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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 250  
135<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 250's Bill Analysis](#)

**Version:** As Passed by the Senate

**Primary Sponsor:** Rep. Richardson

**Local Impact Statement Procedure Required:** No

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### Highlights

- The bill increases GRF appropriation line item (ALI) 600562, Adoption Grant Program, by \$19.0 million in both FY 2024 and FY 2025 (from \$15.0 million to \$34.0 million). The bill also reappropriates the remaining balance of ALI 600562 at the end of FY 2024 for FY 2025. This appropriation is under the Ohio Department of Job and Family Services (ODJFS).
- The bill modifies an educational service center (ESC) transportation pilot program established in H.B. 33 to create two separate programs and modify how they are funded. Specifically, the bill requires the Department of Education and Workforce (DEW) to deduct from a school district's transportation payments the statewide average cost per rider for each of a district's students transported by an ESC under the program, rather than the transportation payment the district would have received for each student transported under the program. District transportation payments may increase or decrease depending on their circumstances.
- DEW may incur minimal administrative costs to develop a model policy for student cell phone use based on available research and to develop guidance for the bill's additional criteria for students to earn a Military diploma seal.
- School districts and other public schools may incur additional administrative costs to adopt policies for the use of cell phones by students and make them publicly available.
- The bill renames the Military Enlistment seal to the Military seal. School districts and other public schools may incur negligible costs if they choose to purchase updated seals with the bill's revised name, but the bill permits districts to continue using already purchased Military Enlistment seals.

## Detailed Analysis

### Adoption Grant Program

The bill increases the appropriation for GRF appropriation line item (ALI) 600562, Adoption Grant Program, by \$19.0 million in each fiscal year (from \$15.0 million to \$34.0 million). The bill also reappropriates the remaining balance of ALI 600562 at the end of FY 2024 for FY 2025. The program was created by H.B. 45 of the 134<sup>th</sup> General Assembly. It provides a one-time payment, for each eligible adopted child adopted on or after January 1, 2023, of (1) \$10,000, (2) \$15,000, if the adoptive parent was a foster caregiver for the child, or (3) \$20,000, if the child has been diagnosed with special needs. An adoptive parent can receive a grant if the adoptive parent has not previously received a grant payment for the adopted child and if the adoptive parent does not also currently claim an adoption tax credit for the adopted child. The Ohio Department of Job and Family Services (ODJFS) administers the program.

### Educational service center transportation pilot programs

#### Pilot program criteria

H.B. 33 of the 135<sup>th</sup> General Assembly, the main operating budget act for FY 2024 and FY 2025, established a pilot program requiring two educational service centers (ESCs) located in counties meeting certain geographic and population criteria (functionally, Franklin and Montgomery counties) to provide transportation to certain students for the 2024-2025 school year instead of those students' resident districts. Specifically, H.B. 33 required both participating ESCs to identify a district and provide transportation to certain resident students of that district who are enrolled in community schools; science, technology, engineering, and mathematics (STEM) schools; and chartered nonpublic schools, rather than the district itself.

The bill splits the program into two separate pilot programs with different criteria and makes certain other changes. For the ESC in Franklin County, the bill requires the ESC to identify students struggling with transportation issues, as determined by their resident districts, and who are served by the ESC or a community or chartered nonpublic school enrolling students from districts for whom the ESC will provide transportation under the program. For the ESC in Montgomery County, the bill requires the ESC to provide transportation to any student struggling with transportation issues who either (1) attends a school different from the one the student is assigned in their home district or (2) has a disability and is required to receive transportation as a related service from their home district. The bill requires both participating ESCs to report the students they transport under the program to the Department of Education and Workforce (DEW). The bill also permits participating ESCs to use certain other approved vehicles and authorized individuals for transportation services under the programs, rather than only school buses and bus drivers.

#### Pilot program funding

H.B. 33 established a mechanism to pay for ESCs to participate in the pilot by deducting a portion of the state-paid transportation funds from school districts that would normally provide transportation to students attending community schools and chartered nonpublic schools participating in the program. Specifically, H.B. 33 required DEW to deduct the weighted amount the district would otherwise receive for each student transported by the ESC under the pilot and pay it to the ESC transporting that student. The bill modifies this funding mechanism by instead

requiring DEW to deduct from a school district's state transportation funds the transportation formula's statewide average cost per rider for each of a district's students transported by the ESC under the program. This amount is \$1,168 for FY 2024.

Under the school funding formula, a district's transportation funding is based on either the number of qualifying riders it transports or the number of miles it drives those students. In general, a district's base transportation funding equals the greater of a district's qualifying ridership payment or its qualifying mileage payment multiplied by the greater of the district's state share percentage or a minimum percentage (37.5% for FY 2024 and increasing to 41.67% for FY 2025). Compared to the original payment mechanism in H.B. 33, deductions for districts may increase or decrease under the bill depending on their circumstances. DEW indicates the bill's payment mechanism will simplify payments and reduce the administrative workload of the pilot program.

Additionally, the bill requires DEW to pay each participating ESC pursuant to the statutory formula for special education transportation for each applicable student the ESC transports under the program. This may reduce special education transportation payments to school districts for those students, and increase them commensurately for ESCs.

