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# OHIO LEGISLATIVE SERVICE COMMISSION

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Legislative Budget  
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H.B. 455  
(1\_136\_1709-6)  
136<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 455's Bill Analysis](#)

**Version:** In Senate Education

**Primary Sponsors:** Reps. Manning and Bird

**Local Impact Statement Procedure Required:** No

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### Highlights

- The bill may result in minimal GRF expenditures for DEW to modify the state report cards.
- Overall, the bill may decrease administrative or other operating costs for DEW, school districts, and other public schools by eliminating or revising various programs, requirements, and provisions in education law.
- The bill likely will lead, on the whole, to decreased internet- or computer-based community school (e-school) costs by permitting e-school students to complete state tests remotely in an online format with a remote proctor.
- However, the Department of Education and Workforce (DEW) estimates the remote testing provision will increase state testing system costs, which are primarily funded by the GRF, by \$67,000 in the first year remote tests are offered and by \$25,000 each year thereafter, with additional costs for pilot programs for individual e-schools before they remotely administer state tests with accountability implications.
- State Board of Education (SBE) operating costs may increase in the tens of thousands of dollars annually due to the bill expanding the Board's membership from five to nine members. SBE's operating costs are primarily funded by the Occupational Licensing and Regulatory Fund (Fund 4K90).
- The bill may increase Early Childhood Education Grant Program expenditures from the GRF, subject to available appropriations, by making changes to the permitted use of funds and expanding program eligibility.
- The Department of Children and Youth (DCY) could experience one-time administrative and information technology costs to change the application process and the online portal

for the Post Adoption Special Services Subsidy (PASSS). There might be some reduced administrative costs if the bill's changes simplified any administrative procedures.

- The bill establishes a pilot program to create a specialized truancy court docket program in the Franklin County Court of Common Pleas. The court would absorb any resulting additional administrative expenses with existing staff and appropriated resources. The pilot expires on June 30, 2027.

## Detailed Analysis

### Overview

The bill makes changes to a variety of education and other laws, the overarching goal of which is to reduce regulatory and administrative requirements on the Department of Education and Workforce (DEW), school districts, and other public schools. The bill's fiscal effects are discussed below.

### Department of Education and Workforce

#### State report card

The bill makes various changes to the calculation and content of state report cards. The bill modifies the way that DEW calculates the College, Career, Workforce, and Military Readiness (CCWMR) and Graduation components, which may result in minimal costs to DEW to modify the state report cards. H.B. 96 of the 136<sup>th</sup> General Assembly, the current main operating budget act, appropriates \$7.4 million in each of FY 2026 and FY 2027 from GRF line item 200439, Accountability/Report Cards, for the administration of the state's accountability system and report cards. Additional appropriation is used for data collection. Specifically, the bill:

- Modifies the calculation of the existing CCWMR postsecondary readiness measure to expand how a student may meet the criteria for demonstrating readiness;
- Replaces the four-year and five-year adjusted cohort graduation rates as performance measures with new report-only measures that are the same as current law, except that both must include as "graduates" any students with an individualized education program (IEP) who have satisfied the conditions for a high school diploma but opted not to receive a diploma at the time the graduation requirements were met but will receive a diploma prior to the student's 22<sup>nd</sup> birthday, and are still receiving services. Few students fall into this category. In the 2024-2025 school year, enrollment of these students amounted to 1,651 students, or 0.1% of statewide enrollment.

On the other hand, the bill eliminates various requirements associated with the state report cards, which may reduce DEW workload or administrative costs. The provisions eliminate the requirements for DEW to:

- Annually rank public schools by student performance growth using the value-added progress dimension or other related measures;
- Annually submit preliminary state report card data for each public school (DEW indicates that this data is already available to districts and schools through a secure data portal);
- Include in each district and school report card a report on students' success in meeting state physical education benchmarks; compliance with federal Women, Infant, and

Children (WIC) health and nutrition policies; and participation in a physical activity pilot program.

## **Reduction in administrative responsibilities**

Various provisions of the bill may reduce administrative workload or costs for DEW and districts and schools. These provisions are briefly discussed below.

