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S.B. 229
134th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Passed by the House

Primary Sponsor: Sen. Blessing

Local Impact Statement Procedure Required: No

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Highlights

- The bill permits school districts and other public schools, for the current 2021-2022 school year, to elect to (1) implement or discontinue blended learning by April 30, 2022, rather than July 1, 2021, and (2) extend the district or school's remote learning plan from the prior year for certain students by December 15, 2021, under certain conditions. Any costs associated with the bill's operating requirements for districts and schools opting to offer blended or remote learning options for this school year are permissive and may vary widely depending on the district or school's circumstances and implementation decisions.
- Few traditional school districts have or are currently using a blended learning model this school year. Those that are or have done so thus far have operated them in limited circumstances. Currently, 426 school districts are eligible to extend remote learning options under the bill.
- Fewer students will likely be retained in the third grade due to reading performance in the 2021-2022 school year. However, public schools will continue to provide intervention services to promoted students struggling in reading, as the bill requires schools to provide the students' parents with a description of the district's or school's remediation plan to improve the student's reading performance.
- The bill's modification of the "funding base" used to determine the state operating funding for educational service centers (ESCs) has no net effect on the total amount of ESC state operating funding, but four ESCs lose funding totaling \$322,192 in FY 2022 and \$257,777 in FY 2023 and four other ESCs gain commensurate amounts.

- State foundation aid may increase for some districts and e-schools by prohibiting withdrawal of computer-based school students for failure to take any spring state test prior to the 2021-2022 school year.
- The bill may increase administrative costs for the Ohio Department of Education to carry out various duties required by the bill.

Detailed Analysis

Blended, remote, and online learning provisions for the 2021-2022 school year

Continuing law permits school districts and other public schools to operate using a blended learning model, in which a student spends at least 51% of instructional time at school and the remainder of instructional time engaged in online learning or noncomputer-based learning while not physically present in a school building. Current law requires that districts and schools opting or ceasing to use a blended learning model submit a declaration to the Ohio Department of Education (ODE) by July 1 of each school year. Continuing law also permits districts to create an online learning school, in addition to traditional in-person schools. According to ODE, an online learning school is designed for students who are primarily learning in an online setting from their residences for the entire year. However, an online learning school may be used for temporary placements under certain circumstances. Districts must notify ODE by November 29, 2021, of their plan to operate an online learning school for the 2021-2022 school year. Current law also requires districts to provide students enrolled in an online learning school with a free computer and internet access and meet other requirements to track student participation.¹

For the current 2021-2022 school year only, the bill provides additional flexibility for school districts and other public schools to respond to changing conditions surrounding the coronavirus pandemic by permitting districts and schools to do the following:

- Submit a blended learning declaration to ODE by April 30, 2022.
- Extend the remote learning plans from the 2020-2021 school year authorized by H.B. 164 of the 133rd General Assembly for students whose parents or guardians specifically request a remote learning option for their child, if the district does not operate an online learning school. Districts and schools opting to do so must notify ODE of their decision by December 15, 2021.

In addition, the bill allows a district with an online learning school to permit students quarantining due to possible exposure to a contagious disease to participate in the online learning school for the duration of the quarantine period. The bill requires the district or school to notify parents of available learning options for the student in quarantine. A student in quarantine, if permitted to participate in the online learning school, will not be considered

¹ Ohio Department of Education. "Online & Blended Learning Considerations for the 2021-22 School Year," <http://education.ohio.gov/Topics/Back-to-School/Online-Blended-Learning-Considerations-for-202-1>, last accessed October 13, 2021.

enrolled in the online learning school; rather, that student will still be considered as enrolled in the school the student would otherwise attend.

The bill requires schools or districts that choose to implement a blended learning model or extend remote learning plans during any portion of the 2021-2022 school year to adhere to specific operating requirements, such as ensuring students have access to the internet and devices necessary to participate in online learning. The bill declares an emergency and, thus, goes into immediate effect.

Various data compiled by ODE suggests that many traditional school districts want the flexibility for blended learning this year, but few are currently implementing it. Those that are operating a blended learning model or have implemented one at some point this school year generally have done so in limited circumstances. Specifically, while 398 (65%) traditional school districts submitted a blended learning declaration by July 1, 2021, under current law, a small number of districts have used or are currently using a blended learning model this school year. These hybrid situations are usually used for a certain grade or building and for a limited period of time, typically one week or so. As of November 18, 2021, ODE identified one district using a mix of in-person and remote education for some students while no districts were identified as temporarily fully remote. All other traditional school districts reported using a five-day in-person format of instruction.² In addition to the traditional districts, 30 of the 49 joint vocational school districts (JVSDs) as well as 15 community and STEM schools, the Ohio State School for the Blind, and the Ohio School for the Deaf submitted a blended learning declaration for this school year. ODE does not publish what type of education model these other types of public schools are currently using. It may be that, like the traditional districts, most if not all of these schools submitted a declaration to provide the flexibility for blended learning this school year in case it becomes necessary.

