**Amended Substitute House Bill 96 (as passed by Senate)**

**Summary of Changes made by the Senate**

**K-12 Education**

***School Funding***

* Reinstates the Fair School Funding Plan framework and phases in years 5 and 6 but fails to update the base cost components.
* Guarantees district funding at FY 2021 levels.
* Amends the House-passed per-pupil enrollment growth to be $225 in FY 2026 for districts whose enrollment grew by at least 5% and $250 in FY 2027 for districts whose enrollment grew by at least 3%.
* Provides a performance supplement in FY 2026 and FY 2027 to districts that received any of the following on the state report card for the 2023-2024 school year: (a) an overall performance rating of four or more stars, (b) a performance rating of three or more stars on the Progress component, or (c) a higher performance rating on the Progress component than the district received for that component on its 2022-2023 report card. Calculates the payment as equal to a district's current year enrollment multiplied by $26, times the greater of the number of stars the district received for its overall performance rating or its progress component rating on the state report card for the 2023-24 school year.
* Requires ODEW, for FY 2026 and FY 2027, to calculate a district's disadvantaged pupil impact aid (DPIA) by using a weighted number of economically disadvantaged students equal to the sum of (a) the number of economically disadvantaged students reported for the district for FY 2025, as of June 1, 2025, multiplied by 75% for FY 2026 and 65% for FY 2027, and (b) the number of directly certified economically disadvantaged students for the fiscal year multiplied by 25% for FY 2026 and 35% for FY 2027.
* Under the Senate funding proposal, 146 districts would receive less money from the state next year than this year, and 180 districts would see state revenue decline between FY 2026 and FY 2027.
* Decreases from $10 to $3 the amount multiplied by the enrollment for all districts and schools within a Career Technical Planning District (CTPD) to calculate the career awareness and exploration funds the department must pay the lead district of each CTPD.

***School District Carryover Balances***

* Raises the threshold for carryover balances from 30% to 50% before the County Budget Commission is required to reduce a school district’s property tax collections.
* Allows a school district to adopt a resolution to reserve a portion of the carryover balances for current or future permanent improvement expenses to be utilized within the next three years. These funds would not count toward the 50% threshold. However, the funds would be used to reduce property taxes if not used within three years.
* Under the 50% threshold, approximately 239 school districts would be impacted.

***Property Taxes***

* Requires school boards to obtain a two-thirds vote from all members to put a tax levy on the ballot.
* Requires that current emergency and substitute tax levies be included in calculating a school district's 20-mill floor or a joint vocational school district's 2-mill floor for property tax purposes.
* Eliminates the following types of levies: replacement property tax levy, fixed-sum emergency levy, substitute levy, and combined school district income tax and fixed-sum property tax levy, generally beginning with elections held on or after January 1, 2026.
* Prohibits a school district from proposing a current expense levy if it has a general fund carryover balance of over 100%.
* Requires current expense levy ballot language to include the percentage and dollar amount of general fund carryover balances.
* Allows a County Budget Commission to reduce millage on any voter-approved tax levy, aside from a debt levy, if the commission finds it “reasonably necessary or prudent” to avoid unnecessary, excessive, or unneeded property tax collections.
* Requires school districts to obtain approval from the County Budget Commission before adjusting inside millage in a manner that increases tax rates.
* Prohibits a school district or other education-related taxing authority from combining a renewal levy with an increase to an existing levy and making other changes.
* Increases the reduction amount of the standard property tax homestead exemption from $28,000 to $32,000 while increasing the income threshold from $40,000 to $42,500. It also increases the enhanced homestead exemptions for disabled veterans and surviving spouses from $56,000 to $59,000.

***District Financial Reporting***

* Requires school boards to submit appropriations, revenue, and fund balance assumptions for the current fiscal year in addition to three-year projections of operational revenue and expenditures.
* Requires each district board to submit its current budget information and three-year projections by August 31 of each fiscal year and updated information and projections by the last day of February of that fiscal year.
* For FY 2026, requires each school district to make the initial submission of current budget information and three-year projections by Oct. 15, 2025.

