



Biennial Budget Review Policy Update

Jennifer Hogue, director of legislative services, OSBA
Katie Johnson, Esq., executive director, OASBO
Dr. Paul Imhoff, director of governmental relations, BASA
Nicole Piscitani, deputy director of legislative services, OSBA
Malania Birney, legislative services consultant, OSBA



Transportation



Transportation workgroup

- ODEW to establish to review and monitor student transportation in the 25-26 school year.
- Membership to include:
 - Chair of House Education Committee
 - Chair of Senate Education Committee
 - Ranking member of House Education Committee
 - Ranking member of Senate Education Committee
 - Rural district representative
 - Small town district representative
 - Urban district representative
 - Suburban district representative
 - CTC representative
 - ESC representative
 - Community school representative
 - Private school representative
 - Ohio Association of Pupil Transportation representative

Transportation workgroup

- Study and develop recommendations regarding the feasibility of a school district to transport students enrolled in a community school or private school on days the district is not in session.
- Report to be issued by June 3, 2026 and then the group disbands.

School bus safety grants

- Provides \$10 million in FY 26 for grants
- Allows districts to provide safety enhancements on current buses or fund safety upgrades on new buses.
 - Must be owned by the district
- Eligible applicants include:
 - Districts
 - JVSDs
 - ESCs

Mass transit

- Requires districts in Montgomery and Summit counties that transport students to and from community or private schools using a mass transit system to ensure that any transfer of routes does not occur at the central hub.

Multifunction activity buses

- Allows districts and ESCs to use multifunction school activity buses to transport students between school and other school related functions or activities.

Community school transportation consortium

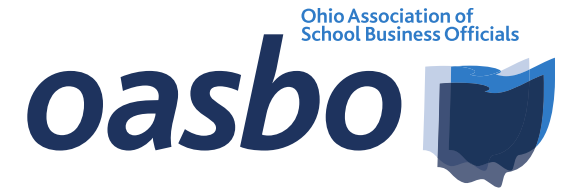
- Allows two or more community schools to establish a consortium to provide or arrange transportation to and from school for students in their schools.
- The consortium can accept responsibility to transport students with districts or unilaterally.
- ODEW will pay the consortium for transportation as if they were a community school.
- The consortium must appoint a fiscal agent to report any combined data necessary for payments.

Rural transportation grant program

- Requires ODEW to award grants each year to dropout prevention and recovery community schools that meet the following requirements.
 - More than 75% of their students are economically disadvantaged
 - The school's territory is located in three counties and contains more than 12 districts
- Grants are limited to \$450,000 and are required to be used for student transportation.



State Board of Education State Teachers Retirement System



State Board of Education

- Reduces membership to five members appointed by the governor. One member will represent each of the following:
 - Rural district
 - Suburban district
 - Urban district
 - Community school
 - Private school
- Abolishes the offices of elected members when the term expires or a vacancy occurs.
- Abolishes offices of the first three appointed members when their term expires or a vacancy occurs.

State Teachers Retirement System

- Reduces the number of contributing members from five to two
- Reduces the number of retired members from two to one
- Adds the following:
 - Chancellor of higher education or designee;
 - Treasurer of state investment designee;
 - Investment expert appointed by Speaker of the House
 - Investment expert appointed by President of the Senate
- Prohibits appointed members from having contributions on deposit with STRS.
- Prohibits any STRS board member with contributions on deposit with STRS from serving as chair or vice chair.



School Board Policies



Cell phone policy

- Requires each district to adopt a policy by January 1, 2026, prohibiting the use of cell phones by students during the instructional day.
- Exceptions provided for:
 - Student learning based on IEPs and 504 plans; and
 - Students needing to monitor or address a health concern with a written statement from the student's doctor.
- Eliminates the requirement that ODEW develop a model policy.

Cell phone policy

- Requires school administrators to include in its comprehensive emergency management plan a protocol that addresses student use of cell phones during an active threat or emergency if permitted under the building's comprehensive emergency management plan.

Artificial intelligence

- Requires ODEW to adopt a model policy by December 31, 2025 to address the appropriate use of AI by students and staff for educational purposes.
- Requires each district to adopt a policy on the use of AI by July 1, 2026 – allows districts to adopt the ODEW model policy.