- **DPIA reporting.** The bill eliminates the requirements for school districts and other public schools to annually report to DEW a description of their initiatives funded by disadvantaged pupil impact aid (DPIA), and for DEW to issue a report with that information to the General Assembly by December 1 of each odd-numbered year. Instead, it requires DEW to develop a uniform mechanism for each public school to annually report its total DPIA funding and the expenditure of that funding, and requires DEW to publish that expenditure data on its website by October 31 of each year. DEW indicates that the provision will streamline reporting through the use of a single accounting code that districts and schools will use to report DPIA expenditures within the uniform school accounting system.
- **EMIS guidelines.** The bill limits the Education Management Information System (EMIS) instructional documents that are subject to the public review and comment procedure established under continuing law to only the EMIS manual, rather than all DEW-issued guidance on student, staff, and financial information to be collected and reported, and any guidelines necessary to implement EMIS. It also exempts various DEW actions with respect to EMIS from the public review and comment procedure.
- **Eliminated reporting.** The bill eliminates annual reporting requirements for (1) public and chartered nonpublic schools and DEW regarding students with diabetes, (2) district treasurers on the investment of interim moneys to DEW and the Auditor of State, (3) DEW to prepare an annual report on its activities and the status, problems, and needs of education in the state, with recommendations for necessary legislative action and a ten-year projection of the state's public and nonpublic school enrollment by year and grade level, (4) school districts to indicate their compliance with various state mandates, and (5) ODHE and DEW to recommend policies and strategies to reduce the need for academic remediation and developmental courses at state institutions of higher education.
- **Required postings.** The bill permits a school district to post certain notices on its website instead of physically doing so in its schools.

## **Remote administration of state assessments**

The bill permits students enrolled at an internet- or computer-based community school (e-school) to complete any state assessment remotely in an online format under certain criteria intended to ensure test security and prevent cheating. Also, the bill requires that e-schools provide information on testing and proctoring options to parents, conduct a meeting with parents or legal guardians to discuss testing options, and accommodate each parent or guardian's preferred testing option to the best of their ability. The bill requires e-schools to administer an in-person test to students with an individualized education program that specifies that an in-person test is preferred. Currently, students must take state tests in person in rooms

designated for test administration. E-schools in particular must provide their students a location within a 50-mile radius of the student's residence at which to complete the state tests. The bill limits this 50-mile radius requirement to apply only to students who elect to test in person. The bill requires that DEW, by September 15 each year, publish a report analyzing the results of these remote assessments to identify whether there were any signs of cheating or anomalous results.

According to a representative from the Ohio Online Learning Coalition, e-schools carry costs associated with facilities fees, travel cost reimbursements for students and staff, and other costs associated with testing. The bill may substantially decrease these costs. However, the implementation of remote testing may increase information technology (IT) costs for e-schools, and the requirement that e-schools conduct meetings with parents and guardians may increase their administrative workload. Any increases in IT or administrative costs are expected to be less than the savings associated with testing facilities.

Implementation of remote testing will increase costs for DEW depending on specifications for test administration. According to DEW, the current testing platform supports integrated camera proctoring and is an available option under the state's current testing contract. DEW estimated, following a remote test administration pilot program required by S.B. 168 of the 135<sup>th</sup> General Assembly,<sup>1</sup> that state testing system costs to implement remote test administration for e-schools will be \$67,000 for the first live remote administration and \$25,000 annually thereafter. In addition, DEW recommends that e-schools desiring to participate in remote administration conduct a pilot program prior to implementing live administration of state tests with accountability implications, which would result in some additional annual cost.<sup>2</sup> The reporting requirement also may add to the cost, but likely by no more than a minimal amount. State testing system costs are mainly funded by the GRF.

## **State Board of Education appointments**

Under current law enacted in H.B. 96 of the 136<sup>th</sup> General Assembly, the current main operating budget act, the membership of the State Board of Education (SBE) will gradually decrease from 19 members, 11 of which were elected and eight of which were appointed by the Governor, to five members who are all appointed. Current law decreases SBE's membership by abolishing the offices of the elected members as terms expire or the offices are vacated and by abolishing the offices of the first three appointed members whose terms expire or who vacate their offices.

