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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

S.B. 1

134<sup>th</sup> General Assembly

## Bill Analysis

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**Version:** As Reported by House Primary & Secondary Education

**Primary Sponsors:** Sens. Wilson and McColley

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### SUMMARY

#### Financial literacy curriculum

- Requires students who enter ninth grade for the first time on or after July 1, 2022, to complete one-half unit of instruction in financial literacy as part of the required high school curriculum, either as an elective or a math course.
- Exempts students who attend chartered nonpublic schools from the financial literacy requirement, unless they attend the school using a state scholarship.

#### Financial literacy educator license validation

- Specifies that, beginning with the 2024-2025 school year, each public school and chartered nonpublic school must require an individual to have an educator license validation in financial literacy to provide instruction in financial literacy in high school.
- Exempts classroom teachers who hold a valid educator license or endorsement to provide instruction in social studies, family and consumer sciences, or business education from the bill's requirement to receive a financial literacy license validation to provide financial literacy instruction.
- Exempts certain chartered nonpublic school from the licensure validation requirement if that school does not have students attending it using a state scholarship.
- Requires the State Board of Education to consult with an advisory committee of at least four classroom teachers and one expert in financial literacy instruction prior to adopting any rules regarding the license validation.

#### Validation cost reimbursement

- Requires each district or school to pay for any costs necessary for an individual employed by a district or school to meet the additional requirements for the license

validation, and permits a district or school to seek reimbursement of the license validation costs from the Department of Education.

- Requires the Department to reimburse a district or school that seeks reimbursement of license validation costs an amount for each individual teacher that is the lesser of (1) \$500 or (2) the total cost for meeting the additional requirements for the license validation that are incurred by the teacher.

### **High School Financial Literacy Fund**

- Creates the High School Financial Literacy Fund for reimbursement of license validation costs.
- Requires the Superintendent of Public Instruction to request the Director of Commerce, during the current fiscal biennium, to remit to the High School Financial Literacy Fund up to \$1.5 million of unclaimed funds.
- Requires the Superintendent and the Director to enter into an agreement for repayment, including interest, of the unclaimed funds remitted to the High School Financial Literacy Fund.

### **Educational requirements of substitute teachers**

- Permits a public or chartered nonpublic school, for the 2021-2022 school year, to employ a substitute teacher according to the school's own education requirements, provided the individual also is deemed to be of good moral character and successfully completes a criminal records check.

### **Emergency clause**

- Declares the provision regarding the education requirements of substitute teachers an emergency (provisions regarding financial literacy are unaffected by the emergency clause).

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## **DETAILED ANALYSIS**

### **Financial literacy in the high school curriculum**

Continuing law prescribes 20 units of study in specified subject areas as the minimum high school curriculum for a diploma from a public school or a chartered nonpublic school. Each unit is a minimum of 120 hours of instruction, except a laboratory course, for which one unit is a minimum of 150 hours.

The bill requires students who enter ninth grade for the first time on or after July 1, 2022, to complete one-half unit of instruction in the study of financial literacy as part of the

20 units of study. That instruction must align with the existing academic content standards for financial literacy and entrepreneurship adopted by the State Board of Education.<sup>1</sup>

Students may satisfy the one-half unit of financial literacy instruction either by completing it as an elective course or in lieu of one-half unit of instruction in math. Students who choose the latter must complete one-half unit of instruction in financial literacy and one-half unit of a math course. The math course cannot be Algebra II, or its equivalent, or a course for which the State Board requires an end-of-course examination.

Under current law, the required math end-of-course examinations are Algebra I and geometry. But, the law also permits the State Board to replace the Algebra I examination with an Algebra II examination beginning with the 2016-2017 school year for students who enter 9<sup>th</sup> grade on or after July 1, 2016. It is unclear whether that authority still applies.<sup>2</sup>

Additionally, the bill prohibits students who choose to take one unit of advanced computer science in lieu of Algebra II from completing one-half unit of financial literacy instruction to satisfy the math unit requirements. Instead, those students must complete one-half unit of financial literacy instruction as an elective course.<sup>3</sup>

However, the bill exempts a student who is attending a chartered nonpublic school, including a nonpublic school accredited through the Independent Schools Association of the Central States (ISACS), from the new requirement to complete one-half unit of financial literacy instruction, unless the student is attending that school using a state scholarship.<sup>4</sup>

The bill eliminates the current law requirement that each public and chartered nonpublic school integrate the study of economics and financial literacy into the two social studies units required under continuing law or into the content of another class.<sup>5</sup>

The bill permits (rather than requires as under current law) schools to use available public-private partnerships and resources and materials that exist in business, industry, and through the centers for economics education at institutions of higher education in the state in developing the study of financial literacy that is required under the bill.<sup>6</sup>

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<sup>1</sup> R.C. 3313.603(C)(9)(b).

<sup>2</sup> See R.C. 3301.0712(B)(2) and (B)(7), not in the bill.

<sup>3</sup> R.C. 3313.603(C)(3), (C)(8), and (C)(9).

<sup>4</sup> R.C. 3313.603(C)(9).

<sup>5</sup> R.C. 3313.603(C)(7) and R.C. 3301.079(A)(2), latter section not in the bill.

<sup>6</sup> R.C. 3313.603(C)(7) and (C)(9).