While the November 29, 2021 deadline for a district to notify ODE about an online learning school for the 2021-2022 school year has not passed, 128 (21%) school districts are operating such a school as of November 19, 2021. For the 2020-2021 school year, 539 districts submitted remote learning plans. Of these districts, 114 are operating an online learning school in FY 2022. So, 425 (70%) districts currently are eligible to extend the remote learning plan. In addition to the traditional districts, 43 (88%) of the 49 JVSDs as well as 293 (93%) of the 316 active site-based community schools and STEM schools submitted remote learning plans for the 2020-2021 school year, making them eligible to extend remote learning for the 2021-2022 school year under the bill.

Permissive costs for districts opting for blended or remote learning

The operating standards for blended learning required by continuing law require each school district to adopt policies and procedures that, among other items, address (a) the method by which each participating student will have access to the digital learning tools necessary to access online or digital content, (b) the assessment of student progress, and (c) the assignment of a sufficient number of teachers to ensure the student has an appropriate level of interaction with a teacher to meet the student's personal learning goals. The bill requires, for the 2021-2022

² Ohio Department of Education. "Back to School 2021-2022," <http://education.ohio.gov/Topics/Back-to-School>, last accessed November 5, 2021.

school year only, that school districts opting for blended learning or remote learning plans during any portion of that school year ensure that students engaging in blended or remote learning have internet access and devices necessary to access online content, include a filtering device or software that protects against internet access to obscene or harmful materials on computers provided to students, monitor and assess student achievement and progress and provide additional services if necessary to improve student achievement, and periodically communicate with parents or guardians regarding student progress. Districts and schools opting to provide remote instruction under a remote learning plan must also track student remote learning participation, including online and offline activities, and report attendance based on student participation. These requirements are similar to those for district-operated online learning schools.

Costs to districts or schools that elect to offer blended learning, extend remote learning, or allow quarantining students to temporarily participate in online learning schools during FY 2022 under the bill will depend on the number of students within those districts who participate and the circumstances of individual districts and students. Note that school districts and other public schools may use federal coronavirus school relief funds to purchase educational technology, including hardware, software, and connectivity.³

Devices

Most districts already provide some students with devices to access online content. If a district elects to provide blended learning or extend remote learning, the cost to ensure students have devices will vary based on the district's existing supply of devices, the number of students who participate in blended or remote learning and their access to personal devices, and the district's implementation decisions. For example, all eight major urban school districts in Ohio have one-to-one device-to-student policies. Suburban, small town, and rural districts have a variety of policies, with most providing devices for students who need one and several districts with one-to-one device-to-student policies. A January 2021 ODE survey of school districts indicated that 92% of K-12 students had access to a laptop, desktop, tablet, or smartphone at home (3% of K-12 students had no device available at home and districts were unsure about access for 5% of K-12 students).⁴ If a district needs to purchase devices, the cost for a Chromebook, for example, generally starts at around a few hundred dollars per device.

Internet access

The bill does not specify where a district opting for blended learning or remote learning must ensure internet access is provided. Districts may be able to comply with the bill at no additional cost by providing access to school Wi-Fi somewhere on premises for students engaged in blended learning or remote learning and without internet access at home (for example, schools could provide blended learners access to places such as a cafeteria, auditorium, or gymnasium).

³ U.S. Department of Education. "Frequently Asked Questions: Elementary and Secondary School Emergency Relief Programs, Governor's Emergency Education Relief Programs, May 2021," pg. 41. The document is accessible online at the U.S. Department of Education [website](#).

⁴ Ohio Department of Education. "Data Insights: Ohio Students' Technology Connectivity and Technology Access," <http://education.ohio.gov/Topics/Reset-and-Restart/Data-Insights-Ohio-Students-Internet-Connectivity>, last accessed October 8, 2021.