The bill, ultimately, increases SBE membership to nine appointed members by eliminating current law that abolishes the offices of the first three appointed members whose terms expire or who vacate their offices and adding one new seat. New appointments have terms that begin

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<sup>1</sup> See DEW's September 2025 [Remote Proctoring Pilot Report \(PDF\)](#), which is accessible by conducting a keyword "remote proctoring" search of the DEW website: [education.ohio.gov](http://education.ohio.gov).

<sup>2</sup> DEW used "benchmark" tests, which it described as full-length tests that cover the same grade levels and subject areas as Ohio's State Tests, are aligned to Ohio's Learning Standards, and report student results using familiar measures such as scale scores and performance levels. These tests do not have accountability implications but still closely mimic a live administration of a state test. Presumably, the pilot programs for individual e-schools would be similar.

January 1, 2027. The elected member seats continue to be abolished as terms expire through the end of calendar year 2028.

Each SBE member receives \$32.02 per hour in compensation for the performance of official duties. Based on recent payroll data, SBE members received an average of approximately \$2,500 to \$3,500 in annual compensation per year. The bill increases SBE's expenditures for the compensation of four additional appointed members by a total of approximately \$10,000 to \$14,000 per year. SBE members also receive travel reimbursements, which may increase to some degree as well. SBE's operating costs are mainly paid from the Occupational Licensing and Regulatory Fund (Fund 4K90). Fund 4K90 is a shared operating fund for many occupational licensing and regulatory boards and commissions that are primarily supported by license fees, fines, penalties, and other assessments.

## **Innovative education programs**

Under continuing law, school districts, ESCs, and chartered nonpublic schools can apply to DEW proposing an innovative education pilot program that exempts the district, ESC, or school from specific statutory provisions or rules. The bill permits community and STEM schools to apply to establish an innovative education pilot program in the same manner as districts, ESCs, and chartered nonpublic schools. This broadened applicant pool may result in an increase in DEW's administrative workload if the number of applications needed to be processed and reviewed significantly increases. The bill also adds the implementation of the Science of Reading, including its related professional development requirements, to the list of requirements from which a district, ESC, or school may not be exempted. Districts and schools have been required to use curriculum, instructional materials, and intervention programs aligned to the Science of Reading since the 2024-2025 school year, and district and school educators generally have been required to complete professional development coursework in the Science of Reading since June 30, 2025.<sup>3</sup> According to DEW, there have been no requests to waive Science of Reading requirements. The bill also requires DEW to promote innovative educational programs designed to increase student achievement and engagement, improve student wellness, and prepare students for the workforce and postsecondary education. This may increase DEW's administrative workload.

In a separate provision, the bill eliminates all laws regarding school districts of innovation designations. In its most recent annual report on school districts of innovation,<sup>4</sup> DEW indicates that they are a highly prescriptive option. Since its enactment in 2011, only one school district applied and was approved to be designated as a school district of innovation. The lone district designated is Noble Local School District in Noble County. According to DEW, the district received

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<sup>3</sup> In general, teachers and administrators employed before July 1, 2025, were required to complete an Introduction to the Science of Reading professional development course pathway or a similar, DEW-approved course by June 30, 2025. These teachers and administrators must complete a refresher course by June 30, 2030, and every five years thereafter. Teachers and administrators hired on or after July 1, 2025, must complete the introduction course within one year of being hired and a refresher course every five years after that.

<sup>4</sup> See the [2025 School Districts of Innovation Annual Report \(PDF\)](#), which may be accessed by conducting a keyword "2025 School Districts of Innovation" search on the Ohio Department of Education and Workforce's website: [education.ohio.gov](http://education.ohio.gov).

the designation in February 2023 to allow it to make up an unlimited number of days of instruction (instead of up to three as permitted by current law) through online classroom lessons when the district's schools needed to close due to inclement weather. Repealing the school district of innovation statute means the remaining option for innovative programs moving forward will be the innovative education pilot program described above, which DEW describes as more flexible. Furthermore, DEW would be alleviated of any administrative costs and responsibilities associated with school districts of innovation, including compiling an annual report, reviewing applications, and conducting performance reviews.