Interdistrict open enrollment

- Exempts a student whose parent is an active duty member of the U.S. military stationed in this state from any application deadline.
- Eliminates the provision that allowed a district to adopt a resolution discouraging or prohibiting resident students from applying to enroll in another district if that district is receiving federal impact aid and has at least 10% of its students included in the impact aid calculation.

Religious instruction release time

- Requires districts to permit students to attend a released time course for at least one period per week.
- Limits attendance to no more than:
 - Two periods per week for elementary and middle school students
 - Two units of high school credits per week for high school students
- Requires districts to allow students to bring external educational and program materials to school.

Diabetes information

- Requires the department of health to create materials on Type 1 diabetes.
- Requires schools that serve elementary students to provide a paper or electronic copy of the informational materials to each student's parent/guardian.

School district territory transfer

- Requires the State Board to approve transfer if:
 - The territory is being transferred to an adjacent school district
 - The district from which the territory is being transferred has received an overall performance rating of less than two stars for two or more consecutive years; and
 - No party opposing the transfer has presented clear and convincing evidence that any information used to facilitate the transfer is incorrect or inaccurate.

Success sequence

- Allows districts to use grant funding from the Student Support and Academic Enrichment line to:
 - Provide a safe and drug-free learning environment and healthy students through use of the success sequence
 - Promote the effective use of technology through the success sequence

Cybersecurity

- Requires political subdivisions, including school districts, to adopt a cybersecurity program that safeguards data, information technology and information technology resources to ensure availability, confidentiality and integrity.
- Programs must be consistent with best practices for cybersecurity.
- Prohibits paying ransom unless the political subdivision's legislative body has formally approved the payment.



Assessments



Diagnostic Assessments

- Requires DEW to approve a list of up to five diagnostic assessments for grades K-3 in reading and math
- Requires the assessment be aligned to the Science of Reading (SOR)
- Eliminates the requirement that assessments be made available at no cost
- Requires school districts, community schools, and STEM schools to administer the assessments by September 30 of each year beginning with the 2026/2027 school year

Diagnostic Assessments

- Removes an exemption for districts and schools, on a case-by-case basis, from annually administering diagnostic assessments to assess the reading skills of a student with a significant cognitive disability as part of the Third Grade Reading Guarantee.
- Eliminates the authority of districts and schools to use an alternative assessment to measure reading skills under the Third Grade Reading Guarantee and, for districts and schools that achieve specified scores on the state report card, to administer alternative diagnostic assessments.

KRA

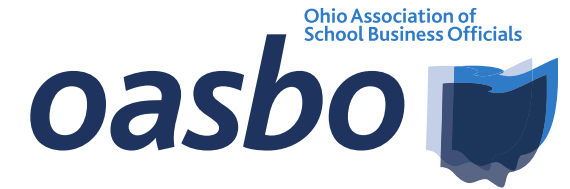
- Requires districts and schools to use and score the kindergarten readiness assessment (KRA) in accordance with rules established by the Department of Children and Youth.
- Eliminates the requirement that DEW include data from the KRA on the state report cards of districts and schools.
- Removes DEW from KRA data collection and reporting.

Assessments

- Repeals the requirement that a minimum percentage of state assessment questions be made a public record.
- Requires DEW to determine which questions are made a public record, if any



Literacy and Advanced Placement



Science of Reading (SOR)

- Provides funding for literacy coaches for schools with the lowest proficiency rates. Coaches must be trained in SOR and must implement Ohio's Coaching Model
- Requires DEW to maintain an introductory training course on the SOR and develop a competency-based training course to update and reinforce educators' skills in the SOR.
- Requires each public school teacher, administrator, school psychologist, or speech-language psychologist to complete training in the SOR every five years.

Science of Reading (SOR)

- Requires districts and schools to report the number of individuals who have completed SOR training to DEW through the Education Management Information System (EMIS).
- Requires a professional development committee to count SOR training toward professional development requirements for educator licensure renewal.
- Specifies the grade bands that must receive specific instruction from the lists of curriculum that are aligned with the SOR established by DEW as follows:
 - Grades preK-5 must receive core curriculum and instructional materials in English language arts;
 - Grades preK-12 must receive instruction in evidence-based reading intervention programs.