***School Vouchers***

* Removes a provision in the House-passed bill that would have established yet another voucher program, Educational Savings Accounts for students who attend non-chartered public schools.
* Expands the Jon Peterson and Autism voucher programs by expanding eligibility to students from age 3 to 22, non-chartered private school students, and those who are home-schooled. It also allows these services to be provided virtually.
* Provides additional increases to the categorical amounts for the Jon Peterson Special Needs Scholarship, increasing state support by $3M each fiscal year.
* Removes House language requiring the Ohio Department of Education and Workforce (ODEW) to collect certain data regarding EdChoice voucher recipients.

***School District Employment and Vacancy Survey***

* Reinstates OEA supported language that requires ODEW to annually collect school district employment and vacancy data for teachers, paraprofessionals, bus drivers, providers of specialized services, principals, assistant principals, and any other positions determined by the department.

***Curriculum and Assessments***

* Restores language requiring ODEW to adopt a universal diagnostic assessment for math and reading for grades K through 3 and removes provisions that eliminate the kindergarten readiness assessment. Restores funding for the kindergarten readiness assessment at $2.76 million each fiscal year.
* Restores executive language to require schools to report their math core curriculum and instructional materials.
* Requires ODEW to identify and make available at no cost to districts or schools a tier one dyslexia screening measure, requires districts and schools to use the screening measure beginning in the 2026-27 school year. Lays out required timelines for screening to various age groups, reporting results to parents, and follow-up assessments.
* Eliminates the requirement for ODEW to publicly release state assessment questions.
* Modifies a provision requiring ODEW to adopt a universal K-3 diagnostic assessment for reading and math to instead require DEW to approve a list of up to five assessments.
* Requires all public school districts to provide evidence-based academic intervention services, free of cost, to students who demonstrate a limited level of skill in state assessments in math or English language arts.
* Includes language from Senate Bill 19, requiring districts and schools to develop a mathematics improvement and monitoring plan for each student who qualifies for math intervention services and a mathematics achievement improvement plan if 51% or less of the district or school's students who took the third grade math achievement assessment attained at least a proficient score on the assessment, beginning with the 2025-26 school year.
* Clarifies that a student may be enrolled in a math course that is two grade levels above the student’s current grade level for purposes of automatic enrollment in advanced math placements.
* Returns to the executive provision requiring schools to report the number of school personnel who have completed Science of Reading training.

***Graduation Requirements***

* Removes language that adds completion of 250 hours of work-based learning experience as a foundational option to demonstrate competency, restoring the current law’s high school graduation requirements.
* Removes provisions that would broadly exempt students from the current financial literacy high school graduation requirement.
* Restores language requiring high school graduation plans to include post-graduation career goals but does not give ODEW rulemaking authority regarding the content of graduation and career plans.

***Release Time for Religious Instruction***

* Modifies a provision regarding religious instruction release time to require districts to permit students at least 33 periods per school year in release time. It further specifies that districts cannot prohibit students from bringing external educational materials into school.

***Cell Phones***

* Modifies the provision requiring schools to adopt a policy banning cell phone use to allow cell phone use for monitoring a health concern with a written statement from a student’s physician.
* Requires school administrators to include a protocol that addresses cell phone use during active threats or emergencies as part of their comprehensive emergency management plan.
* Eliminates the requirement for ODEW to develop a model policy for student cell phone use in schools.

***Student Health and Wellness***

Requires public schools to provide annual, age-appropriate instruction to K-12 students on the harmful effects of short-term and chronic substance use, and to include bullying and hazing in health education curriculum (Senate Bill 7).

***Absences***

* Removes House language requiring school districts to report causes of student absences by category.
* Removes a provision requiring school districts to provide excused absences for high school students to attend private driver education courses.