### **School district cell phone policies**

The bill requires school districts and other public schools to adopt a policy governing the use of cell phones by students during school hours and sets forth minimum requirements for these policies to include. A district must make a copy of its policy publicly available and must post it prominently on its website if it has one. Additionally, the bill requires DEW to develop a model policy meeting the bill's minimum requirements that districts and schools may use in the development of their own policies. The bill requires DEW's model policy to take into account available research regarding the effects of student cell phone use in school settings.

Districts and schools may incur additional administrative costs to adopt a student cell phone policy and make it publicly available if they have not done so already. DEW may also incur minimal additional administrative costs to develop a model cell phone policy for dissemination to districts and schools.

### **Military Enlistment diploma seal changes**

Under current law, a graduating high school student may earn a Military Enlistment diploma seal if they provide evidence of enlistment in a branch of the U.S. military or participate in a junior Reserve Officer Training Corps (ROTC) program. According to DEW, public schools awarded roughly 700 Military Enlistment seals in FY 2023. Of this amount, traditional districts awarded 658 seals, community schools awarded 23 seals, and science, technology, engineering, and mathematics (STEM) schools and joint vocational schools awarded fewer than 20 seals combined. DEW does not collect or report data on the issuance of seals by private schools.

The bill renames the seal to the Military seal and establishes two new criteria by which a high school student may earn the seal; namely, evidence of acceptance of a scholarship to enter the ROTC or appointment to a U.S. military service academy. Because the Military diploma seal is a state-defined seal under continuing law (see the [LSC bill analysis](#) for additional details), DEW may incur minimal administrative costs to develop guidance for how school districts and schools award the seal. The bill places no new requirements on school districts or schools, which are unlikely to incur more than negligible additional costs to implement the updated guidance.

The bill's renaming of the seal also may result in negligible costs to districts and schools if they choose to replace previously purchased Military Enlistment seals with the updated seals. However, the bill allows districts and schools that previously purchased the Military Enlistment seal under current law to continue using those seals for the diplomas of students who satisfy the bill's updated criteria. Districts and schools may purchase seals with the state-approved design from third-party vendors as rolls of stickers or embossed seals to affix to diplomas. For example, LBO identified one supplier offering a roll of 100 diploma seal stickers for \$75 (75¢ per seal) or 500 for \$250 (50¢ per seal). Another vendor offers embossed seals for between 35¢ each (for over 250 seals) and \$1.05 apiece (for up to 25 seals). Costs to districts and schools will depend on how many updated seals they choose to order.

## **Grade bands for teacher licenses**

H.B. 33 altered the grade band specifications for various teaching licenses. Prior to the change, teachers could be licensed for grades preK-5, grades 4-9, and grades 7-12. H.B. 33 changed these grade bands to grades preK-8 and grades 6-12. The bill allows teachers licensed under the previous grade band structure prior to the effective date of the changes made by H.B. 33 to renew their license under either the prior-law grade band specifications or the updated specifications. The fiscal effects of this provision on the State Board of Education's administrative costs are minimal, at most. The provision will not affect licensure fee revenues into the State Board of Education Licensure Fund (Fund 4L20), as the bill does not alter any other licensure or renewal requirements.

H.B. 33 also permits a school district or community school to employ a licensed educator to teach not more than two grade levels outside of the grade band designated on that educator's license for not more than two school years at a time. The bill requires that any educator employed by a school district or community school to teach outside of the designated grade band, as authorized by H.B. 33, be considered a "properly certified or licensed teacher." Continuing law requires school districts to employ classroom teachers providing instruction in a core subject area (reading and English language arts, mathematics, science, social studies, foreign language, and fine arts) to be properly certified or licensed. A similar requirement in federal law requires teachers in programs supported by federal Title I funds to meet state certification and licensure requirements. The percentage of a district or school's teachers teaching outside their credentialed area is reported on the state report cards. In FY 2023, DEW's report card data shows that, among all traditional school districts, 1.9% (1,876) of full-time equivalent teachers taught outside their credentialed area.

Without the bill's change, those teaching outside of their grade band under H.B. 33 will not meet the definition of proper certification. According to DEW, federal law requires schools to send a letter notifying the caregivers of a student when the student has received instruction for four or more consecutive weeks from a teacher who is working in a program supported with Title I funds but is not properly certified. Thus, the provision may minimally reduce district administrative costs.

## **Corrective changes**

The bill makes various corrective changes to state law that have no fiscal effect. These include changing references to the State Board of Education or the Superintendent of Public Instruction to DEW or the DEW Director in statutes governing financial literacy standards, the

High School Financial Literacy Fund, and standards for school psychologists. These changes align the law with the establishment of DEW in H.B. 33. Also, the bill requires Ohio Deaf and Blind Education Services (ODBES) to consult with the Department of Children and Youth (DCY) in carrying out its educational programs for parents of preschool children who are blind or visually impaired. This change was inadvertently omitted from H.B. 33, which made similar changes in other sections of ODBES law as part of the creation of DCY.