High Dosage Tutoring

- Eliminates the requirement that high dosage tutoring provided to students on reading improvement and monitoring plans by school districts, community schools, and STEM schools be provided outside of the student's regular instruction time.
- Expressly permits a district or school to incorporate high-dosage tutoring into a student's regular instruction time.
- Requires a locally approved high dosage tutoring program to align with best practices identified by DEW.

Advanced Standing Programs

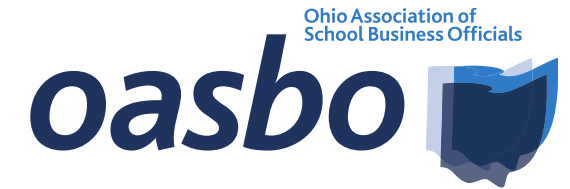
- Adds high school courses aligned to the Department of Higher Education's Career-Technical Assurance Guides ([CTAG](#)) to the list of programs that may be considered an "advanced standing program" at school districts, community schools, STEM schools, college-preparatory boarding schools, and chartered nonpublic schools.
- Requires each school district that has students enrolled in CTAG-aligned courses to implement a policy for grading and calculating class standings for those courses in a similar fashion to College Credit Plus, Advanced Placement, International Baccalaureate, or honors courses.

Advanced Math Placement

- Requires each school district to provide advanced learning opportunities in math, including advanced math courses, in the following school year for each student that achieves an advanced level of skill on a math achievement assessment or end-of-course exam.
- "Advanced learning opportunities in math" or "advanced math course" includes a math course that is two grade levels above the student's current grade level.
- Permits a student's parent or guardian to submit a written request to opt out of the advanced math learning opportunities and classes.



Date Reporting and Licensure



Data Reporting

- Requires DEW to annually collect school district employment and vacancy data for teachers, related services providers and other providers of specialized services, principals and assistant principals, paraprofessionals, bus drivers, and any other positions determined by DEW.
- Requires DEW to report the aggregated number of vacant positions by (1) type of position, (2) subject area, (3) geographic area, (4) the number of substitutes and other non-traditional employees, (5) the reason why a position was vacant, (6) the methods used to fill the vacant positions, and (7) the positions that remain unfilled.

Teacher Assignments

- Requires a school district superintendent to assign teachers based on the best interests of the students enrolled in the district and prohibits them from using seniority or continuing contract status as the primary factor in determining assignments.
- Specifies that the law pertaining to teacher assignments prevails over conflicting provisions of collective bargaining agreements between employee organizations and public employers entered into on or after the provision's effective date.

RESA

- Eliminates the Resident Educator Summative Assessment (RESA) as a measure of appropriate progression through the Ohio Teacher Residency Program and permits the use of evaluations under a teacher evaluation system established in accordance with continuing law as a measure of appropriate progression under the program.

Alternate Resident Educator License

- Eliminates the July 1, 2028, sunset date for the prohibition on the State Board of Education limiting the subject areas for which an alternative resident educator license is issued.

Computer Science

- 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.

Online Learning Schools

- Permits school districts to employ teachers and nonteaching employees, or to contract with a nonprofit or for-profit entity, to operate an online learning school.

Child Sexual Abuse Educator Training

- Eliminates the requirement that child sexual abuse in-service training for educators be provided by law enforcement officers or prosecutors and instead requires a district board to develop its own curriculum in consultation with public or private agencies.

Note - May increase school district costs to develop and offer the training for those that do not do so already, but provides additional flexibility in how it is provided.

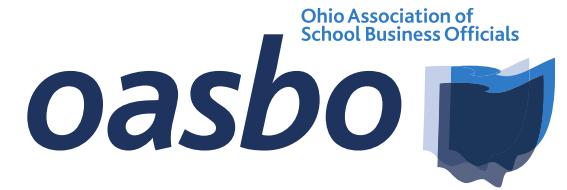
According to DEW, schools have had difficulty finding law enforcement officers or prosecutors who are able to provide the staff training on child sexual abuse.

Youth Suicide Awareness and Prevention

- Eliminates the option for each school district to adopt or adapt curriculum developed by DEW on youth suicide awareness and prevention for use in delivering in-service educator training on those topics, thus requiring each district or school to develop its own curriculum.
- Eliminates the option for a school employee to satisfy youth suicide awareness in-service training through self-review of suitable suicide prevention materials approved by the school board or governing authority.