***Transportation***

* Requires the Student Transportation Workgroup to issue a one-time report, instead of annually, and specifies that the workgroup is required to study the feasibility of districts to provide transportation to charter school and chartered nonpublic students on days the school district is closed.
* Removes provisions authorizing school boards to contract with a transportation network company (like Uber or Lyft) to transport unaccompanied students.
* Removes language requiring certain districts that use mass transit systems to transport students to ensure transfers between routes do not occur at the central transfer hub.
* Eliminates the School Bus Safey Grants proposed by the governor and supported by the House.
* Eliminates the former School Bus Purchase Program that required ODEW to distribute bus purchasing grants to school districts for FY 22 and FY 23, authorizes the Office of Budget and Management (OBM) director to transfer the cash balance in the fund to the GRF.
* Eliminates the associated reporting requirement that ODEW annually collect age, mileage, and vehicle condition data from districts through its transportation data collection system.
* Removes House language creating the rural transportation grant program, awarded each fiscal year to dropout prevention and recovery charter schools meeting certain criteria.
* Authorizes school districts, chartered nonpublic schools, and charter schools to use a multifunction school activity bus (i.e., a school bus without the stop-arms or typical school bus lights) to transport students between school and other school-related functions or activities.
* Prohibits a multifunction school activity bus from being used for transporting students between school and home or a designated bus stop.
* Requires drivers of multifunction school activity buses to meet all the same standards as a school bus driver.

***School Facilities***

* Clarifies the building is unused if its student enrollment in the three most recent school years is less than 60% of the building's greatest student enrollment in the ten most recent school years.
* Changes the sale method for an unused facility from an auction to a lottery if more than one high-performing charter school or chartered nonpublic school located in the district notifies the district of its intent to purchase the property.
* Requires a district, if no high-performing charter school or chartered nonpublic school located in the district offers to purchase or lease a property, to offer the property for sale or lease to high performing charter school or chartered nonpublic school located outside of the district prior to offering to sell or lease the property to other start-up charter schools, college-preparatory boarding schools, and STEM schools.
* Exempts unused school facilities from the involuntary disposition law if the facility is less than ten years old.
* Permits a school district, if it believes extraordinary circumstances should exempt it from the involuntary disposition law, to appeal the requirement to the ODEW Director, who must issue a decision within 60 days.
* Restores the executive proposed requirement that each district annually report to ODEW by November 30 information related to determining whether a school building operated by the district is an unused school facility.
* Modifies House language related to the disposal or demolition of school property to make the public auction permissive if the building is not initially purchased and adds educational service centers that have territory in a school district to the list of qualifying schools to which school districts must offer property under the right of first refusal law.
* Eliminates the House requirement that charter or chartered nonpublic schools pay the school district any profit they receive from a future sale of a property previously purchased from a school district.

***Charter Schools***

* 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 establish and implement a charter school transportation pilot program for the 2025-2026 and 2026-2027 school years to assist charter schools to provide transportation services to their students.
* Permits the governing authorities of two or more charter schools to enter into an agreement to establish a consortium to provide or arrange transportation to and from school for students enrolling in participating schools.

***Other***

* Allows school districts to employ teachers, nonteaching staff, or contract with a nonprofit or for-profit entity to operate an online school.
* Reinstates language permitting ODEW to collect data from districts and schools on their use of artificial intelligence.
* Restores current law requirement for school counselors to complete four hours of training every five years on building and construction trades career pathways.
* Excludes from membership in the School Employees Retirement System (SERS) an employee of a private company that contracts with a school district to provide school health services to a child with a disability under the child’s IEP.
* Prohibits a school district board of education from paying employee contributions to the State Teachers Retirement System on behalf of a superintendent employed by the school district or to SERS on behalf of a treasurer employed by the school district.
* Removes earmarked funds for duties and activities related to the establishment of academic distress commissions, to provide support and assistance to academic distress commissions, and to provide technical assistance and tools to support districts subject to academic distress commissions.
* Creates an Education Demonstration Projects fund with $50 million over the biennium. Requires the fund to issue grants for primary education-related demonstration projects and requires the ODEW to solicit proposals from organizations with a demonstrated record of increased student achievement or improved test results. Requires ODEW to begin distributing the grants by January 1, 2026.
* Requires the State Board of Education to approve a proposed school district territory transfer under certain circumstances including when no opposing party has presented “clear and convincing evidence” that information used to facilitate the transfer is incorrect or inaccurate.
* Clarifies that the existing law, which permits a student-athlete who is a victim of bullying or harassment to participate in sports at a different school, applies only to homeschooled students.
* Returns to the Executive provision regarding the redesign of Ohio’s State Support Teams and the requirement that they support state and regional workforce development initiatives.

