As Introduced

136th General Assembly
Regular Session **H. B. No. 1012**
2025-2026

Representatives White, A., Abrams

Cosponsors: Representatives Manning, Odioso, Plummer, Young

To amend section 3317.0215 of the Revised Code and to amend Sections 265.10 as subsequently amended, 265.20, and 265.210 of H.B. 96 of the 136th General Assembly regarding the threshold cost pool for school districts serving students whose services exceed the special education threshold cost and to make an appropriation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 3317.0215 of the Revised Code be amended to read as follows:

Sec. 3317.0215. (A)(1) ~~For fiscal years 2026 and 2027, the department of education and workforce shall withhold from the aggregate amount paid for a fiscal year to each city, local, exempted village, and joint vocational school district an amount equal to the following:~~

~~(a) In the case of a city, local, or exempted village school district, the aggregate amount of special education funding paid to the district under division (A)(3) of section 3317.022 of the Revised Code times 0.10, subject to any funding limitations enacted by the general assembly to the computation.~~

~~(b) In the case of a joint vocational school district, the aggregate amount of special education funding paid to the school under division (A)(2) of section 3317.16 of the Revised Code times 0.10, subject to any funding limitations enacted by the general assembly to the computation.~~

~~(2) For fiscal year 2028 and each fiscal year thereafter, the department shall withhold from the aggregate amount paid for a fiscal year to each city, local, exempted village, and joint vocational school district an amount determined by the general assembly, if any, for purposes of this section.~~

~~(B) For fiscal years 2026 and 2027, the department shall use the amount of funds withheld under division (A) of this section for purposes of section 3317.0214 of the Revised Code and division (B) of section 3317.16 of the Revised Code.~~

~~For fiscal year 2028 and each fiscal year thereafter, the department shall use the amount of funds withheld under division (A) of this section, if any, for purposes determined by the general assembly.~~

~~(C)(1)~~ For fiscal years 2026 and 2027, the department of education and workforce shall withhold from the aggregate amount paid for a fiscal year to each community school established under Chapter 3314. of the Revised Code and STEM school established under Chapter 3326. of the Revised Code an amount equal to the aggregate amount of special education funding paid to the school under division (A)(1)(b) of section 3317.026 of the Revised Code times 0.05, subject to any funding limitations enacted by the general assembly to the computation.

(2) For fiscal year 2028 and each fiscal year thereafter, the department shall withhold from the aggregate amount paid for

a fiscal year to each community school and STEM school an amount determined by the general assembly, if any, for purposes of this section.

~~(D)(1)~~(B)(1) For fiscal years 2026 and 2027, the department shall use the amount of funds withheld under division ~~(C)~~(A) of this section for purposes of division (C)(1) of section 3314.08 of the Revised Code and section 3326.34 of the Revised Code. Any unused funds shall be redistributed by the department, in a manner determined by the department, to community schools and STEM schools in the same proportion that the funds were originally contributed.

(2) For fiscal year 2028 and each fiscal year thereafter, the department shall use the amount of funds withheld under division ~~(C)~~(A) of this section, if any, for purposes determined by the general assembly.

Section 2. That existing section 3317.0215 of the Revised Code is hereby repealed.

Section 3. That Sections 265.10 (as amended by H.B. 434 of the 136th General Assembly), 265.20, and 265.210 of H.B. 96 of the 136th General Assembly be amended to read as follows:

Sec. 265.10.

	1	2	3	4	5
A			EDU DEPARTMENT OF EDUCATION AND WORKFORCE		
B	General Revenue Fund				
C	GRF	200321	Operating Expenses	$14,474,898	$15,054,312

D	GRF	200402	Special Education Threshold Cost Reimbursement	$0	$360,000,000
E	GRF	200416	Career Technical Education	$2,500,000	$2,500,000
F	GRF	200420	Information Technology Development and Support	$4,231,479	$4,316,527
G	GRF	200422	School Management Assistance	$2,800,000	$2,800,000
H	GRF	200424	Policy Analysis	$500,000	$516,419
I	GRF	200426	Ohio Educational Computer Network	$18,994,000	$18,994,000
J	GRF	200427	Academic Standards	$5,535,410	$5,429,033
K	GRF	200437	Student Assessment	$50,609,125	$50,882,346
L	GRF	200439	Accountability/Report Cards	$7,369,440	$7,437,742
M	GRF	200446	Education Management Information System	$9,958,226	$10,325,278
N	GRF	200448	Educator and Principal Preparation	$4,663,493	$4,676,754
O	GRF	200455	Community Schools and Choice Programs	$4,370,165	$4,446,705

