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H.B. 563
135th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsor: Rep. Brennan

Local Impact Statement Procedure Required: Yes

Jason Glover, Senior Budget Analyst

Highlights

- City, exempted village, and local school districts will incur costs, likely in the range of \$5,000 to \$10,000 per school district depending on the district's student population size, the first time they complete the annual staffing survey required by the bill. Future annual costs for school districts to complete the survey are expected to be minimal.
- The Department of Education and Workforce (DEW) may incur minimal costs to develop and administer the survey and produce an annual report based on the survey's findings.
- DEW, school districts and other public schools, and public universities will incur various costs if they choose to provide the specified forms of compensation or other financial assistance for student teachers permitted by the bill. If provided, compensation or assistance costs will depend on program implementation decisions and, for the bill's programs administered by DEW, on appropriation levels.

Detailed Analysis

Annual online staffing survey

The bill requires each city, local, or exempted village school district to complete an annual online survey related to certain specified staff positions (e.g., teachers, counselors, nurses, etc.) employed in the district. As part of the survey, each district must include: (1) the number of each of certain specified positions that are vacant or filled by an individual that is not fully licensed for the position, (2) the number of employees that are new to those positions, (3) the number of teaching positions filled by long-term substitutes, categorized by license and endorsement area, (4) the number of teaching positions filled by formerly retired teachers, categorized by license and endorsement area, (5) the number of positions filled by teachers holding an alternative license, categorized by license and endorsement area, and (6) any other relevant data, as

determined by the Department of Education and Workforce (DEW). According to a Buckeye Association of School Administrators (BASA) spokesperson, the initial cost to collect this data is estimated to be about \$5,000 for smaller school districts (less than 2,000 students) and about \$10,000 for larger school districts (more than 2,000 students). Costs in subsequent years to complete the survey are expected to be minimal.

DEW may incur minimal costs to develop and administer the survey and produce an annual report based on the survey's findings, which must be posted on its website and submitted to the General Assembly and the Ohio Department of Higher Education (ODHE) for consideration in the oversight and development of educator preparation programs.

Student teacher compensation and other financial assistance

The bill allows DEW, school districts and other public schools, and public universities to provide an individual enrolled in a teacher preparation program and who is working as a student teacher with various forms of compensation and other financial assistance. Ultimately, the costs for these activities are permissive. If provided, the costs will depend on program implementation decisions and, for the programs the bill assigns to DEW, the funding levels the General Assembly appropriates to support them. These provisions are discussed below in more detail.

DEW stipends and test fee waivers or reimbursements

The bill permits DEW to provide an eligible student teacher a cost-of-living stipend or a waiver or reimbursement of test fees based on financial need. The bill provides discretion to DEW in determining the amount and number of any cost-of-living stipends and test fee waivers or reimbursements. The bill specifically allows DEW to provide the stipend in addition to any potential salary provided by the school district in which the individual is teaching. In the case of test fee waivers, the individual cost for most assessments that are required for educator licensure is \$109.

Public university tuition waivers

The bill permits a state institution of higher education¹ to waive all or part of an individual's tuition for the academic period in which an eligible individual is required to work as a student teacher in a school building. In FY 2023, 69% (10,768) of the 15,530 students enrolled in teacher preparation programs attended public universities. A public university with a teacher preparation program that chooses to provide a waiver to an eligible individual will forego such revenue, the amount of which would vary by university. Generally, the amount of foregone revenue will likely be in the thousands of dollars per student. In FY 2024, the average in-state tuition for full-time undergraduate students enrolled at public universities weighted by FY 2023 subsidy eligible, full-time equivalent (FTE) students is approximately \$10,800.

Such revenue loss could be offset at least somewhat by an increase in the university's share of state share of instruction (SSI) if more students enrolled in its teacher preparation program take advantage of the tuition waiver. SSI is the state's primary funding source to support the instructional costs of the state's 61 public universities and community and technical colleges.

¹ Although the bill permits any state institution of higher education to waive tuition for eligible students, teacher preparation programs are currently only offered at 13 public universities and numerous private institutions.

In FY 2023, the latest year for which this data is available, the average per-student SSI received by public universities and their regional campuses was \$7,635. If a university opts to provide tuition waivers, the bill requires ODHE to establish procedures governing them.

Public school compensation for student teachers

H.B. 33, the main operating appropriations act of the 135th General Assembly, allows student teachers to receive compensation for the first time by establishing a mandatory three year, pre-service teaching permit (which will be available beginning July 1, 2024) and permitting student teachers to be employed as substitute teachers. The bill permits school districts and other public schools to pay student teachers a wage rate no less than the state’s minimum wage (currently \$10.45 per hour) or to offer the same health care benefits provided to teachers in the district. Student teaching internships for the initial teaching license are full time and last at least 12 weeks.

List of in-demand jobs

The bill requires the Ohio Department of Job and Family Services (ODJFS) to include teachers on the list of in-demand jobs² established under continuing law. According to the Governor’s OWT’s Top Jobs website, criteria for jobs categorized as “in-demand” have: (1) wages that are at least 80% of the state median wage, or \$17.22 per hour, (2) annual growth in the number of jobs higher than the statewide average of 37, or (3) annual job openings greater than 641. While teachers are currently on the Top Jobs List, they are categorized as “critical.”³ The addition of teachers to the list of in-demand jobs may increase the number of eligible recipients and, potentially, state expenditures for programs that use an in-demand qualification as criteria for receiving an award. However, any other criteria for eligibility in these programs will likely determine if listing teachers as an “in-demand” occupation will have a fiscal impact on the program.

Since ODJFS is already required under continuing law to periodically update this list to reflect evolving workforce demands in Ohio and its regions, this provision is unlikely to have any direct fiscal effect on ODJFS.

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² Accessible by filtering for “in-demand” jobs in the customizable Top Jobs List, which is available on the Governor’s Office of Workforce Transformation’s (OWT) website: topjobs.ohio.gov.

³ “Critical” jobs are identified by the Governor with help from experts and stakeholders in eight career clusters aligning with the Governor’s policy goals. The eight priority clusters include: Children and Community Health, Early Childhood Education, First Responders, Lead Abatement and Construction, Mental and Behavioral Health, Nurses, Physicians, and Wellness Research and Technology.