵⁴

Reporting

Total enrollment, prior school year attendance, and state support

The bill requires the Department to annually post on its publicly accessible website all of the following for each chartered nonpublic school:

1. The school’s total enrollment;
2. The number of state scholarship students enrolled in the school, disaggregated by whether, in the prior school year, the students were enrolled in:
 - a. That school;
 - b. A different chartered nonpublic school;
 - c. A nonchartered nonpublic school;
 - d. A city, local, or exempted village school district;

⁵⁴ R.C. 3301.0711(P), not in the bill.

- e. A community school;
 - f. A STEM school; or
 - g. If the student was not enrolled in a district or school, whether the student was homeschooled or if, in the current school year, the student is enrolling in an Ohio school for the first time.
3. The total amount of state support received by the school through:
- a. State scholarship programs;
 - b. Auxiliary services payments; and
 - c. Administrative cost reimbursements.

Family adjusted gross income categories

Under the bill, annually the Department must post on its publicly accessible website the number of students who receive an EdChoice Expansion or, as data is available, traditional EdChoice or Cleveland scholarship disaggregated according to the following categories:

1. Students with a family adjusted gross income (AGI) at or below 450% of the federal poverty level (FPL);
2. Students with a family AGI above 450% FPL, but at or below 500% FPL;
3. Students with a family AGI above 500% FPL, but at or below 550% FPL;
4. Students with a family AGI above 550% FPL, but at or below 600% FPL;
5. Students with a family AGI above 600% FPL, but at or below 650% FPL;
6. Students with a family AGI above 650% FPL, but at or below 700% FPL;
7. Students with a family AGI above 700% FPL, but at or below 750% FPL; and
8. Students with a family AGI above 750% FPL.

The bill permits the Department to disaggregate the data according to other categories as the Department determines appropriate. It also requires the Department of Education and Workforce to request from the Department of Taxation any data necessary to compute and post that data.

Under continuing law, tax return information is confidential and cannot be disclosed by an employee of the Department of Taxation or any other individual. However, the Department of Taxation has a general authorization to share information with any state or federal agency when disclosure is necessary to ensure compliance with state or federal law. The receiving agency is prohibited from disclosing any of this shared information, except as otherwise authorized by state or federal law.⁵⁵

⁵⁵ R.C. 5703.21, not in the bill.

Student performance data reporting deadline

Current law requires the Department to post student performance data for EdChoice scholarships students on its website and distribute the data to the parents of eligible students by February 1. The bill changes that deadline to September 15.

System to compare student performance data

The bill requires the Department to establish a system where an individual may compare the performance data of students enrolled in a chartered nonpublic school and participating in a state scholarship program with the performance data of similar students enrolled in the district in which the school is located or a community school, STEM school, or other chartered nonpublic school in that district. The Department must make the system available on its publicly accessible website.

In calculating the performance of similar students, the Department must consider age, grade, race and ethnicity, gender, and socioeconomic status.

EdChoice scholarship applications

The bill requires the Department to require each EdChoice scholarship applicant to include the school, and if applicable the school district, in which the applicant is enrolled, or that the student is receiving home education, for the school year prior to the one for which the applicant is submitting an application.

III. Career-technical education and workforce development

Waivers for middle school career-technical education

(R.C. 3313.90)

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

Continuing law generally requires each district to provide career-technical education to students in grades 7 through 12. Under current law, however a district board may receive a waiver from the requirement to provide career-technical education to seventh and eighth grade students by annually adopting a resolution announcing its intent to not offer career-technical education to those grades for that school year.

Approval deadlines for career-technical education programs

(R.C. 3317.161)

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

- The March 1 deadline for the lead district of a career-technical planning district to approve or disapprove a school district's, community school's, or STEM school's career-technical education program application;

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

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

Career-Technical Assurance Guides (CTAG)

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

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

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

Background

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

Thus, students who complete CTAG-aligned career-technical courses at a public high school, and who meets certain other criteria (normally including earning a proficient score on a related WebXam), are often awarded college credit upon enrollment in a state institution. A chartered nonpublic school student may participate in career-technical programs at public high schools without any financial assessment, charge, or tuition that is not otherwise charged to resident public school students in such programs.⁵⁶

⁵⁶ See R.C. 3313.90 and 3333.162, not in the bill.