P	GRF	200457	STEM Initiatives	$500,000	$500,000
Q	GRF	200465	Education Technology Resources	$2,893,949	$2,906,346
R	GRF	200478	Industry-Recognized Credentials High School Students	$16,000,000	$16,000,000
S	GRF	200502	Pupil Transportation	$882,035,414	$959,429,701
T	GRF	200505	School Meal Programs	$13,163,000	$13,163,000
U	GRF	200511	Auxiliary Services	$170,292,963	$172,262,613
V	GRF	200532	Nonpublic Administrative Cost Reimbursement	$76,935,110	$77,824,960
W	GRF	200540	Special Education Enhancements	$193,272,426	$193,272,426
X	GRF	200545	Career-Technical Education Enhancements	$13,413,000	$13,413,000
Y	GRF	200550	Foundation Funding - All Students	$8,457,598,772	$8,733,217,991
Z	GRF	200566	Literacy Improvement	$2,472,674	$2,500,000
AA	GRF	200572	Adult Education Programs	$9,348,399	$15,688,404
AB	GRF	200574	Half-Mill Maintenance Equalization	$6,420,640	$6,152,450
AC	GRF	200576	Adaptive Sports Program	$400,000	$400,000

AD	GRF	200597	Program and Project Support	$2,850,000	$2,750,000
AE	General Revenue Fund Total			$9,973,602,583	~~$10,336,860,007~~ $10,696,860,007
AF	Dedicated Purpose Fund Group				
AG	4520	200638	Charges and Reimbursements	$1,500,000	$1,500,000
AH	5980	200659	Auxiliary Services Reimbursement	$650,000	$650,000
AI	5H30	200687	School District Solvency Assistance	$2,000,000	$2,000,000
AJ	5KX0	200691	Ohio School Sponsorship Program	$1,900,000	$1,900,000
AK	5MM0	200677	Child Nutrition Refunds	$550,000	$550,000
AL	5U20	200685	National Education Statistics	$185,000	$185,000
AM	5VS0	200604	Foundation Funding - All Students	$600,000,000	$600,000,000
AN	5YO0	200491	Public and Nonpublic Education Support	$171,200,000	$171,200,000
AO	6200	200615	Educational Improvement Grants	$600,000	$600,000

AP	Dedicated Purpose Fund Group Total			$778,585,000	$778,585,000
AQ	Internal Service Activity Fund Group				
AR	1380	200606	Information Technology Development and Support	$18,394,387	$18,597,721
AS	4R70	200695	Indirect Operational Support	$9,944,311	$10,166,435
AT	4V70	200633	Interagency Program Support	$3,000,000	$3,000,000
AU	Internal Service Activity Fund Group Total			$31,338,698	$31,764,156
AV	State Lottery Fund Group				
AW	7017	200413	School Bus Safety	$10,000,000	$0
AX	7017	200612	Foundation Funding - All Students	$1,436,583,202	$1,398,174,884
AY	7017	200614	Accelerate Great Schools	$1,500,000	$1,500,000
AZ	7017	200631	Quality Community and Independent STEM Schools Support	$115,000,000	$125,000,000
BA	7017	200684	Community School Facilities	$90,155,000	$90,155,000
BB	7017	2006A7	Literacy Coaches	$12,000,000	$12,000,000
BC	State Lottery Fund Group Total			$1,665,238,202	$1,626,829,884

BD	Federal Fund Group				
BE	3120	2006A9	Aspire - Federal	$0	$18,996,799
BF	3670	200607	School Food Services	$13,379,350	$13,379,350
BG	3700	200624	Education of Exceptional Children	$1,750,000	$1,750,000
BH	3AF0	657601	Schools Medicaid Administrative Claims	$150,000	$150,000
BI	3EH0	200620	Migrant Education	$1,700,000	$1,700,000
BJ	3EJ0	200622	Homeless Children Education	$4,823,000	$5,112,380
BK	3GE0	200674	Summer Food Service Program	$23,000,000	$23,000,000
BL	3GG0	200676	Fresh Fruit and Vegetable Program	$5,500,000	$6,000,000
BM	3HF0	200649	Federal Education Grants	$5,000,000	$5,000,000
BN	3HI0	200634	Student Support and Academic Enrichment	$54,131,000	$50,604,930
BO	3HL0	200678	Comprehensive Literacy State Development Program	$14,630,000	$14,630,000
BP	3L60	200617	Federal School Lunch	$565,999,000	$595,000,000
BQ	3L70	200618	Federal School Breakfast	$195,000,000	$205,000,000