Report Cards and Graduation Requirements



Early literacy – Report cards

- Revises measure 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 promotion.

Financial literacy

- Permits a district to adopt a policy excusing a student, who during high school, participated in a financial literacy program offered through the student branch of a credit union or by a bank from the financial literacy instruction graduation requirement.
- Requires a qualifying financial literacy program to meet or exceed state standards and model curriculum for financial literacy and entrepreneurship instruction.
- The policy must address how long a student is required to participate to qualify for exemption but requires at least the equivalent of one half unit (60 hours) of instruction.
- ODEW is required to develop a model policy and guidelines for districts to use in developing the policy.

College level examination program (CLEP)

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

Other graduation requirements

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



Student Absences



Absences

- Repeals the requirement that a district assign habitual truants to an absence intervention team and adopt a prescribed absence intervention plan.
- Requires districts instead adopt a policy in consultation with the juvenile court that does the following:
 - 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;
 - Identifies strategies to prevent students from becoming chronically absent;

Absences

- Includes procedures for notifying a student's parent/guardian 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;
 - Establishes a tiered system to provide more interventions and supports for students with greater numbers of absences and includes resources to help students and their families address the root causes of absences;
 - Provides one or more absence teams to work with students at risk of chronic absenteeism and their families to improve attendance; and
 - Prohibits suspending expelling or otherwise preventing a student from attending school based on the student's absences.
- Permits a district to consult or partner with public or nonprofit agencies and private entities to assist students and families in reducing absences.

Absences

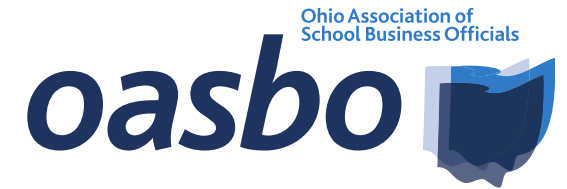
- Defines chronically absent as missing at least 10% of the minimum number of hours required in the school year.
- Removes a requirement that a school district or community school prohibit the grade level promotion of a student that has been truant for more than 10% of the required attendance days of the school year.

Driver education

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



Ohio Facilities Construction Commission and Department of Children and Youth



Ohio Facilities Construction Commission

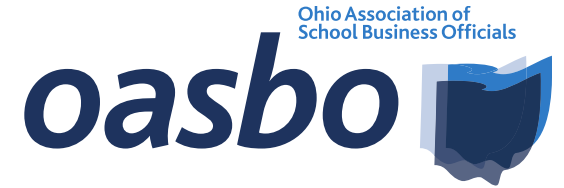
- Modifies the calculation for a district's local share of a Classroom Facilities Assistance Program (CFAP) project from the greater of either the required percentage based on its equity ranking or an amount necessary to raise the school district's net bonded indebtedness to a prescribed level, to its portion being determined by only the required percentage based on its equity ranking. Change also applies to segmented CFAP projects.
- Expands the district contract bidding process for planning construction projects that exceed the competitive bidding threshold amount from work on "any school building" to work on "any building or other property".

Early Childhood Education (ECE) grant

- Appropriates \$130 million each year of the biennium for the ECE grant program.
- Allows up to 2% of appropriated funds to be used for program support and technical assistance. Requires the remainder to be distributed to grant recipients.
- Defines eligible programs to include licensed child care centers, licensed family child care homes, and licensed preschools.
- Requires the DCY director to adopt rules on program administration, including parameters for student eligibility.



Community schools
Scholarship programs
Dropout Recovery schools
Adult Education



Community Schools

- Extends through the 2025-2026 school year a current law provision for the 2024-2025 school year providing the option of a qualifying community school to elect to report its number of enrolled students on a full-time equivalent (FTE) basis using the lesser of:
 - (1) the maximum FTE for the portion of the school year for which a student is enrolled in the school; or
 - (2) the sum of $\frac{1}{6}$ of the FTE based on attendance for the portion of the school year for which a student is enrolled and $\frac{1}{6}$ of the FTE for each credit of instruction earned during the enrollment period, up to five credits.