Work-based learning hours

(R.C. 3313.618)

To qualify for a high school diploma, the bill allows a student to use completion of 250 hours of work-based learning experience as a “foundational” option as part of an alternative demonstration of competency. Under current law, the completion of 250 hours of work-based learning experience is considered a “supporting” option.

Continuing law generally requires a high school student to earn a “competency score” established by the Department on both the Algebra I and English Language Arts II end-of-course exams to qualify for a high school diploma. If a student fails to obtain that score on one or both of those exams and then fails to do so again on a retake of them, the student may use an alternative demonstration of competency.

One alternative demonstration of competency is to complete a “foundational” option and either another “foundational” option or a “supporting” option. Both “foundational” and “supporting” options generally align with student outcomes in career-technical education programs.

IV. Assessments, instruction, and tutoring

Kindergarten readiness assessment

(R.C. 5104.52, repealed; conforming changes in R.C. 3301.0714, 3301.0715, and 3302.03)

The bill eliminates the kindergarten readiness assessment and related requirements.

State assessments as public records

(R.C. 3301.0711)

Beginning with state assessments administered in the spring of the 2025-2026 school year, the bill reduces from 40% to 20% the percentage of questions on the assessment used to compute a student’s score that must be made a public record. It also eliminates related out-of-date provisions that make questions on state assessments public records.

College-Level Examination Program (CLEP)

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

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

1. The list of programs that may be considered an “advanced standing program” at public and chartered nonpublic schools. Advanced standing programs are programs that enable students to earn credit toward a degree from a higher education institution while in high school.
2. A passing score as demonstration of post-secondary readiness on the state report card.
3. A passing score as qualification for the college-ready, citizenship, science, and technology diploma seals.

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

Core curriculum and evidence-based reading programs

(R.C. 3313.6028)

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

The bill limits that requirement by only requiring the use of a core curriculum and instructional materials from the list for students in grades pre-K through 5. However, it expressly requires each district or school to use evidence-based reading intervention programs from that list for students in grades pre-K through 12.

Approved evidence-based training programs

(R.C. 3301.221)

Continuing law requires the Department of Education and Workforce, in consultation with the Department of Public Safety and the Department of Mental Health and Addiction Services, to maintain a list of approved evidence-based training programs for instruction in suicide awareness and prevention and violence prevention. The bill requires that to be a *universal* list. The bill also qualifies a program using the success sequence curriculum provided by Ohio Adolescent Health Centers as an approved evidence-based training program for instruction on mental health promotion, suicide prevention, and health and wellness outcomes and as meeting the minimum requirements to teach risk prevention skills across the required subject areas to youth.

Advanced math learning opportunities

(R.C. 3313.6032)

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

Under the bill, “advanced learning opportunities in math” or “advanced math course” refers to learning opportunities or a course that provides academic content or rigor that exceeds the standard math curriculum for the student’s grade level, as determined by the district.

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

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

Provision of high-dosage tutoring

(R.C. 3313.608)

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

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

Background

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

High-quality tutoring program list

(R.C. 3301.136)

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

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

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

Financial literacy instruction exemptions

(R.C. 3313.603)

The bill allows a school district, other public school, or chartered nonpublic school to adopt a policy to excuse from the financial literacy instruction graduation requirement each student who participates in a financial literacy program offered through the student branch of a credit union or by a bank during high school. The policy must contain a financial literacy program that meets or exceeds the state standards and model curriculum for financial literacy and entrepreneurship instruction and must address how long the student must participate in the program to qualify for an exemption.

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

V. Educators

Use of seniority in teacher assignments

(R.C. 3319.173)

The bill requires each school district superintendent to assign teachers to positions based on the best interests of the district's students. The bill also prohibits the superintendent from using seniority or continuing contract status as the primary factor in assigning, reassigning, or transferring teachers, regardless of whether the assignment, reassignment, or transfer is voluntary on the part of the teacher.

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

Under continuing law, except when deciding between teachers who have comparable evaluations, school districts are already prohibited from (1) giving seniority preference to teachers when making reductions in force or (2) rehiring teachers based on seniority.⁵⁷

Principal Apprenticeship Program

(R.C. 3319.271)

The bill requires the Department to establish a Principal Apprenticeship Program, which must provide pathways for individuals to receive training and development in school leadership and primary and secondary school administration. The program must also provide the option for participants to obtain a master's degree.