### **City civil service commission exemption**

The bill allows a city school district and its city to enter into a written agreement that exempts the district, in whole or in part, from the jurisdiction of the city's civil service commission. Civil service commissions generally oversee employment practices for certain classifications of public employees, including most nonteaching staff in applicable school districts. However, according to the Ohio School Boards Association (OSBA), a city may enact an ordinance limiting the jurisdiction of its civil service commission to city employees only, meaning that the employees of the city school district would be excluded and the civil service law would have no authority in the district. In addition, OSBA explains that many districts can already opt out of most civil service requirements through the collective bargaining process.<sup>5</sup> It is unclear how many cities and districts have taken either action. However, districts that opt out of a civil service commission's jurisdiction under the bill may be able to streamline employment and dispute resolution processes.

### **School district of attendance**

The bill allows a child whose parents have never been married to enroll in the school district where the child's residential parent and legal custodian resides. This provision appears to resolve an apparent conflict in current law regarding custody rights of unmarried parents. Under existing law, an unmarried mother is presumed to be the child's sole residential parent and legal custodian unless a court order designates someone else. Without legal custody, a parent lacks certain rights, such as signing permission slips, authorizing emergency medical care, and obtaining visitation or custody without court documentation. Currently, legal custody is only considered for school enrollment when parents have undergone legal separation, divorce, dissolution, or annulment.

The fiscal effect of this provision will depend on the number of children currently enrolled in a school district where a noncustodial parent resides, while the custodial parent lives in a different district. State aid may shift between school districts for each child who enrolls in a different district as a result of the bill. While the number of children enrolled under these circumstances is unclear, LBO presumes it is relatively small for any given district, with any associated fiscal effects likely minimal.

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<sup>5</sup> See OSBA's [2024 Human Resources Desktop Reference Guide to School Law \(PDF\)](#), which is available on OSBA's website: [ohioschoolboards.org/resources-topic](https://ohioschoolboards.org/resources-topic).

## **Provisions regarding licensed educators**

### **Disqualifying offenses for school licensure and employment**

The bill requires the State Board of Education to automatically revoke or deny renewal of any license issued to a person who pleads guilty to, is found guilty of, or is convicted of domestic violence, strangulation, or grooming. This may minimally increase administrative workload for the State Board if the provision leads to additional referrals and investigations, though any additional cases likely can be supported by existing resources. The bill's provisions may already be in practice by the State Board. The Licensure Code of Professional Conduct for Ohio Educators provides for a continuum of disciplinary action, including license revocation or denial, for educators that are convicted or plead guilty to a crime or fail to maintain professional relationships with students.<sup>6</sup> The bill also adds strangulation, grooming, and prostitution, unless the person was coerced into committing the offense, to the list of criminal offenses that disqualify a person from employment in a public school, chartered nonpublic school, or educational service center.

### **Alternative resident educator license grade levels**

The bill also contains a provision that provides flexibility for school districts in meeting staffing needs. The bill requires SBE to add additional grade levels to an individual's alternative resident educator license to authorize the individual to provide instruction at any grade level from preK-12 or any combination of grade levels based on local staffing needs if certain conditions are met with respect to the educator's educational or professional experience, competency, and pedagogical training. An alternative resident educator license is an entry-level license for a teacher who has not completed a traditional teacher preparation program, but who instead meets other specified education and testing requirements and agrees to complete other conditions while teaching under the license. As of May 2026, nearly 2,400 individuals hold an active alternative resident educator license.

### **Science of Reading training for licensed educators**

Under continuing law, each teacher, administrator, school psychologist, and speech-language pathologist employed by a school district or other public school must complete a DEW competency-based refresher course on the Science of Reading every five years. The bill requires DEW to develop and maintain an approved list of more rigorous alternative training courses. An educator who completes a more rigorous approved course satisfies the five-year requirement in lieu of the standard refresher. The bill may result in minimal administrative costs to DEW to develop and maintain the approved list.