Community Schools-access to school district property

- Replaces the definition of “high-performing community school” regarding the right of first refusal to purchase, and the involuntary disposition of, school district property so that it applies to a community school that meets at least one of the following sets of conditions:
 - 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) Enrolls a majority of students who are in a dropout prevention and recovery program and did not receive a rating for the Progress component on the most recent report card.

Community Schools-access to school district property

- 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 report card;
- 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.

Community Schools-sponsor evaluations

- Excludes all community schools whose contracts were not renewed or terminated by the sponsor before the evaluation from the academic performance component of a community school sponsor's evaluation.
- Eliminates peer review of a sponsor's adherence to quality practices for sponsors rated "effective" or "exemplary" on the most recent ratings.
- Prohibits DEW from evaluating entities with an overall rating of "exemplary" for five full school years and entities with a rating of "effective" for three full school years after the rating was received.

Community Schools-sponsor evaluations

- Qualifies a community school sponsor with an overall rating of "exemplary" for specified incentives under continuing law, rather than requiring the sponsor to receive an overall rating of "exemplary" for the two most recent years for which the sponsor was evaluated to qualify as under current law.
- Requires DEW to annually publish academic performance data for each sponsor, regardless of whether the sponsor is being evaluated for that school year.
- Requires DEW to evaluate community school sponsors for the 2025-2026 school year and to use these ratings to determine the sponsor's evaluation cycle.

Community Schools

- Eliminates the requirement for each community school to submit a comprehensive plan to its sponsor and, instead, requires the contract between each community school's sponsor and governing authority to include the comprehensive plan's provisions.
- Permits any community school to be located in multiple facilities under the same contract and eliminates limitations on which schools may do so.
- Eliminates the limitations on which community schools may assign students in the same grade level to multiple facilities.

Community Schools

- Reduces from 10 to five the number of days prior to opening for its first year of operation or first year of operation from a new building that a community school sponsor must provide prescribed assurances to DEW.
- 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.

Scholarship programs

- Requires DEW to maintain a list of Autism and Jon Peterson Special Needs (JPSN) scholarship registered private providers and their locations on its publicly accessible web site.
- Removes, for purposes of the Autism Scholarship Program, the definition of "parent" and instead defines "eligible applicant," which includes the natural or adoptive parents, the custodian, the guardian, the grandparent, or the surrogate parent of a qualified special education child and 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.

Scholarship programs

- Prohibits a qualified special education child receiving home schooled who participates in 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.

Dropout Prevention and Recovery Schools

- Defines "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 and allows current schools to operate under the old definition until July 1, 2027.
- Requires each community school that primarily serves students enrolled in a DOPR program, upon approval of the school's sponsor, to (1) transfer those grades that do not comply to a separate community school or (2) cease offering those grades.
- Requires a community school that primarily serves students enrolled in a DOPR program to assist students who are not eligible to enroll in a "dropout prevention and recovery community school" to transfer to the separate community school or enroll in a different school.

Aim Higher Pilot Program

- ODEW required to establish the program to provide additional funding for JVSDs that operate a dropout prevention recovery program.
- Each participating JVSD will receive \$500 for each credit earned by newly 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.

Aim Higher Pilot Program

- ODEW will pay a one-time grant of \$250,000 to each participating JVSD in its first years of operation.
- JVSDs that receive a grant must designate:
 - \$175,000 for CTE equipment and
 - \$75,000 for building renovation.
- All funding must be spent by July 1, 2027.

Students receiving education in residential treatment facilities

- Requires the school district where the child's parents reside to pay a residential treatment facility the cost for educational services provided when a child is parentally placed in that facility in consultation with and upon recommendation of, the OhioRISE Program.
- Requires that the facility provide education services meeting minimum standards established by DEW, or substantially similar requirements of the jurisdiction if the facility is out of state, and permits the home facility to reduce instructional hours only as necessary to accommodate the child's treatment program.
- Requires DEW to approve a formula to determine the total educational cost to be paid for the child, certify the total educational cost to be paid to the home or facility and the district that is paying tuition, and deduct the amount from the district's basic state aid and pay that amount to the home or facility.