The bill requires that the program be open to licensed educators who are employed as a teacher in an Ohio public or chartered nonpublic school, as well as to professionals working in

⁵⁷ R.C. 3319.17(C), not in the bill.

fields other than education. The Department may give preference to applicants who have multiple years of classroom teaching experience or multiple years of experience in the same professional career field and experience in teaching, training, or supervising others.

The bill requires participants of the program to be mentored by a school principal and complete on-site job training. Upon certification from the Department that the individual has completed the program, the bill requires the State Board of Education to issue the individual a professional administrator license for grades pre-K through 12.

Science of Reading professional development

(R.C. 3319.2310)

Development of training course

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

Training requirement

The bill requires each teacher, administrator, or speech-language pathologist employed by a school district, community school, STEM school, or college-preparatory boarding school to complete the Department's Science of Reading training as follows:

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

Professional development

Under continuing law, a district or school must establish a local professional development committee for the purpose of determining if coursework that a teacher proposes to complete meets the requirements set by the State Board of Education rules for licensure renewal.⁵⁸ The bill requires those committees to count Science of Reading training towards professional development requirements for educator licensure renewal. Additionally, a committee must permit an individual to apply any hours earned over the minimum required hours of professional development coursework for licensure renewal to the next renewal period for that license.

⁵⁸ R.C. 3319.22, not in the bill.

Computer science teacher licensure

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

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

The superintendent or principal must approve any professional development program endorsed by the College Board, the organization that creates and administers the national Advanced Placement exams, as appropriate for the course the individual will teach. The individual may not teach a computer science course in a district or school other than the one that employed the individual when the individual completed the professional development program.

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

1. Holds a valid license in computer science;
2. Has a licensure endorsement in computer technology and a passing score in a computer science content exam; or
3. Has an industry professional teaching license to teach computer science for up to 40 hours per week.

The exception was initially enacted by H.B. 166 of the 133rd General Assembly, and applied only to the 2019-2020 and 2020-2021 school years. Subsequent budget legislation extended the exception through the 2024-2025 school year.⁵⁹

Cap on school district administrative expenses

(R.C. 3315.063)

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

⁵⁹ H.B. 110 of the 134th General Assembly and H.B. 33 of the 135th General Assembly.

VI. Community schools

High-performing community school definition

(R.C. 3313.413)

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

1. The community school:
 - a. Received a higher performance index score than the school district in which it is located on the two most recently issued state report cards; and
 - b. Either:
 - i. Received a performance rating of four stars or higher for the Progress component on its most recent report card; or
 - ii Is a dropout prevention and recovery community school and did not receive a rating for the Progress component on the most recent report card.
2. The community school serves only grades kindergarten through three and received a performance rating of four stars or higher for the Early Literacy component on the most recent state report card;
3. The community school has not commenced operations or has been in operation for less than one school year and:
 - a. The school is replicating an operational and instructional model used by another high-performing community school; and
 - b. The school either:
 - i. Has an operator that received an overall rating of three stars or higher, or a “C” or higher, on its most recent performance report; or
 - ii. Does not have an operator and is sponsored by a sponsor that was rated “exemplary” or “effective” on its most recent evaluation.

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

1. The school has received:
 - a. A performance rating of three stars or higher for the Achievement component on the state report card or has increased its performance index score in each of the three previous years of operation; and
 - b. A performance rating of four stars or higher for progress on its most recent state report card.

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

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

Dropout prevention and recovery community schools

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

The bill defines a “dropout prevention and recovery community school” as a community school that enrolls only students who are between the ages of 14 and 21, and who, at the time of their initial enrollment, are at least one grade level behind their cohort age groups or experience crises that significantly interfere with their academic progress such that they are prevented from continuing their traditional educational programs.

Prior to July 1, 2027, each school to which the bill’s provisions apply, upon approval of the school’s sponsor, must (1) transfer those grades that do not comply to a separate community school or (2) cease offering those grades. The bill requires schools to assist students who are not eligible to attend a “dropout prevention and recovery community school” to transfer to the separate community school or enroll in a different school.