### **Early Childhood Education Grant Program**

The bill makes changes to the law governing the Early Childhood Education (ECE) Grant Program, which supports early childhood education programs that meet certain conditions and provide educational services for children who are at least three years old but not yet eligible for kindergarten and generally are from families with incomes below 200% of the federal poverty level (FPL). The bill's changes to the permitted use of ECE Grant Program appropriations and

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<sup>6</sup> See the [Licensure Code of Professional Conduct for Ohio Educators \(PDF\)](https://sboe.ohio.gov/professional-conduct), which is available on the State Board's website: [sboe.ohio.gov/professional-conduct](https://sboe.ohio.gov/professional-conduct).

program eligibility may increase ECE Grant Program participation and expenditures, subject to available appropriations. The ECE Grant Program is funded by GRF line item 830407, Early Childhood Education, in the Department of Children and Youth (DCY) budget, with appropriations of \$130.3 million in each of FY 2026 and FY 2027.

### **Use of funds**

The bill explicitly requires DCY to use ECE Grant Program funds, other than the 2% that DCY may use for program support and assistance, for grants for early learning and development services. It also permits DCY to use any remaining funds to allow more children to participate in the program or support program expansion, improvement, innovation, or new pilot programs. Any remaining funds used in this way must be targeted to high-need areas. The bill explicitly allows the family of an eligible child to use ECE Grant Program funds in place of other sources of state child care support.

### **Eligibility**

Under current law, a preschool-age child whose family income exceeds 200% FPL is eligible to participate in the ECE Grant Program if the child also has an IEP, is placed with a resource caregiver (such as a foster parent), or is homeless. The bill expands eligibility for children in families with incomes above 200% FPL by also qualifying a child that has exited Ohio's early intervention services program or is a Medicaid recipient or part of a household or assistance group that receives SNAP benefits or participates in Ohio Works First (TANF cash assistance).

In addition, the bill modifies the process for determining a child's eligibility to participate in the ECE Grant Program. Under current law, only the county department of job and family services is responsible for making the eligibility determination. The bill requires the department to consult with the prospective early learning and development program as part of the eligibility process. This change could result in minimal administrative costs, such as additional staff time for coordination, training, and updating procedures for school districts and other public schools that operate early learning and development programs; however, these costs are likely to be absorbed within existing resources.

## **Department of Children and Youth**

### **Post Adoption Special Services Subsidy (PASSS)**

The bill changes the PASSS Program from providing payments for specified services under current law to a one-time grant payment program to fund costs up to \$10,000 per fiscal year for adopted children with special needs. The bill replaces the program's eligibility requirement that DCY determine that the adopted child's special needs expenses exceed the adoptive parents' economic resources with a requirement that adoptive parents' income not exceed 400% of the federal poverty line (FPL) (\$132,000 per year for a family of four in 2026). The bill also repeals several provisions regarding PASSS, including those that require the child's adoptive parents to pay at least 5% of the total cost of all services provided to the child, unless waived by DCY, and those that allow DCY to use other revenue sources to make PASSS payments.

There could be one-time administrative and information technology costs related to the bill's eligibility changes, as changes to the application process and online portal will be necessary. However, there could be some reduced administrative costs if these changes simplified any administrative procedures. The PASSS Program is administered under a contract DCY holds with

Kinnect, a nonprofit organization. Kinnect administers Ohio's Kinship and Adoption Navigator Program (OhioKAN), which includes the PASSS Program. Currently, an adoptive family seeking a subsidy applies online at the PASSS portal. Once an OhioKAN Navigator helps a family gather all required documents, OhioKAN then submits the application to DCY for state approval and funding determination. Rather than requiring DCY to determine that the expenses necessitated by the child's disability or condition are beyond the adoptive parent's economic resources, approval will be based on the family's income. The bill does not change the maximum annual limit per child of \$10,000. Additionally, the program remains subject to available state funds.

## **Franklin County Truancy Court Pilot Program**

The bill creates a pilot program for a truancy court specialized docket program in the Franklin County Court of Common Pleas for habitually truant students to participate in during the 2026-2027 school year. During the pilot period, any case involving an eligible student<sup>7</sup> is required to be transferred to the Truancy Court and the judge of that court has full authority over the case. The pilot program in the Franklin County Court of Common Pleas will expire on June 30, 2027, and all pending cases will be transferred back to the Juvenile Division of the Franklin County Court of Common Pleas on that date. Within 30 days after the expiration of the pilot program, the bill requires the Franklin County Court of Common Pleas to submit a report to the General Assembly, the Governor, and the Supreme Court.