Students receiving education in residential treatment facilities

- Establishes notice, discharge, and transcript and coursework transfer procedures and a procedure for re-determining a school district responsible for payment if a parent's resident district changes.
- Requires high school students who are discharged from the home or facility and return to their parent's residence to meet graduation requirements that are no more stringent than those that apply to students who enroll in high school after receiving a home education.
- Exempts a school district from the responsibility to pay tuition for a child who has been awarded a state scholarship.

Competency-based adult education programs

- Eliminates on July 1, 2026. the Adult Diploma Program and 22+ Adult High School Diploma Program.
- Permits an eligible city, local, exempted village, or JVSD, and community school, among others, 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.
- Requires DEW to award a high school diploma to enrolled individuals who demonstrate competency and meet the criteria established for an industry-recognized credential, or group of credentials, in a single career field.

Competency-based adult education programs

- Requires providers to report each individual enrolled in a competency-based educational program to DEW. Requires DEW to certify the enrollment and attendance of individuals reported by providers and make a payment to each provider of up to \$7,500 per school year based on the extent of each enrolled individual's successful completion of the program's diploma requirements.
- Permits a provider to request DEW to permit an eligible individual to enroll in a program for more than the three permitted school years 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 DEW.

Competency-based adult education programs

- Authorizes DEW to adopt rules for the programs as necessary, including program standards, requirements for determining amounts paid to providers, and guidelines for approving hardship requests for program participants.
- Permits an individual enrolled in the Adult Diploma Program or 22+ Adult High School Diploma Program to either complete that program, so long as the individual completes it by June 30, 2027, or complete a new program established by the bill. Requires DEW to pay an eligible institution or eligible provider as required by the program an individual completes.



Career Technical Education



Career Technical Education

- Beginning in the 26-27 school year, eliminates waivers from a district's obligation to provide career technical education to seventh and eighth graders.
- Removes deadlines for a lead district of a career-technical planning district. Allows the lead district to approve new career-technical education programs year round.

Career Awareness and Exploration Funds

- Requires the lead district of each career technical planning district (CTPD) receiving career awareness and exploration funds to report to DEW on the use of those funds.
- Permits the lead district of a CTPD to use career awareness and exploration funds to provide mentorship opportunities through which students may learn about careers and workforce skills.
- Decreases from \$10 to \$3 the amount multiplied by the enrolled ADM for all districts and schools within a CTPD to calculate the career awareness and exploration funds DEW must pay to the lead district of each CTPD.



Athletics



Ice Hockey

- Allows a superintendent to allow a student enrolled in another district the opportunity to play in the superintendent's districts if the following are met:
 - The district the student is enrolled in does not offer ice hockey
 - The district the student is enrolled in is less than 20 miles from the superintendent's district and
 - The superintendents of both districts enter into an agreement approving the student's participation.

Ice Hockey

- Prohibits requiring the student to enroll in, or be a resident of, the district that offers ice hockey to participate in that district.
- Requires student to be:
 - Of the appropriate age and grade level
 - Fulfill and be subject to the same academic, nonacademic and financial requirements as any other participant, including trying out for a position on the team.

Athletic participation

- Limit the law that allows a student who is the victim of certain offenses to participate in athletics at a different school to only homeschooled students.



Higher Education



FAFSA

- Repeals the requirement that the chancellor of higher education establish and administer a statewide system of regional Free Application for Federal Student Aid (FAFSA) support teams to support public schools with FAFSA completion and college access programming.

Accelerated College and Career Pathways

- Requires the chancellor to determine and provide the criteria for approving accelerated 90-hour degree programs
- Provide technical assistance to each state university during the development of accelerated 90- hour degree programs and aligned model college credit plus pathways
- Identify how students can count credit earned in high school, a nontraditional training program, another state institution of higher education, or work experiences as part of the 90-hour degree programs at a state university
- Annually publish on the ODHE website each 90- hour degree program offered by a state university, the number of students participating in each 90-hour degree program, and the number of students that complete each 90-hour degree program.