Transition period

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

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

Separate IRN

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

Community school opening assurances

(R.C. 3314.19)

First, the bill reduces from ten to five the number of days prior to opening for its first year of operation or first year of operation from a new building that a community school sponsor must provide prescribed assurances to the Department. Under current law, a sponsor must submit the list of assurances for each school once when the school first opens for operation and, in the case of a brick-and-mortar school, once again if it begins operation from a new building. In either case, the assurances must be submitted within ten days prior to the opening day of instruction.

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

Multiple facilities

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

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

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

Contracts and comprehensive plans

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

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

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

Classical schools

(R.C. 3301.0711 and 3317.02)

The bill defines a "classical school" as a community school that is a member of the Ohio Classical School Association or its successor organization and uses a curriculum substantially similar to that of a nationally recognized classical school network.

Paper assessments at classical schools

The bill permits a classical school to generally administer paper assessments in a paper format. However, any student whose individualized education program or plan developed under Section 504 of the federal Rehabilitation Act of 1973 specifies that taking the assessment in an online format is an appropriate accommodation for the student may take the assessment in an online format.

Community school FTE reporting

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

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

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

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

VII. School policies

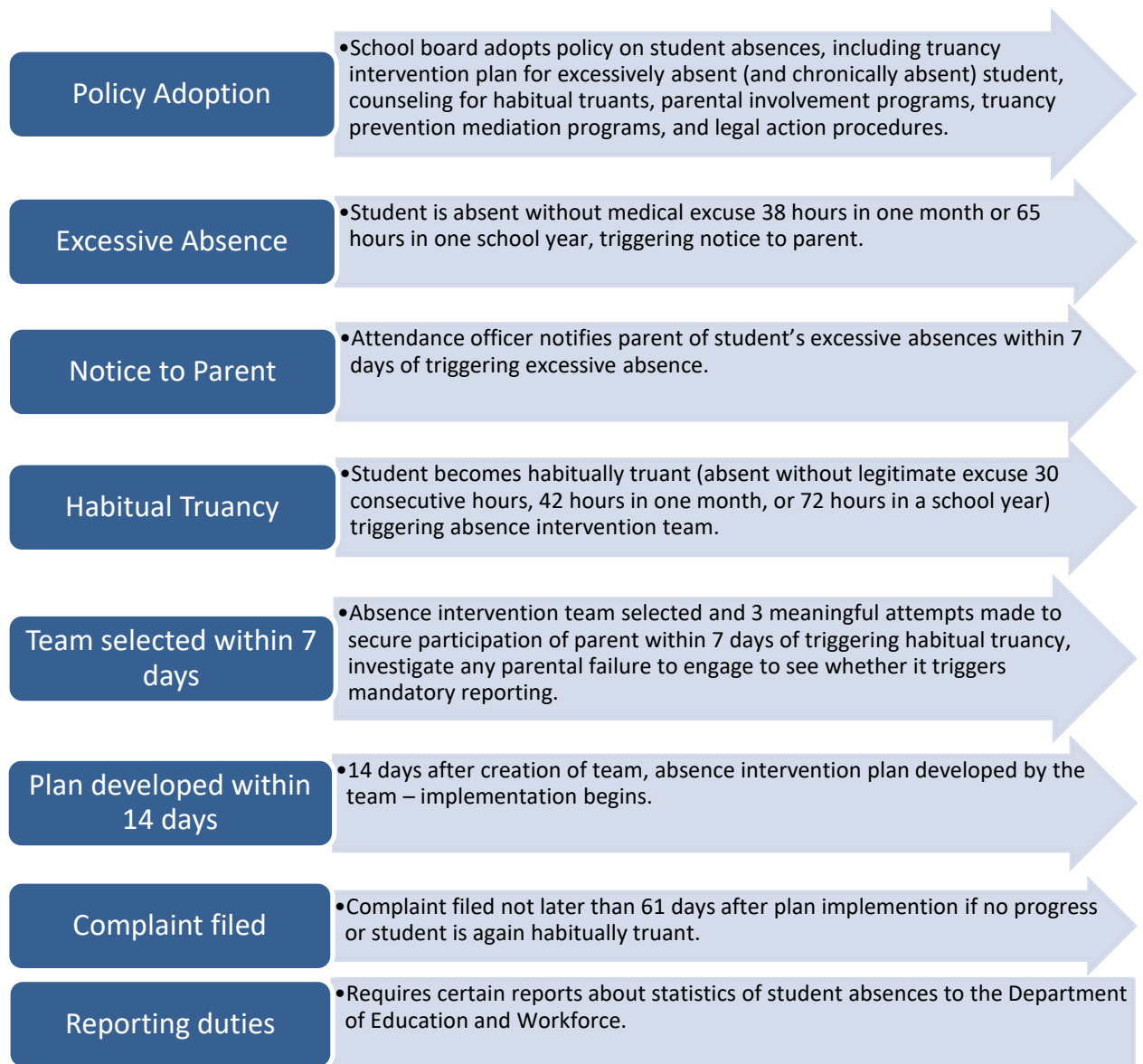
Absence intervention, truancy, and chronic absenteeism

