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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

## Final Analysis

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**Version:** As Passed by the General Assembly

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

**Effective date:** January 27, 2022; Section 4 (educational requirements of substitute teachers), emergency, effective October 28, 2021

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## SUMMARY

### Financial literacy curriculum

- Requires students who enter 9<sup>th</sup> grade for the first time on or after July 1, 2022, to complete one-half unit of financial literacy instruction as part of the required high school curriculum, either as an elective course or in lieu of one-half unit of math.
- Exempts students from that requirement if they attend chartered nonpublic schools without a state scholarship.

### Financial literacy validation for educator licenses

- Beginning with the 2024-2025 school year, requires individuals to have an educator license validation in financial literacy to provide high school instruction in that subject.
- Exempts classroom teachers from the license validation requirement if they hold a valid educator license or endorsement in social studies, family and consumer sciences, or business education.
- Requires school districts, community schools, STEM schools, and chartered nonpublic schools to cover any costs necessary for their employees to receive a financial literacy license validation.
- Exempts chartered nonpublic schools that do not enroll state scholarship students from the license validation requirement and the requirement to cover costs for their teachers to receive a license validation.

## Validation cost reimbursement

- Permits a district, school, or educational service center (ESC) to seek reimbursement of the license validation costs from the Department of Education.
- Requires the Department to reimburse a district, school, or ESC for a teacher's license validation costs, in an amount that generally is equal to the lesser of (1) \$500 or (2) the total cost the teacher incurred.

## High School Financial Literacy Fund

- Creates the High School Financial Literacy Fund for reimbursement of license validation costs as a custodial fund outside the state treasury.
- Requires the Superintendent of Public Instruction to request the Director of Commerce, during the current fiscal biennium (FY 2022-FY 2023), to remit up to \$1.5 million of unclaimed funds to the High School Financial Literacy Fund.
- Requires the state 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 its own education requirements.

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# DETAILED ANALYSIS

## Financial literacy curriculum

The act generally requires students who enter 9<sup>th</sup> grade for the first time on or after July 1, 2022 (the Class of 2026 and on), to complete prescribed financial literacy instruction to qualify for a high school diploma. Specifically, public school students and state scholarship students attending chartered nonpublic schools must complete one-half unit of instruction as part of the 20 units of study prescribed under continuing law as the state's minimum high school curriculum. That instruction must align with the existing academic content standards for financial literacy and entrepreneurship adopted by the State Board of Education.

The act expressly exempts from that requirement any student attending a chartered nonpublic school, including a school accredited through the Independent Schools Association of the Central States (ISACS), without a state scholarship.<sup>1</sup>

(Except for a physical education course, one-half unit is 60 hours of course instruction.)<sup>2</sup>

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

<sup>2</sup> R.C. 3313.603(A).

## **Financial literacy as an elective course**

Continuing law requires students to complete five units of one or any combination of certain elective subjects. They are foreign language, fine arts, business, career-technical education, family and consumer sciences, technology, agricultural education, a Junior Reserve Officer Training program, or any other English language arts, math, science, or social studies courses not otherwise required under the minimum high school curriculum.

One way a student may satisfy the new financial literacy requirement is to complete the one-half unit of instruction in that subject as part of the five elective units, instead of a course in any of the other subject area.<sup>3</sup>

## **Financial literacy as a math course**

Students also may satisfy the requirement by completing one-half unit of financial literacy instruction in lieu of one-half unit of the four units prescribed for math. Students who choose that option 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 exam.

Additionally, the act prohibits students who under continuing law 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 any of the math requirements. Instead, those students must complete one-half unit of financial literacy instruction as an elective course.<sup>4</sup>

## **Financial literacy integrated into social studies**

The act eliminates a 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>

## **Use of public-private partnerships, resources, and materials**

The act permits schools, in developing their financial literacy curriculum, to use available public-private partnerships, resources, and materials that exist in business, industry, and centers for economics education at institutions of higher education. Prior law mandated that schools use those partnerships, resources, and materials.<sup>6</sup>

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

<sup>4</sup> R.C. 3313.603(C)(3) and (C)(9).

<sup>5</sup> R.C. 3313.603(C)(7).

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

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

### **Requirements for districts and schools**

The act specifies that, beginning with the 2024-2025 school year, each school district, community school, STEM school, and chartered nonpublic school generally must require an individual to have an educator license validation in financial literacy to provide high school instruction in that subject. But the act exempts from that requirement any classroom teacher who holds a valid educator license or endorsement required to provide instruction in social studies, family and consumer sciences, or business education. It also expressly states that those teachers still may obtain a license validation if they choose to do so.