BR	3L80	200619	Child/Adult Food Programs	$116,000,000	$118,000,000
BS	3L90	200621	Career-Technical Education Basic Grant	$56,680,000	$58,947,200
BT	3M00	200623	ESEA Title 1A	$677,740,000	$698,072,200
BU	3M20	200680	Individuals with Disabilities Education Act	$530,400,000	$541,008,000
BV	3Y20	200688	21st Century Community Learning Centers	$47,940,000	$48,898,800
BW	3Y60	200635	Improving Teacher Quality	$77,157,900	$78,701,058
BX	3Y70	200689	English Language Acquisition	$13,728,000	$14,277,120
BY	3Y80	200639	Rural and Low Income Technical Assistance	$3,300,000	$3,300,000
BZ	3Z20	200690	State Assessments	$11,500,000	$11,500,000
CA	3Z30	200645	Consolidated Federal Grant Administration	$15,000,000	$15,000,000
CB	Federal Fund Group Total			$2,434,508,250	$2,528,027,837
CC	TOTAL ALL BUDGET FUND GROUPS			$14,883,272,733	~~$15,302,066,884~~ $15,662,066,884

Sec. 265.20. SPECIAL EDUCATION THRESHOLD COST REIMBURSEMENT

The foregoing appropriation item 200402, Special Education Threshold Cost Reimbursement, shall be used to provide additional state aid to city, local, exempted village, and joint vocational school districts for special education students under section 3317.0214 and division (B) of section 3317.16 of the Revised Code.

CAREER-TECHNICAL EDUCATION

A portion of the foregoing appropriation item 200416, Career-Technical Education, shall be used by the Department of Education and Workforce to provide matching funds related to career-technical education under 20 U.S.C. 2321.

Sec. 265.210. FOUNDATION FUNDING - ALL STUDENTS

Of the portion of the formula aid distributed to city, local, ~~and~~ exempted village~~ school districts~~, and joint vocational school districts~~, community schools, and STEM schools~~ under this section, an amount in ~~each~~ fiscal year 2026, as calculated by the Department of Education and Workforce, shall be used for the purposes of division (B) of section 3317.0215 of the Revised Code, as that division existed prior to the effective date of this amendment.

Of the portion of the formula aid distributed to community schools and STEM schools under this section, an amount in each fiscal year, as calculated by the Department, shall be used for the purposes of section 3317.0215 of the Revised Code.

Of the foregoing appropriation item 200550, Foundation Funding - All Students, an amount in each fiscal year shall be used to make additional aid payments to city, local, and exempted village school districts pursuant to the section of ~~this act~~ H.B. 96 of the 136th General Assembly entitled

"PERFORMANCE SUPPLEMENT."

Of the foregoing appropriation item 200550, Foundation Funding - All Students, up to $5,733,404 in each fiscal year shall be used to fund gifted education at educational service centers. The Department shall distribute the funding through the unit-based funding methodology in place under division (L) of section 3317.024, division (E) of section 3317.05, and divisions (A), (B), and (C) of section 3317.053 of the Revised Code as they existed prior to fiscal year 2010.

Of the foregoing appropriation item 200550, Foundation Funding - All Students, up to $49,152,105 in fiscal year 2026 and up to $51,023,465 in fiscal year 2027 shall be reserved to fund the state reimbursement of educational service centers under section 3317.11 of the Revised Code.

Of the foregoing appropriation item 200550, Foundation Funding - All Students, up to $3,500,000 in each fiscal year shall be distributed to educational service centers for school improvement initiatives and for the provision of technical assistance to schools and districts consistent with requirements of section 3312.01 of the Revised Code. The Department may distribute these funds through a competitive grant process.

Of the foregoing appropriation item 200550, Foundation Funding - All Students, up to $7,000,000 in each fiscal year shall be reserved for payments under the section of ~~this act~~ <u>H.B. 96 of the 136th General Assembly</u> entitled "POWER PLANT VALUATION ADJUSTMENT." If this amount is not sufficient, the Director of Education and Workforce may reallocate excess funds for other purposes supported by this appropriation item in order to fully pay the amounts required by that section, provided that the aggregate amount appropriated in appropriation item 200550, Foundation Funding - All Students, is not exceeded.

Of the foregoing appropriation item 200550, Foundation Funding - All Students, up to $10,400,000 in fiscal year 2026 and up to $10,800,000 in fiscal year 2027 shall be used to support the administration of state scholarship programs.