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

District and school responsibilities for student absences

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

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



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

1. Acknowledges that student absences from school for any reason, whether excused or unexcused, take away from instructional time and have an adverse effect on student learning;
2. Identifies strategies to prevent students from becoming chronically absent;
3. Includes procedures for notifying a student’s parent, guardian, or custodian, when the student has been absent from school for a number of hours determined by the board, which cannot exceed 5% of the minimum number of hours required in the school year;
4. Establishes a tiered system that provides more intensive interventions and supports for students with greater numbers of absences and includes resources to help students and their families address the root causes of the absences;

5. Provides for one or more absence intervention teams to work with students at risk of becoming chronically absent and their families to improve the students' attendance at school;
6. Prohibits suspending, expelling, or otherwise preventing a student from attending school based on the student's absences; and
7. Permits consultation or partnering with public, nonprofit, or private entities to provide assistance to students and families in reducing absences.

Chronic absenteeism percentage

(R.C. 3321.191(A))

The bill officially defines "chronically absent" as missing at least 10% of the minimum number of hours required in the school year, regardless of whether the absence is excused or unexcused. This aligns with federal law.

Federal law requires schools to collect data on "chronic absenteeism" and track and monitor absences.⁶⁰ Generally, a student is "chronically absent" when the student, with or without excuse, misses 10% or more of the school year, or about 18 days.⁶¹ Schools and districts must provide supports to these students and their families to prevent further absences.

Grade level promotion

(R.C. 3313.609)

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

Filing of truancy complaint in juvenile court

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

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

Background

Under continuing law, an "habitual truant" is a student of compulsory school age who is absent *without legitimate excuse* for 30 or more consecutive hours, 42 or more hours in one

⁶⁰ 20 U.S.C. 6311(c) and 6613(b).

⁶¹ See, [Letter from Secretary Cardona Regarding Student Attendance and Engagement](#), March 22, 2024, which is available on the U.S. Department of Education's website: ed.gov.

school month, or 72 or more hours in a school year.⁶² For any student whose absences meet that threshold, a school district or school must currently engage an absence intervention plan process. That process requires the student and the student's parent to participate in activities to get the student to attend school and, if the student's unexcused absences persist, it can eventually lead to the filing of a complaint in juvenile court.

Notice to parents regarding truancy and consequences

(R.C. 3321.21)

The bill clarifies that certain required notices to parents regarding truancy and consequences that include proof of receipt and are sent by email or text message, in addition to registered mail, regular mail with certificate of mailing, or other form of delivery, are legal notices.

EMIS data on student absences

(R.C. 3301.0714)

Beginning with the 2025-2026 school year, the bill requires each school district, community school, and STEM school to report to Education Management Information System (EMIS) the causes of student absences. Absences must be categorized by at least all of the following:

1. Chronic illness requiring hospitalization;
2. Chronic illness not requiring hospitalization;
3. Temporary medical absence with written explanation from a family doctor;
4. Temporary medical absence with explanation from parent, guardian, or legal custodian;
5. Regular medical or dental appointment;
6. Family-selected extra-curricular activity;
7. International student exchange program;
8. Participation in agricultural organization activities;
9. Family travel;
10. Foster care placement;
11. Foster care – student school transfer;
12. Foster care – required visitation;
13. Foster care – medical appointment;

⁶² R.C. 2151.011(B)(18), not in the bill.