As part of the pilot, if the Truancy Court finds the eligible student has successfully completed the program, the bill requires the court to dismiss the case against the eligible student. If the court finds that the eligible student does not successfully complete the program, the bill allows the court to continue the student in the program; impose a fine (retained by the court) of not more than \$1,000 on the student's parent, guardian, or other responsible adult; issue an order of disposition and adjudication for an unruly child; or refer and transfer the case to the court in which the original complaint was filed for final disposition and adjudication.

The establishment and maintenance of a Truancy Court Program as a specialized docket court during the pilot period, including the compiling of certain metrics and compiling the required report, will likely result in additional administrative costs for the Franklin County Court of Common Pleas, offset somewhat by operational efficiencies resulting from coordination and consolidation of truancy case management. The court would absorb any additional administrative expenses with existing staff and appropriated resources.

## **Work hours and work permit requirements for 14- and 15-year-olds**

The bill allows a 14- or 15-year-old to be employed between 7:00 p.m. and 9:00 p.m. on any night before a day that school is not in session if the minor has approval to do so from a parent or legal guardian. The bill also requires a minor who wishes to receive an age and schooling certificate (commonly referred to as a "work permit") to submit a minor work hour notification form signed by the child's parent or legal guardian to the appropriate school authorities. This form provides notice of the hours that a minor may work under Ohio law. The bill requires the

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<sup>7</sup> As defined by the bill, an eligible student is a student who is alleged to be an unruly child for being a habitual truant in the Franklin County Court of Common Pleas.

Department of Commerce to create this form. By signing and submitting the form, the parent or legal guardian acknowledges that they have received notice of the information on the form. The Department of Commerce may incur minimal administrative costs to create the form. Any costs would be paid from the Industrial Compliance Operating Fund (Fund 5560), used in part by the Department's Bureau of Wage and Hour Administration.

## **Eliminated programs or requirements**

### **Tutor Ohio Kids Program**

The bill repeals the Tutor Ohio Kids Program, under which the Educational Service Center of Central Ohio (ESCCO) coordinated the provision of tutors for public and chartered nonpublic schools. Certain program costs were originally paid for by appropriating \$2.4 million in federal American Rescue Plan Act (ARPA) state activity funds for emergency needs during the FY 2022-FY 2023 biennium. These funds, now exhausted, went towards administrative, implementation, background check, and certain training-related costs, among others, that DEW and participating educational service centers incurred for the program. DEW reports that the program was not used in a significant way. As of late October 2025, 71 individuals statewide currently hold an active registration to be able to provide tutoring services under the program. Repealing this program appears to have minimal fiscal effects.

### **Columbus Pilot Program**

The bill repeals a parent-trigger pilot project made available for low-ranking schools in the Columbus City School District, in which parents may petition to implement requested reforms in the school. The option has never been utilized since enacted in 2012. The repeal of the pilot project relieves Columbus City School District and DEW of potential administrative responsibilities and costs.

### **College-preparatory boarding schools**

The bill eliminates references to college-preparatory boarding schools in the Revised Code. No college-preparatory boarding schools currently exist in the state.

### **Obsolete provisions**

The bill eliminates several obsolete provisions related to state report cards, the Ohio Graduation Tests, end-of-course exams, challenged school districts, and school districts incurring debt from commercial lenders. See the LSC bill analysis for a list of obsolete provisions that the bill eliminates.

### **Other provisions with little to no fiscal effect**

The bill also contains other provisions that appear to have little, if any, fiscal effect, including provisions regarding board of education member vacancies, appointment of designees to serve in place of the members of a school district's or ESC's education records commission, removal of the specific reference to six JobsOhio regions in the law governing the Prenatal-to-Five Early Childhood to Post-Secondary Regional Partnerships Program to conform to JobsOhio's current regional structure, and the elimination of the requirement that DEW employ a full-time physical education coordinator to provide guidance and technical assistance to districts and schools in implementing physical education standards. With respect to the last provision, DEW

reported that the position's elimination will not have a fiscal effect, as the position is currently vacant and its responsibilities have been delegated to other staff.