The act requires each district or school to pay any additional costs necessary for an individual it employs to meet the license validation requirement. It further expressly authorizes a district or school to seek reimbursement from the Department of Education for those costs.

However, the act exempts a chartered nonpublic school, including an ISACS-accredited nonpublic school, from complying with the licensure validation requirement and the requirement to pay the costs of its employees to receive a license validation if the school does not accept state scholarships.<sup>7</sup>

### **Requirements to obtain a license validation**

To obtain a financial literacy license validation, an individual must hold a valid educator license issued by the State Board, or a permanent teaching certificate issued under former law, and meet additional requirements in rules adopted by the State Board.

Prior to adopting those rules, 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 representatives of the: (1) Ohio Council of Teachers of Mathematics, (2) Ohio Council for the Social Studies, (3) Ohio Business Educators Association, and (4) Ohio Association of Teachers of Family and Consumer Sciences.<sup>8</sup>

### **Validation cost reimbursement**

Under the act, a school district, community school, STEM school, chartered nonpublic school, or educational service center (ESC) generally is eligible for reimbursement from the Department for any costs necessary to meet the State Board's additional requirements for a financial literacy license validation. However, it appears that a chartered nonpublic school is not eligible for reimbursement if it does not accept state scholarships.

Upon receipt of a request from a district, school, or ESC, the Department generally must reimburse the amount for each individual teacher that is the lesser of (1) \$500 or (2) the total

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<sup>7</sup> R.C. 3319.238(A), (D), (E), and (F).

<sup>8</sup> R.C. 3319.238(B) and (C).

cost incurred by the teacher. But the act specifies that, if funds are insufficient to cover all reimbursement requests, the Department may limit the number of teachers for which a district, school, or ESC may request reimbursement or prorate reimbursement amounts.

The act requires the Department, at least twice each fiscal year, to request that the Treasurer of State transfer funds from the High School Financial Literacy Fund to the Department for these reimbursements. It also states that the Department may use “a portion” of the transferred funds for administration of the reimbursement program.<sup>9</sup>

## **High School Financial Literacy Fund**

The act creates the High School Financial Literacy Fund for reimbursement of license validation costs. The fund is in the custody of the Treasurer of State but is not a part of the state treasury. Accordingly, an appropriation by the General Assembly will not be necessary to spend money from it. It consists of moneys appropriated into 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 continuing law. The act designates the Superintendent of Public Instruction as the fund administrator.<sup>10</sup>

### **Remittance of unclaimed funds**

The act requires the state Superintendent to request the Director of Commerce, during the current fiscal biennium (FY 2022-FY 2023), to remit to the fund up to \$1.5 million of unclaimed funds. The Director must remit the money at the time requested by the state Superintendent.

The state Superintendent and the Director must enter into an agreement specifying terms to fully reimburse the 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 schedule must not exceed five years. If the state Superintendent fails to repay the Department of Commerce according to the agreement, the act expresses the General Assembly’s intent that the money owed must be transferred from the General Revenue Fund.<sup>11</sup>

## **Educational requirements of substitute teachers**

For the 2021-2022 school year only, the act permits a school district, community school, STEM school, chartered nonpublic school, ESC, or regional council of governments consisting of one or more ESCs to employ an individual as a substitute teacher if the individual:

1. Meets the district’s or school’s own education requirements;
2. Is deemed to be of good moral character; and

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<sup>9</sup> R.C. 3319.239.

<sup>10</sup> R.C. 121.086 and R.C. 135.143, latter section not in the act.

<sup>11</sup> Section 3. See also R.C. 169.05 and 5703.47, neither in the act.

3. Successfully completes a criminal records check.

The State Board must issue a nonrenewable temporary substitute teaching license to an individual who does not hold a post-secondary degree if the individual meets those requirements.<sup>12</sup>

A similar provision was enacted for the 2020-2021 school year in H.B. 409 of the 133<sup>rd</sup> General Assembly.<sup>13</sup>

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

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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
Passed House (91-1)	09-29-21
Senate concurred in House amendments (32-0)	10-06-21

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<sup>12</sup> Section 4.

<sup>13</sup> Section 7 of H.B. 409 of the 133<sup>rd</sup> General Assembly.