14. Lack of transportation by a school district, if the district regularly provides transportation;

15. Lack of transportation by parent, guardian, or custodian, if the school district does not regularly provide transportation; and

16. Any additional categories identified through review of national and surrounding state best practices to identify the causes of student absences.

Student absences for driver education

(R.C. 3321.043)

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

Student cellphone use

(R.C. 3313.753)

The bill requires each public school's (any school district, community school, STEM school, or college-preparatory boarding school) policy governing the use of cellphones by students during school hours to outright prohibit student cellphone use during the instructional day. Though, the bill maintains an exception to that prohibition that permits cellphone use for student learning or to monitor or address a health concern if determined appropriate by the school's governing body or if that use is included in a student's individualized education program (IEP) or section 504 plan.

Each school must adopt the updated policy by the first day of January after the bill's effective date if it does not have a policy that meets the bill's requirement. Within 60 days of that date, the Department must develop a model policy that meets the bill's requirements for use by schools.

Background

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

Artificial intelligence policies

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

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

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

Religious instruction released time policy

(R.C. 3313.6022)

The bill adds minimum and maximum time parameters for school district religious released time policies. Under continuing law, each school district must adopt a policy that authorizes a student to be excused from school to attend a released time course in religious instruction. The bill requires a school district to permit students to attend a released time course in religious instruction for at least one period a week and also limits student attendance in a released time course to no more than two periods per week for elementary school students and no more than two units of high school credit per week for high school students.

VIII. Transportation

Student transportation using mass transit

(R.C. 3327.017 and 4511.78)

The bill permits a community school to purchase mass transit system passes for its students in grades 9 through 12 and to certify to the Department of Education and Workforce the cost of providing those passes if the school district responsible for transporting those students elects to pay for the cost of the passes instead of directly transporting them for a school year. The Department must deduct from a school district's state foundation payment the cost of the passes and pay it to the community school.

With respect to a mass transit system with a central transfer hub located in a county that is ranked as one of the eight most populous counties in Ohio according to the most recent federal decennial census, the bill requires each city, local, exempted village, or municipal school district that uses the mass transit system to transport students to and from a community or chartered nonpublic school to ensure that any transfer between routes does not occur at the central hub for the mass transit system.

Relatedly, the bill requires those same mass transit systems, if they regularly transport students to or from a school session, to provide routes that ensure the students either (1) will not need to transfer between different buses, or (2) will only need to make one transfer at a location that is not the central transfer hub for the mass transit system.

The bill expressly applies the law regarding school districts providing or arranging for the transportation of students using mass transit systems to a municipal school district (the only one of which is the Cleveland Municipal School District).

Student transportation workgroup

(R.C. 3327.18)

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

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

The bill requires the workgroup to monitor and review annually the student transportation system and develop recommendations for changes to better meet the transportation needs of Ohio students. The workgroup must submit a report on its findings and recommendations to the Governor and the General Assembly no later than June 30, 2026, and annually thereafter.

Pupil Transportation Pilot Program

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

The bill extends the operation of the Montgomery County Pupil Transportation Pilot Program to the 2025-2026 and 2026-2027 school years. Under the pilot program, an educational service center provides transportation to qualifying students in lieu of the students receiving transportation from their resident school district. For more information on the pilot program, see the LSC [Final Analysis for H.B. 33 \(PDF\)](#), which is available on the General Assembly's website: legislature.ohio.gov.

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

Rural Transportation Grant Program

(Section 265.600)

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

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

The Department must determine the amount of each grant, but a grant cannot exceed \$450,000 for any fiscal year. Additionally, the bill requires schools to use grants awarded under the program for student transportation.

IX. Other

Disposition of school district property

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

Right of first refusal

The bill extends the right of first refusal to purchase school district real property to chartered nonpublic schools located in the district.

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

Public auction

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

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

Planned demolition

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

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

Involuntary disposition of unused school facilities

Continuing law requires school districts to offer to sell or lease any of its real property that meet the statutory definition of being an “unused school facility” to other public schools located in the district. The bill adds chartered nonpublic schools located in the district to this list of qualifying schools to which school districts must offer unused school facilities.

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

Finally, the bill exempts a district from the requirement to offer to sell or lease an unused school facility if that facility is located on or adjacent to a tract or parcel of land where other school district facilities that are used for educational instruction are located.