Of the foregoing appropriation item 200550, Foundation Funding – All Students, up to $1,000,000 in each fiscal year shall be distributed to the Cleveland Municipal School District to provide tutorial assistance as provided in division (B) of section 3313.979 of the Revised Code. The Cleveland Municipal School District shall report the use of these funds in the district's three-year continuous improvement plan as described in section 3302.04 of the Revised Code in a manner approved by the Department.

Of the foregoing appropriation item 200550, Foundation Funding - All Students, up to $3,500,000 in each fiscal year may be used for payment of the College Credit Plus Program for students instructed at home pursuant to section 3321.04 of the Revised Code.

Of the foregoing appropriation item 200550, Foundation Funding - All Students, an amount shall be available in each fiscal year to be paid to joint vocational school districts in accordance with sections 3317.16 and 3317.162 of the Revised Code and the section of ~~this act~~ H.B. 96 of the 136th General Assembly entitled "FORMULA TRANSITION SUPPLEMENT."

Of the foregoing appropriation item 200550, Foundation Funding - All Students, up to $700,000 in each fiscal year shall be used by the Department for a program to pay for educational services for youth who have been assigned by a juvenile court or other authorized agency to any of the facilities described in division (A) of the section of ~~this act~~ H.B. 96 of the 136th General Assembly entitled "PRIVATE TREATMENT FACILITY PROJECT."

Of the foregoing appropriation item 200550, Foundation Funding - All Students, a portion may be used to pay college-preparatory boarding schools the per pupil boarding amount pursuant to section 3328.34 of the Revised Code.

Of the foregoing appropriation item 200550, Foundation Funding - All Students, up to $1,500,000 in each fiscal year shall be distributed to the Ohio STEM Learning Network to support the expansion of free STEM programming aligned to Ohio's STEM priorities, to create regional STEM supports targeting underserved student populations, and to support the Ohio STEM Committee's STEM school designation process.

Of the foregoing appropriation item 200550, Foundation Funding - All Students, up to $1,500,000 in each fiscal year shall be used by the Department to support the Stay in the Game! Network and efforts to reduce chronic absenteeism.

Of the foregoing appropriation item 200550, Foundation Funding - All Students, up to $750,000 in fiscal year 2026 shall be used to make payments pursuant to the section of ~~this act~~ H.B. 96 of the 136th General Assembly entitled "AIM HIGHER PILOT PROGRAM."

The remainder of the foregoing appropriation item 200550, Foundation Funding - All Students, shall be used to distribute the amounts calculated for formula aid under division (A)(1) of section 3317.019 of the Revised Code, sections 3317.022 and 3317.22 of the Revised Code, and the sections of ~~this act~~ H.B. 96 of the 136th General Assembly entitled "FORMULA TRANSITION

SUPPLEMENT" and "FUNDING SUPPLEMENTS."

Appropriation items 200502, Pupil Transportation, and 200550, Foundation Funding - All Students, other than specific set-asides, are collectively used in each fiscal year to pay state formula aid obligations for school districts, community schools, STEM schools, college preparatory boarding schools, joint vocational school districts, and state scholarship programs under ~~this act~~H.B. 96 of the 136th General Assembly. The first priority of these appropriation items, with the exception of specific set-asides, is to fund state formula aid obligations. It may be necessary to reallocate funds among these appropriation items or use excess funds from other General Revenue Fund appropriation items in the Department of Education and Workforce's budget, including appropriation item 200903, Property Tax Reimbursement - Education, in each fiscal year in order to meet state formula aid obligations. If it is determined that it is necessary to transfer funds among these appropriation items or to transfer funds from other General Revenue Fund appropriations in the Department's budget to meet state formula aid obligations, the Director of Education and Workforce shall seek approval from the Director of Budget and Management to transfer funds as needed.

The Director of Education and Workforce shall make payments, transfers, and deductions, as authorized by Title XXXIII of the Revised Code in amounts substantially equal to those made in the prior year, or otherwise, at the discretion of the Director, until at least the effective date of the amendments and enactments made to Title XXXIII of the Revised Code by ~~this act~~H.B. 96 of the 136th General Assembly. Any funds paid to districts or schools under this section shall be credited toward the annual funds calculated for the district or school after the changes made to Title XXXIII of the Revised Code in ~~this act~~ H.B. 96 of the 136th General Assembly are effective. Upon the effective date of changes made to Title XXXIII of the Revised Code in ~~this act~~H.B. 96 of the 136th General Assembly, funds shall be calculated as an annual amount.

Section 4. That existing Sections 265.10 (as amended by H.B. 434 of the 136th General Assembly), 265.20, and 265.210 of H.B. 96 of the 136th General Assembly are hereby repealed.