**Higher Education**

* Decreases funding for the State Share of Instruction line item by 1.33% over the biennium when compared to the House funding levels.
* Establishes a $100 million set aside in the State Share of Instruction to ensure compliance with Senate Bill 1 from the 136th General Assembly.
* Increase funding for Shawnee State University supplement line item by $5.18 million over the biennium in order to “maintain lower tuition rates.”
* Modifies the House-passed 3% tuition cap to 4% for state universities for incoming freshmen.
* Increases the amount a community college is permitted to increase its in-state instructional and general fees from not more than $5 to not more than $10 that was charged in the previous academic year.
* Makes changes to the tuition guarantee in permanent law to ensure tuition increases do not outpace CPI without the General Assembly’s approval.

***Governor’s Merit Scholarship***

* Changes the eligibility for the Governor’s Merit Scholarship beginning in the 2026-2027 academic year to students who are in the top 2%, instead of top 5%, of their graduating class and requires the recipients of the scholarship to stay in Ohio for three years after graduation or repay the scholarship funds.
* Revises the guaranteed admission provision to ensure that each graduate in the top 5% of a high school graduating class, not just a recipient of the Governor’s Merit Scholarship, is guaranteed admission to a main campus of an Ohio public university.

***Other***

* Eliminates FAFSA Support team funding and the requirement that ODHE administers them.
* Requires the Chancellor to serve as the records custodian for Eastern Gateway Community College.
* Requires each board of trustees of a state institution of higher education to adopt a resolution specifying the conditions under which the institution may grant an exemption from the American civic literacy course requirement to a student who has completed at least three credit hours, or the equivalent, in a course in American history or American government. The exemption expires in the 2030-2031 academic year.
* Expands the criteria for determining when to review and declare that a state university is under fiscal caution and the items an institution must submit as part of its financial recovery plan.
* Removes House-passed provisions that granted the board of trustees of a state institution of higher education unilateral and ultimate authority to establish new academic programs, schools, colleges, institutes, departments, and centers at the institution.
* Establishes the Ohio Civics Board, consisting of the directors of the five centers (Cleveland State, Miami, Ohio State, Toledo, Wright State) for civics, culture, and society and workforce development. Requires the Board to support the centers to more effectively pursue their missions, advise the General Assembly and Chancellor on matters pertaining to civic education, advise the General Assembly and Chancellor on curriculum development and standards at state institutions of higher education and public K-12 schools, among other tasks.

**SCOPE**

* Delays the consolidation of Ohio’s two adult diploma programs until FY 2027.
* Adds the schools operated by DRC and DYS as eligible providers regarding competency-based adult education programs.
* Allows a state agency to adopt a policy allowing a state employee to work from home under certain circumstances but deems state employee work location not an appropriate subject of collective bargaining.
* Requires DYS, ODJFS, DCY, DBH, ODM, and DODD to do the following:
  + Collaborate to identify and take appropriate action to meet the needs of multi-system youth.
  + Jointly submit a report to the General Assembly with data and policy recommendations on serving multi-system youth.

**Income Tax**

* Reduces Ohio state income tax to a flat rate of 2.75% starting in the tax year 2026.
* Maintains that Ohioans earning less than $26,050 pay no state income tax.
* Reduces the marginal tax paid on income over $26,050 in tax year 2023 for those making less than $100,000 and in tax year 2026 for all taxpayers. Taxpayers with higher incomes will begin to phase out eligibility for joint filer credit and personal, dependent, and spousal deductions.
* These changes reduce revenue to the state by $1.68 billion over the biennium.

**Elections and Campaign Finance**

* Restores current law on the makeup of the State Board of Education (SBOE).
* Requires candidates for SBOE, local school boards and ESCs to appear on the ballot with political party designations in future elections.
* Transfers Ohio Election Commission staff to the Secretary of State for the new Election Integrity Commission.
* Requires Election Integrity Unit to investigate alleged violations of election law upon receiving complaints from the public or on its own.
* Prohibits a political action committee (PAC) or political contributing entity (PCE) that accepts a contribution from a corporation or labor organization from then contributing to any entity other than one that makes only independent expenditures and makes other changes to campaign finance law.
* Allows lawful permanent residents to make state and local candidate contributions.