Merit scholarships

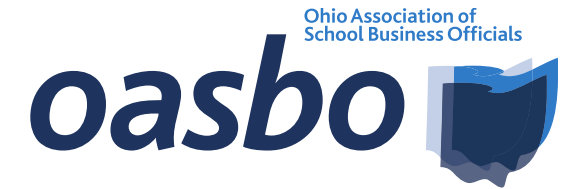
- Continues the merit scholarship program providing \$5,000 per year to the top 5% of each class.
- Requires a student that accepts the scholarship to sign a commitment to reside in Ohio for three years immediately following graduation.

Guaranteed admissions

- Guarantees admission to a state institution of higher education for each high school graduate in the top 10% of their class.
- Allows state universities to delay admission to its main campus and instead admit students to a regional campus if the student does not meet standards for unconditional admission.
- Guarantees main campus admission to the top 5%, provided the recipient meets the application and acceptance deadlines for admission to main campus.



Property Taxes And Financial reporting



County Budget Commissions (CBC) - Authority and Procedure

- Allows the **county prosecutor to recuse** himself/herself from the three-member county budget commission, to be **replaced by a county commissioner**. [ORC 5705.27]
- At least once annually, requires CBCs to offer testimony **describing inside millage**, including:
 - The concept and function of inside millage,
 - How it is allocated to various jurisdictions in the county, and
 - The fiscal impact of inside millage. [ORC 5705.27]
- Requires school districts to **obtain approval** from the **county budget commissions** of **each** county in which the district has territory before adjusting **inside millage in a manner that increases tax rates** (i.e., moving inside millage). [ORC 5705.314]

County Budget Commissions (CBC) - Authority and Procedure

- Requires ***all taxing authorities*** that levy property taxes ***to submit a tax budget*** that includes an ***estimate of expenses*** through the end of the current fiscal year.
- Requires comparative statements ***of all funds*** in control of the subdivision for the ***current fiscal year*** and the two preceding fiscal years not already included in the tax budget. [ORC 5705.29]
- ***Removes prohibitions*** on CBCs ***considering the status of reserve balance accounts*** or other certain unexpended funds when determining whether to ***reduce a political subdivision's taxing authority***. [ORC 5705.31]
 - i.e., reserve balance accounts established under ORC 5705.13(A)(1)) and nonexpendable trust fund under ORC 5705.131 can be considered as part of the unencumbered balance or revenue of school district.

County Budget Commissions (CBC) - Authority and Procedure

- ***Allows school districts*** to submit projections of revenue and expenses (i.e., ***the forecast***) with their tax budgets. [ORC 5705.31]
 - ***Requires CBCs to consider*** a school district's submitted projections of revenues and expenditures when reviewing the district's tax budget.
- Requires ***declaration of intent*** to collect, or forgo, all or a portion of, additional revenue due to inside millage growth or ***20-mill floor*** calculation. [ORC 5705.29]
- Allows ***CBCs to reduce millage*** by ***request of the taxing authority*** and limits mandatory approval for debt levies to those that remain necessary to pay unsatisfied debt. [ORC 5705.31]
- Requires ***CBCs to reduce levy rates*** when ***a taxing authority forgoes*** increased revenues due to property inflation. [ORC 5705.31; 5705.32]
- Places the ***burden of proof*** on a ***taxing authority*** to show the ***need for additional revenue when challenging any levy reductions made by the CBC*** before the Board of Tax Appeals (BTA). [ORC 5705.37]

Operational Revenue and Expenditure Report - Changes to the Forecast

- Each board of education must submit to DEW:
 - ***Appropriations, revenue, and fund balance assumptions*** contained in the ***budget*** adopted by the board for the ***current fiscal year; and***
 - ***Projections*** of expenditures, revenues, and fund balance for the ***three succeeding fiscal years***.
- Requires **DEW and AOS to jointly adopt rules** governing the submission:
 - Requires the rules ***to specify the information*** required for current budget information and three-year forecast submissions **and**
 - Any ***additional*** school district ***financial and operating information necessary for the audits and analyses*** conducted by AOS or DEW, ***including special and federal funds expenditures, revenues, and balances***.
 - More details to come from DEW!

Operational Revenue and Expenditure Report - Changes to the Forecast

- **Submission deadline:**
 - Current budget information and three-year projections by **August 31** of each fiscal year.
 - Updated information and projections **by the last day of February** of that fiscal year.
 - For FY26, initial submission by **October 15, 2025**.
- AOS or DEW must examine the forecast to determine whether a district has the **potential to incur a deficit** during the **first two years of the three-year period**.
 - Under current law: first three years of the five-year period
- Requires DEW or AOS to label projections regarding property tax allocations as “**state reimbursement for property tax credits**.”

