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Office of Research
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S.B. 1
(1_134_0137-9)
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 1's Bill Analysis](#)

Version: In House Primary and Secondary Education

Primary Sponsors: Sens. Wilson and McColley

Local Impact Statement Procedure Required: Yes

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Highlights

- Some school districts and other public schools may incur costs to hire new teachers and update curriculum to implement the bill's requirement that financial literacy instruction consist of at least one-half unit (practically, a semester) in a stand-alone course for students that enter ninth grade on or after July 1, 2022 (the classes of 2026 and onward). New staffing costs may total in the millions of dollars statewide. Curriculum-related costs will depend on existing course offerings with financial literacy instruction and other factors.
- The bill requires up to \$1.5 million of unclaimed funds to be transferred to the newly created High School Financial Literacy Fund, a custodial fund, to reimburse school districts, other public schools, educational service centers, and nonpublic schools, for the cost of the additional teaching license validation the bill requires for certain teachers to teach financial literacy beginning in the 2024-2025 school year. Reimbursements per teacher are the lesser of \$500 or the actual cost of training.

Detailed Analysis

Curriculum requirements

To receive a high school diploma from a public school or chartered nonpublic school, a student must complete a minimum of 20 units of study in specific subject areas (one unit generally equates to a minimum of 120 hours of instruction). The subject areas and the state minimum units are listed in the table below. In addition to the general subject areas, current law requires a student to receive instruction in economics and financial literacy integrated into one of the required social studies units or another course that they take.

Under current law, the manner in which financial literacy instruction is integrated into a district or school's curriculum is a local decision. The Ohio Department of Education (ODE) indicates that some districts may incorporate financial literacy content into another course while others may require students to take a stand-alone financial literacy course for one-half unit that can meet either a graduation requirement for social studies or an elective. It is unclear how many districts have opted for a stand-alone course, though the Buckeye Association of School Administrators (BASA) indicated that many school districts embed financial literacy into their social studies curriculum.

Current Law State Minimum Curriculum Requirements	
Subject Area	Unit Minimum
English Language Arts	4 units
Mathematics	4 units
Science	3 units
Social Studies	3 units
Health	0.5 units
Physical Education	0.5 units
Electives	5 units
Total	20 units

Financial literacy course requirement

The bill modifies the state minimum curriculum to require students entering ninth grade for the first time on or after July 1, 2022 (the class of 2026) to take one-half unit of financial literacy instruction (equating to at least 60 hours of instruction or, practically, a semester course). The bill also removes the requirement that schools integrate the study of economics and financial literacy into social studies units or other classes. The bill does not increase the overall minimum 20 units required but rather allows students to (a) complete one-half unit of financial literacy as an elective or (b) complete one-half unit of financial literacy and one-half unit of a mathematics course to fulfill one unit of mathematics instruction, except that the one-half unit mathematics course cannot be in algebra II or a course for which a state end-of-course examination is required. Currently, the required mathematics end-of-course examinations are in algebra I and geometry. Also, the bill requires students who, under continuing law, choose to take one unit of advanced computer science in lieu of one unit of algebra II to complete the one-half unit of instruction in financial literacy as an elective, as the bill prohibits them from completing one-half unit of financial literacy instruction to satisfy the mathematics unit requirement.

The bill exempts from the financial literacy requirement students who attend a chartered nonpublic school or nonpublic school accredited through the Independent Schools Association of the Central States (ISACS) and are not using a state scholarship to attend the school.

New teachers

The primary expense associated with the requirement is the possibility of hiring additional teachers. An official with BASA indicated that most districts would use a teacher already on staff to teach the newly required financial literacy course, potentially by reducing curricular offerings. However, BASA also indicated that some larger districts may need to hire one or more new teachers to solely teach the one-half unit course. The number of new teachers required will vary by school district. As a point of reference, the average starting salary for new teachers in urban and suburban school districts was roughly \$41,000 in FY 2020, according to survey data from the Ohio Education Association. Fringe benefit costs represent about 40% of salaries, for total salary and benefit costs averaging about \$57,000 per beginning teacher. If more experienced or educated teachers are hired, the cost would be greater. The overall costs of the requirement may be significant, potentially reaching into the millions of dollars or more statewide. The following scenario illustrates the potential cost. If, hypothetically, the 178 urban and suburban school districts hired an average of one new beginning teacher, the additional salary and benefits cost would be around \$10 million statewide (\$57,000 per teacher x 178 teachers).

