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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

**H.B. 455
(with AM0961)
136th General Assembly**

Fiscal Note & Local Impact Statement

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

Version: In House Education

Primary Sponsors: Reps. Manning and Bird

Local Impact Statement Procedure Required: No

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Highlights

- Eliminating the American History and American Government end-of-course exams beginning with high school students in the class of 2029 will decrease Department of Education and Workforce (DEW) GRF expenditures over time. The savings will begin in FY 2026 and likely increase each year until reaching approximately \$5.5 million annually by FY 2029.
- 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.

Detailed Analysis

Overview

The bill makes changes to a variety of education 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

American History and American Government exams

The bill eliminates the administration of American History and American Government end-of-course exams for students who enter the ninth grade on or after July 1, 2025 (the class of 2029). DEW contracts with Cambium Assessment, Inc. to develop, administer, and score state tests. In FY 2026, the contract between DEW and Cambium allocates \$5.5 million to cover costs

for the social studies end-of-course exams. Elimination of these exams will decrease DEW's GRF expenditures from GRF line item 200437, Student Assessment. The savings will likely accrue over several years as progressively fewer students in preceding graduating classes take the exams. In general, the savings will be fully realized by FY 2029. At that point, the annual savings would be expected to be about the same as the current contract cost each year.

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 and to the Ohio Department of Higher Education (ODHE) to collect additional data. H.B. 96 of the 136th 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;
- Creates a new CCWMR performance measure that is based on the percentage of students who did not demonstrate readiness on the postsecondary readiness measure while in high school, but did complete one academic year of college credits within one year of graduating high school. The bill requires ODHE to collect and report the data necessary for DEW to calculate the measure. Districts may also report relevant data on each cohort until the date by which ODHE must report data for that cohort.
- 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 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, in consultation with the Auditor of State, 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.
- **DEW physical education coordinator.** The bill eliminates 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. The standards were updated effective for the 2016-2017 school year.
- **Eliminated reporting.** The bill eliminates annual reporting requirements for (1) public and chartered nonpublic schools and DEW regarding students with diabetes, (2) district treasurers and DEW on the investment of interim moneys, (3) DEW to prepare an annual report on its activities and the status, problems, and needs of education in the state, (4) community school sponsors to describe their expenditures to DEW, (5) school districts to indicate their compliance with various state mandates, and (6) ODHE and DEW to recommend policies and strategies to reduce the need for academic remediation and developmental courses at state institutions of higher education.
- **Community school contracts.** The bill eliminates the requirement for DEW to establish the format and minimum information to be included in a community school's annual budget.
- **Certification of a community school sponsor's compliance with conditions to initiate operations.** The bill replaces the requirement that DEW provide the Auditor of State with the sponsor of a new community school's certification that the school meets all legal requirements to initiate operations with a requirement that DEW notify the Auditor that the sponsor has made that certification.
- **Required postings.** The bill permits a school district to post certain notices on its website instead of physically doing so in its schools.

E-school students who miss state testing for two years

The bill eliminates the requirement for each district-operated online school and internet- or computer-based community school (e-school) to disenroll and report to DEW any student who fails to participate in state assessments for two consecutive years. It also eliminates the related requirement that DEW maintain a list of such students and withhold state funding for them. DEW reported that its list of untested students tends to contain inaccuracies, which leads to considerable time spent by DEW and e-schools correcting the list. Eliminating these provisions will eliminate this work but may also increase state foundation aid to e-schools to some degree.

Innovative education programs

Under continuing law, school districts, educational service centers (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 adds the implementation of the Science of Reading 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. 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,¹ 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 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

¹ 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.

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.² 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.

Suspension of school employees

The bill prohibits school districts and chartered nonpublic schools from providing pay or benefits to employees who are suspended from duties involving the care, custody, or control of children due to a pending criminal case for specified offenses. If a district or school currently provides compensation or benefits to such employees during suspension, this provision will result in a corresponding reduction in expenditures. The overall fiscal impact will vary depending on the number of affected employees and existing local policies.

License revocation for domestic violence offenders

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. 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. According to the Licensure Code of Professional Conduct for Ohio Educators, the

² See OSBA's [2024 Human Resources Desktop Reference Guide to School Law \(PDF\)](https://ohioschoolboards.org/resources-topic), which is available on OSBA's website: ohioschoolboards.org/resources-topic.

continuum of disciplinary action for educators that are convicted or plead guilty to a domestic violence crime may already include license revocation or denial.³

Early Childhood Education Grant Program

The bill modifies the process for determining a child's eligibility to participate in the Early Childhood Education 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 are from families with incomes below 200% of the federal poverty level. 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. The bill also explicitly allows the family of an eligible child to use Early Childhood Education Grant Program funds in place of other sources of state child care support. The Early Childhood Education Grant Program is funded by GRF ALI 830407, Early Childhood Education, in the Department of Children and Youth budget, with appropriations of \$130.3 million in each of FY 2026 and FY 2027.

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.

³ See the [Licensure Code of Professional Conduct for Ohio Educators \(PDF\)](#), which is available on the State Board's website: sboe.ohio.gov/professional-conduct.

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, and challenged school districts. See the LSC bill analysis for a full list of obsolete provisions that the bill eliminates.

Other provisions with no fiscal effect

The bill also contains other provisions that appear to have no discernable fiscal effect, including provisions regarding board of education member vacancies and appointment of designees to serve in place of the members of a school district's or ESC's education records commission.