Limit on School District Administrative Expenses

- No board of education of any school district shall expend ***more than 15% of its annual operating budget*** on administrative salaries and benefits and other costs associated with the ***district's administrative offices***.
 - Applies to 2025–2026 school year
- DEW has **not** issued:
 - Formal guidance for this new requirement, or
 - Corresponding data.

Limit on School District Administrative Expenses

What Are Operating Expenses?

- The following document is what was used to calculate Operating Expenses for General Fund: [Exp. Per Pupil Doc.](#)
 - Until further guidance is provided, only 001 and 016 fund expenses are used
 - As noted in document, most capital outlay, debt, transfers, advances, etc. are excluded.
 - Follows CUPP calculation, but just for General Fund
- With the updates to the [USAS Manual](#), this is a good time to be review account coding.

School District Income Tax – Repeal of SDIT on Estates

- Beginning in 2026, the school district income tax will ***no longer*** apply ***to estates***.
- SDIT – Traditional (“All Income”) vs. Earned Income
 - Traditional:
 - SDIT applies to earned income and income generated by estates.
 - Beginning in 2026, applies to earned income only.
 - Earned Income:
 - School districts with an income tax only on "earned income" already do not tax estates.

Property Tax Reduction Screening System

- Creates a statewide screening system administered by the Department of Tax (TAX) to ***evaluate the eligibility*** of owners of real property and manufactured and mobile homes that ***receive the 2.5% owner-occupancy credit*** or a ***homestead exemption***.
- Requires TAX to ***annually report*** to the General Assembly the number of properties whose ***ineligibility was flagged by the system***.
- Requires potential ***homeowners be advised of the eligibility requirements*** for the owner-occupancy credit and of the ***duty to report subsequent ineligibility*** prior to signing closing documents.

Board of Revisions – Limitations on Property Tax Challenges

- Modifies the requirements for when political subdivisions may file property tax complaints and counter-complaints ***by narrowing the existing “recently sold” standard, instead*** allowing a subdivision to file a complaint if, within the ***previous two years***:
 - a conveyance fee statement was filed, or
 - a sale was recorded with the county recorder.
- Requires subdivisions that ***fail to comply*** with property tax complaint filing requirements to ***pay the attorney's fees and costs*** incurred by the property owner in connection with the complaint.

Community Reinvestment Areas (CRAs) – Megaprojects

- Authorizes a county, municipality, or home rule township to amend an existing community reinvestment area (CRA) agreement to ***extend the term of the CRA tax exemption to a total of 30 years*** for an existing building that is expected to be the site of a megaproject or owned or occupied by a megaproject supplier.
- A building may qualify for a CRA tax exemption as part of a megaproject so long as it is owned or occupied, as opposed to owned and occupied, by a megaproject operator or supplier.
- A political subdivision that does not own the property subject to a CRA exemption but has an obligation to pay property taxes on that building, is not a required party to an agreement for commercial CRA property tax exemption purposes.



Miscellaneous



Ohio Student Eye Exam Program (OhioSEE)

- Requires the department of health (ODH) to establish the program
- Allows vision care services to be provided to K-3 students who fail vision screenings and lack access to follow-up care.
- Requires ODH to focus on improving the percentage of vision care referrals completed, increasing student access to eye exams and providing necessary eyewear to eligible students.

Construction projects contract

- Expand the district contract bidding process for planning construction projects that exceed the competitive bidding threshold amount from work on any school building to work on any building or other property.

Classical school

- Defines as a community school that is a member of the Ohio Classical School Association or its successor organization and uses a curriculum similar to that of a nationally recognized classical school network.
- Allows classical schools to administer paper pencil state assessments.
- Requires a classical school to administer a state assessment in an online format to any student whose IEP or 504 plan specifies that taking an assessment in that format is an appropriate accommodation.

Reentry Housing

- Prohibits Department of Rehabilitation and Correction's Division of Parole and Community Services from licensing a halfway house, reentry center, or community residential center that operates within 500 feet of a school or child care center.