Curriculum modifications

Some school districts and other public schools may incur costs to update their high school curriculum to implement the bill's changes, the amount of which will depend on existing financial literacy course offerings, local implementation decisions, and course choices made by students. School districts and other public schools may use the financial literacy model curriculum that the State Board of Education adopted in November 2019 to inform any necessary financial literacy curriculum updates.¹ ODE also provides on its website links to various additional curriculum resources on the subject.² Additionally, there may be arrangements in which businesses or other charitable organizations donate financial literacy curriculum and materials to public schools. In fact, the bill specifically allows schools to utilize public-private partnerships that exist in business and industry while developing curriculum. Districts and schools also may need to (a) condense some existing one-unit mathematics courses into one-half unit courses for students who elect to complete one-half unit of financial literacy as part of the mathematics curriculum requirements and (b) expand social studies curriculum to cover the instructional time that is currently devoted to economics and financial literacy.

Educator license financial literacy validation

According to ODE, teachers with licenses in the fields of social studies, business education, marketing education, and family and consumer sciences are all currently licensed to provide financial literacy instruction. Beginning in the 2024-2025 school year, the bill generally requires each public school and chartered nonpublic school to require an individual that does not have one of the aforementioned licenses to have an educator license validation in financial literacy to provide this instruction. The bill also exempts chartered nonpublic schools and nonpublic schools accredited through ISACS from complying with the licensure validation requirement if the school

¹ Ohio Department of Education, "Ohio's Model Curriculum: Financial Literacy, Adopted November 2019." Available online at this [link](#).

² Ohio Department of Education, "Resources for Financial Literacy." <http://education.ohio.gov/Topics/Learning-in-Ohio/Financial-Literacy/Resources-for-Financial-Literacy>.

does not have any students attending it using a state scholarship (students attending these schools are also exempt from the financial literacy requirement, unless they attend the school using a state scholarship).

The bill requires districts and other public schools to cover any costs necessary for an individual to meet the requirements for the license validation. Since the State Board of Education must establish an advisory committee to consult on rules regarding the license validation, the acceptable programs and their associated costs are uncertain. One potential option may be the National Financial Educators Council, which offers a certification for financial education instructors. The fee for initial certifications is \$297 with an annual renewal cost of \$97. To obtain the certification, an individual must complete 40 hours of training (although it is possible to test out of some hours) and complete an examination. More extensive training requirements presumably would carry a higher cost.

The bill provides up to \$1.5 million of unclaimed funds to reimburse school districts, other public schools, educational service centers, and chartered nonpublic schools for the costs necessary for an individual employed by the entity to meet the license validation requirements. ODE must reimburse the district or school, per teacher, the lesser of \$500 or the total cost incurred by the teacher to obtain the license validation. If the \$1.5 million is insufficient to cover all reimbursement requests, the Department may limit the number of teachers for which a district or school can request reimbursement or prorate reimbursement amounts.

The bill creates the High School Financial Literacy Fund, a custodial fund outside the state treasury, to receive the unclaimed funds. The Treasurer of State will transfer money in this fund to ODE to reimburse schools for the cost of teachers obtaining a financial literacy license validation. ODE may use a portion of the fund to administer the reimbursement program. ODE and the Department of Commerce, which oversees unclaimed funds, must enter into an agreement specifying the terms of repayment from moneys in the fund, including interest, to fully reimburse the amount of unclaimed funds remitted to the fund. The repayment schedule cannot exceed a period of five years. If ODE fails to repay the Department of Commerce according to the agreement, the bill states that it is the intent of the General Assembly that the amount of cash owed under the repayment plus the applicable interest must be paid from the General Revenue Fund.

Synopsis of Fiscal Effect Changes

- The substitute bill may increase school district staffing costs compared to the Senate-passed (previous) bill by reinstating the requirement in the As Introduced bill that financial literacy instruction be provided in a stand-alone one-half unit course as a graduation requirement instead of integrated into social studies units or other classes.
- The substitute bill may increase the previous bill's costs associated with curriculum modifications by requiring some districts and schools to modify some mathematics curriculum, in addition to curriculum for social studies and financial literacy.
- The substitute bill delays the financial literacy course requirement from taking effect by one cohort of high school students, from students entering ninth grade for the first time on or after July 1, 2021 (the classes of 2025 and onward) to students entering ninth grade for the first time on or after July 1, 2022 (the classes of 2026 and onward).

- The substitute bill likely decreases the bill's costs for districts and schools to pay for educator license validations in financial literacy, and thus state reimbursements for those costs supported by the High School Financial Literacy Fund, by exempting teachers whose licenses already confer the ability to provide financial literacy instruction from the bill's requirement for a teacher to obtain an educator license validation in financial literacy to provide that instruction.
- The substitute bill shifts responsibility for some administrative responsibilities with respect to the High School Financial Literacy Fund from the Treasurer of State to the Ohio Department of Education.