Some schools already provide free internet access to students or partner with local companies to provide free or reduced cost internet access to students' homes. If districts need to provide internet access to households with participating students without existing internet access, basic internet access can cost up to \$50 per month per household. Many students already have internet access at home. The January 2021 ODE survey of school districts noted above indicated that 83% of K-12 students had broadband access or a cellular connection from home (3% of K-12 students had no connection from home and districts were unsure about access for 14% of K-12 students).⁵ It appears that district implementation decisions will impact the cost of providing internet access to blended learners.

Other requirements

Districts and schools opting to extend their remote learning plan may incur costs to procure a learning management system (LMS) to track student participation if such a system is not already in use (unlike H.B. 164, which considered districts and schools implementing a remote learning plan for the 2020-2021 school year to have complied with minimum hour requirements, the bill requires a district or school offering remote instruction under its remote learning plan to meet all minimum school year requirements). LMS costs may vary widely depending on the vendor, features, student participation levels, and the vendor's pricing model. The bill's requirements for student monitoring and assessment and communication with parents are similar to work currently performed by teachers and school staff and are not expected to have a fiscal impact. District and school administrative workload may increase to comply with the bill's various reporting requirements related to student participation in blended or remote learning.

Third grade reading guarantee

The bill prohibits schools from retaining a student in third grade under the third grade reading guarantee based on a student's reading performance during the 2021-2022 school year unless the principal of the student's school and the student's reading teacher, in consultation with the student's parent or guardian, agree that the student is reading below grade level and not prepared to be promoted to fourth grade. If a third grade student's academic performance in reading during the 2021-2022 school year is below grade level but the principal of the student's school and the student's reading teacher, in consultation with the student's parent or guardian, agree the student is prepared to be promoted to the fourth grade, the student will be promoted. Similar provisions were also in effect for the 2019-2020 and 2020-2021 school years.

Thus, the bill continues to provide flexibility for districts and schools to determine if a student who does not achieve the required third grade reading promotion score on state tests or an approved alternative test is retained in the third grade. While fewer students will likely be retained in the third grade as a result of this provision, school districts and other public schools will continue to provide intervention services to students struggling in reading. The bill requires districts and schools to notify parents if their student does not meet the third grade reading promotion score and describe the district's or school's remediation plan to improve the student's reading performance. In general, current law requires districts and schools to provide intense remediation services to a student retained in the third grade due to reading performance until the student is able to read at grade level. It may be that school districts and other public schools

⁵ Ibid.

use federal coronavirus school relief funds to assist with costs associated with interventions included in a student’s remediation plan. These funds may be used for a wide variety of purposes, including to address the academic impact of lost instructional time and implement summer learning and enrichment and supplemental after-school programs.

ESC state operating funding

The bill modifies the “funding base” used to determine the state operating funding for educational service centers (ESCs) by specifying that the funding base equals the amount the ESC would have received for FY 2020 using the student counts of the school districts with which the ESC has service agreements (i.e., the ESC’s “client school districts”) for the fiscal year for which payments are made, rather than the funding base being equal to the amount the ESC actually received for FY 2020. The bill has no net effect on the total amount of ESC state operating funding. However, the funding amounts for eight ESCs change due to changes to the ESC’s client school districts starting in FY 2022. The estimated changes for the eight ESCs are listed in the table below. As the table indicates, four ESCs lose funding (Mahoning County ESC, Muskingum Valley ESC, North Central Ohio ESC, and Ohio Valley ESC) totaling \$322,192 in FY 2022 and \$257,777 in FY 2023. Four other ESCs gain commensurate amounts (East Central Ohio ESC, Licking County ESC, Mid-Ohio ESC, and Summit County ESC).

Estimated Changes in State Operating Funding for ESCs, S.B. 229, FY 2022-FY 2023					
County	ESC	\$ Change FY 2022	\$ Change FY 2023	% Change FY 2022	% Change FY 2023
Licking	Licking County ESC	\$133,071	\$106,467	21.4%	15.7%
Tuscarawas	East Central Ohio ESC	\$97,128	\$77,709	16.3%	12.1%
Summit	Summit County ESC	\$67,359	\$53,892	6.9%	5.3%
Richland	Mid-Ohio ESC	\$24,634	\$19,709	5.5%	4.1%
Seneca	North Central Ohio ESC	-\$24,634	-\$19,709	-3.2%	-2.5%
Mahoning	Mahoning County ESC	-\$67,359	-\$53,892	-7.4%	-5.9%
Guernsey	Ohio Valley ESC	-\$114,525	-\$91,629	-27.1%	-21.0%
Muskingum	Muskingum Valley ESC	-\$115,674	-\$92,547	-14.7%	-11.7%
Total		\$0	\$0	0%	0%