Resale of school district property

The bill requires a community, STEM, college-preparatory boarding, or chartered nonpublic school that sells property it purchased from a school district through the involuntary disposition law or the right of first refusal law to pay to the district any profit the school earns from the resale of that property.

State report card – Early Literacy component

(R.C. 3302.03)

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

Competency-based adult education programs

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

Eliminate existing programs

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

Competency-based educational programs

Definition

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

Providers

The bill permits a city, local, or exempted village school district or community school that operates a dropout prevention and recovery program, a joint vocational school district that operates an adult education program, a community college, a state community college, a technical college, a university branch campus, or an Ohio technical center (“provider”) to establish a competency-based educational program for eligible individuals to earn a high school diploma.

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

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

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

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

High school diploma requirements

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

Demonstrations of competency include:

1. Attaining a competency score, as determined by the Department, on the Algebra I or English language arts II end-of-course exams;

2. Attaining a workforce readiness score, as determined by the Department, on the nationally recognized job skills assessment (WorkKeys);

3. Obtaining an industry-recognized credential, or group of credentials, that qualify the student for a high school diploma or an industry-recognized credential that is aligned to a technical education program provided by Ohio technical center;

4. Earning a cumulative score of proficient or higher on three or more state technical assessments (WebXams);

5. Completing a pre-apprenticeship program aligned with the student's career field and then providing evidence of acceptance into a registered apprenticeship in that field, or completing an apprenticeship registered with the Ohio State Apprenticeship Council;

6. Completing 250 hours of work-based learning experience with evidence of positive evaluations; or

7. Obtaining an OhioMeansJobs-readiness seal.

The course credits include:

1. Four credits in English language arts;

2. Four credits of math, one credit of which may be a career-based math course aligned to the individual's career plan;

3. Three credits in science;

4. Three credits in social studies; and

5. One-half credit in financial literacy, which may be applied to the number of math or social studies credits.

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

Department responsibilities

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

Aim Higher Pilot Program

(Section 265.560)

The bill requires the Department to establish the Aim Higher Pilot Program to operate in FY 2026 to provide additional funding to joint vocational school districts (JVSDs) that operate a dropout prevention and recovery (DOPR). To participate, an eligible JVSD must notify the Department of its intent to participate in a form and manner and by a date determined by the Department.

The Department must pay each JVSD that opts to participate in the program \$500 for each credit earned by enrolled students and \$2,500 for each completed industry-recognized credential, or group of credentials, that meet the criteria to help the student qualify for a high school diploma under continuing law. For each JVSD with a DOPR program in its first three years of operation and that requests it, the Department must also pay a one-time grant of \$250,000. A JVSD that receives the one-time grant must designate \$175,000 for career-technical education equipment and \$75,000 of the grant for building renovation.

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

Payment of tuition for students in residential treatment facilities

(R.C. 3313.64)

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

Notice of admission and collaborative reentry plan

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

Payment structure

The bill requires the district where the parent resides to continue to enroll the student and excuse the child from attendance until the child is discharged. The total educational cost the district must pay will be determined by a formula approved by the Department. The Department must design the formula to calculate a per diem cost for the educational services provided each

day. The formula also must reflect the total actual cost incurred in providing those services. The Department must certify that cost to both the home or facility and the district responsible for tuition. The bill requires the Department to deduct the certified amount from the state basic aid funds payable to the responsible district and pay that amount to the home or facility. The district must continue to report the child in its enrollment for funding purposes.

Change in parent's residence

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

Discharge procedures

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

Diploma requirements

When a high school student is discharged and returns to the parent's residence, the child must meet requirements for receiving a high school diploma that are no more stringent than those that apply to students who enroll in a public or chartered nonpublic high school after receiving a home education.⁶³

State scholarship recipients

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

Background

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

School district operational revenue and expenditure report

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

The bill reduces the duration for the operational revenue and expenditure forecasts that school districts are required to develop from five years to three years. The bill also requires the Auditor of State or the Department to examine the three-year projections to determine whether

⁶³ See R.C. 3313.618; R.C. 3321.042, not in the bill.

a district has the potential to incur a deficit during the first two years of the three-year period, rather than the first three years of the five-year period, as under current law.