## **Financial literacy validation for educator licenses**

The bill specifies that, beginning with the 2024-2025 school year, each public school and chartered nonpublic school generally must require an individual to have an educator license validation in financial literacy to provide instruction in financial literacy in high school.<sup>7</sup>

However, the bill exempts a classroom teacher who holds a valid educator license or endorsement required to provide instruction in social studies, family and consumer sciences, or business education from the financial literacy license validation requirement. Such a teacher still may obtain the validation, of which the costs must be covered by the teacher's school or district (see below).<sup>8</sup>

In addition, the bill exempts a chartered nonpublic school, including an ISACS-accredited nonpublic school, from complying with the licensure validation requirement if the school does not have any students attending it using a state scholarship.<sup>9</sup>

### **Requirements for license validation**

To obtain an educator license validation in financial literacy instruction, an individual must hold a valid educator license issued by the State Board of Education or a permanent teaching certificate issued under prior law and meet additional requirements adopted under rules by the State Board.<sup>10</sup>

Prior to adopting any rules regarding the license validation, the State Board must establish and consult with an advisory committee of at least four classroom teachers and one expert in financial literacy instruction for classroom teachers. That committee must include a representative of each of the following: (1) the Ohio Council of Teachers of Mathematics, (2) the Ohio Council for the Social Studies, (3) the Ohio Business Educators Association, and (4) the Ohio Association of Teachers of Family and Consumer Sciences.<sup>11</sup>

### **Cost for license validation**

#### **Payment by district or school**

The bill requires each district or school to pay for any costs necessary for an individual employed by a district or school to meet the additional requirements for the license validation.<sup>12</sup>

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<sup>7</sup> R.C. 3314.03(A)(11)(d), 3319.238(A), and 3326.11.

<sup>8</sup> R.C. 3319.238(F).

<sup>9</sup> R.C. 3319.238(E).

<sup>10</sup> R.C. 3319.238(B).

<sup>11</sup> R.C. 3319.238(C).

<sup>12</sup> R.C. 3319.238(D).

## Reimbursement

A district or school may seek reimbursement of the license validation costs from the Department of Education by reporting to the Department, in the form and manner determined by the Department, the number of teachers employed by the entity who, during the reporting period, met the additional requirements for the license validation.<sup>13</sup> Upon receipt of a request from a district or school, the Department must reimburse the district or school an amount for each individual teacher that is the lesser of (1) \$500 or (2) the total cost for meeting the additional requirements for the license validation that are incurred by the teacher.<sup>14</sup>

The bill requires the Department, at least two times each fiscal year, to request that the Treasurer of State transfer moneys from the High School Financial Literacy Fund (see below) to the Department for these reimbursements. The Department may use a portion of the transferred moneys for administration of the reimbursement program. Additionally, if the moneys in the fund are insufficient to cover all reimbursement requests, the Department may limit the number of teachers for which a district or school may request reimbursement or may prorate reimbursement amounts as necessary to pay all reimbursement requests.<sup>15</sup>

## High School Financial Literacy Fund

The bill creates the High School Financial Literacy Fund for reimbursement of license validation costs and repayment of funds as described in “**Remittance of unclaimed funds,**” below. The fund is in the custody of the Treasurer of State but not a part of the state treasury. It consists of moneys appropriated to it, any interest and earnings from the fund, and any other donations, grants, gifts, or other moneys received. The Fund may be invested by the Treasurer in the obligations permitted for interim funds under current law. The bill designates the Superintendent of Public Instruction as the fund administrator.<sup>16</sup>

### Remittance of unclaimed funds

The bill requires the Superintendent of Public Instruction to request the Director of Commerce, during the current fiscal biennium, to remit to the fund up to \$1.5 million of unclaimed funds. The Director must remit the funds at the time requested by the Superintendent.

The Superintendent and the Director must enter into an agreement specifying the terms of repayment, including interest, and a repayment schedule to fully reimburse for the amount of unclaimed funds remitted to the fund plus interest. The interest rate must equal the federal short-term rate, as determined by the Tax Commissioner, rounded to the nearest whole percent plus an additional 3%. Repayment must be made from the fund, and the repayment

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<sup>13</sup> R.C. 3319.238(D) and 3319.239(D).

<sup>14</sup> R.C. 3319.239(B).

<sup>15</sup> R.C. 3319.239(C) and (E).

<sup>16</sup> R.C. 121.086 and R.C. 135.143, latter section not in the bill.

schedule must not exceed five years. If the Superintendent fails to repay the Department of Commerce according to the agreement, the bill expresses the General Assembly's intent that the money owed must be transferred from the General Revenue Fund.<sup>17</sup>

## Educational requirements of substitute teachers

The bill permits a school district, community school, STEM school, or chartered nonpublic school, for the 2021-2022 school year only, to employ an individual as a substitute teacher according to the district's or school's own education requirements as long as the individual also is deemed to be of good moral character and successfully completes a criminal records check. The State Board must issue a nonrenewable temporary substitute teachers license to an individual who meets those requirements.<sup>18</sup>

Generally, educator licenses, permits, or certificates issued by the State Board of Education for teaching in grades K-12, except those for career-technical educators, require at least a bachelor's degree.

A similar provision was enacted for the 2020-2021 school year in H.B. 409 of the 133<sup>rd</sup> General Assembly.<sup>19</sup>

The bill declares the provision regarding educational requirements of substitute teachers an emergency, thus making it effective immediately. However, the other provisions of the bill are unaffected by the emergency clause.<sup>20</sup>

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## HISTORY

Action	Date
Introduced	01-14-21
Reported, S. Primary & Second Education	05-12-21
Passed Senate (32-0)	05-12-21
Reported, H. Primary & Secondary Education	09-22-21

S0001-RH-134/ts

<sup>17</sup> Section 3. See also R.C. 169.05 and 5703.47, not in the bill.

<sup>18</sup> See R.C. 3319.39, not in the bill.

<sup>19</sup> Section 7 of H.B. 409 of the 133<sup>rd</sup> General Assembly.

<sup>20</sup> Sections 4 and 5 of the bill.