Withdrawal of computer-based school students for failure to take state tests

Current law requires traditional public schools in which enrolled students work primarily through computer-based means and e-schools to withdraw any student who, for two consecutive school years, has failed to participate in the spring administration of any state test and was not

excused from the test. Current law also prohibits districts and schools from receiving state operating funds for such a student and requires the student's parent to pay tuition. However, automatic withdrawal determinations are prohibited for such students who failed to take any required spring state test prior to the 2020-2021 school year, under a provision recently enacted in H.B. 110 of the 134th General Assembly. The bill extends the prohibition on automatic withdrawals for computer-based school students to those who failed to participate in any of the spring state tests prior to the 2021-2022 school year. This provision may increase state foundation funding for these students.

Learning loss remediation plans

The bill requires that school districts and other public schools complete a remediation plan to address the loss of learning students experienced as a result of the coronavirus pandemic and post the plan on the district or school's website. The plans are due to ODE 90 days after the bill's effective date. However, the bill considers districts and schools that completed an extended learning plan prior to April 1, 2021, as requested by the Governor, or a "local use of funds plan" prior to August 21, 2021, as a condition of receiving federal Elementary and Secondary School Emergency Relief (ESSER) funding provided under the American Rescue Plan (ARP) Act, as having satisfied the remediation plan requirements.⁶

Most school districts, community schools, and STEM schools have completed one of these existing types of plans and, thus, are already in compliance with the bill's requirement. Costs for districts and schools that have not may increase to develop and implement the plans and will depend on district and school choices.

Department of Education provisions

The bill may increase ODE's administrative costs to carry out various duties required by the bill. These duties include:

- Developing standards and a template for district and school remediation plans within 30 days after the bill's effective date.
- Compiling the remediation plans submitted by districts and schools into a report for the General Assembly within 165 days after the bill's effective date.
- Modifying the state report cards so that, (1) for the 2021-2022 school year, the chronic absenteeism indicator is not considered when (a) determining whether a district or school is subject to any penalty or sanction for that school year or (b) assigning performance ratings for the gap closing components for districts and schools and (2) some additional graduation rate data is reported but not used for accountability purposes.

⁶ In February 2021, districts and schools were requested by the Governor to submit extended learning plans by April 1, 2021, to address learning loss due to the coronavirus pandemic. Also, school districts and other public schools are required to report how they will use federal ESSER funds. Districts and schools are required to reserve at least 20% of their ARP Act ESSER funds to address learning loss and describe how the reserved funds will be used in local use of funds plans. These reports were required to be posted to the district or school's website by August 20, 2021.

- Posting on its website lists of the districts and schools submitting a blended learning declaration or extending a remote learning plan for the 2021-2022 school year. ODE currently posts a similar list of district education delivery model policies, which is referenced above.
- Making monthly partial payments for the Cleveland Scholarship, rather than, practically, twice each year as under current law.

Delivery of services for students with disabilities

The bill permits individuals who hold a valid license issued by a licensing board to provide services to students with disabilities via electronic delivery method or telehealth communication upon the request of the student's parent or guardian between July 1, 2021, and June 30, 2022. These provisions apply to any student participating in the Autism or the Jon Peterson Special Needs Scholarship programs, or to any student who was enrolled in a public or chartered nonpublic school and was receiving those types of services, regardless of the method of delivery, prior to the bill's effective date. The bill additionally prohibits a licensing board from taking any disciplinary action against a license holder who provides services to qualifying students. Similar provisions have been in effect since the beginning of the coronavirus pandemic through the end of the 2020-2021 school year and Medicaid currently covers these services when they are delivered via telehealth, so no additional fiscal effect is expected from the provisions of the bill.

Instruction in economics and financial literacy

Current law requires high school students to study economics and financial literacy as part of required social studies classes or in the content of another class. The recently enacted S.B. 1 of the 134th General Assembly, which goes into effect on January 27, 2022, removes this requirement and, instead, enacts a new financial literacy requirement (completion of one-half unit of instruction or, practically, a semester course) that applies beginning with students entering ninth grade for the first time on or after July 1, 2022 (the classes of 2026 and beyond). This bill restores the current law economics and financial literacy requirement for students entering ninth grade prior to July 1, 2022 (the classes of 2025 and prior years) and generally makes the provision effective immediately under the bill's emergency clause. As such, this provision is not expected to have any fiscal effect.