



# OHIO LEGISLATIVE SERVICE COMMISSION

Jason Glover

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## Fiscal Note & Local Impact Statement

**Bill:** S.B. 216 of the 132nd G.A.

**Status:** As Passed by the Senate

**Sponsor:** Sen. Huffman

**Local Impact Statement Procedure Required:** No

**Subject:** Modifies various laws related to primary and secondary education

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### State & Local Fiscal Highlights

#### State achievement assessments

- The bill authorizes public and chartered nonpublic schools to administer the third, fourth, and fifth grade state achievement assessment in any combination of online and paper formats, potentially increasing the state's cost for the assessments. State assessments are primarily funded by the GRF.

#### College Credit Plus

- The bill may decrease public district and school expenditures for textbooks for College Credit Plus (CCP) participants by about \$4.3 million each year by generally shifting the responsibility for 50% of the cost of such textbooks to the participants beginning in the 2018-2019 school year.

#### Excessively absent students

- The bill requires public districts and schools to consider only unexcused absences when determining if a student is excessively absent from school rather than both excused and unexcused absences. If fewer students are declared excessively absent due to the bill, districts and schools may experience a decrease in administrative costs to provide various intervention services.

#### Teacher evaluation system

- The bill's revisions to the teacher evaluation system, generally effective in FY 2020, may increase or decrease the workload or costs of public districts and schools.
- There will likely be additional costs to the Ohio Department of Education (ODE) to make changes to the system required by the bill, the extent of which will depend on implementation decisions. In addition, ODE must operate a pilot program in FY 2019 that will guide implementation of the revised teacher evaluation framework.

## **Educator licensure and employment**

- Public district or school professional development costs may decrease due to a provision that extends the time in which a gifted service provider has to complete required professional development hours.
- Various provisions of the bill may provide public districts and schools with additional flexibility in responding to certain staffing needs, including provisions that modify educator and intervention specialist license grade bands, the authority to teach grades and subjects for which a person is not licensed, and career-technical education and early college high school teaching licenses.
- The bill's elimination of highly qualified teacher requirements may reduce state and local reporting costs. It may also provide some additional flexibility for public districts and schools in the classes that teachers are assigned.

## **School mandate reports**

- The bill requires ODE to establish a consolidated school mandate report for school districts on certain topics and generally prohibits ODE from requiring a separate report for any of the items included in the report, potentially decreasing the administrative responsibilities for districts and schools to complete and file various reports and for ODE to manage them.

## **Reading improvement plans**

- An estimated additional 421 school districts and 86 community schools will incur what are likely to be minimal costs to develop and implement a reading improvement plan due to the bill's requirement that districts and schools with a proficiency rate of 80% or less on the third grade English language arts assessment establish the plans.

# **Detailed Fiscal Analysis**

The bill makes many changes to a variety of laws governing primary and secondary education, including state achievement assessments, the College Credit Plus Program, excessively absent students, teacher evaluations, educator licensure and employment, and various mandated reports, among others. A number of provisions in the bill may reduce costs or administrative duties for the state and public districts and schools while a few others may increase them. Provisions in the bill with a notable fiscal effect are discussed in more detail below.

## **Provisions related to state achievement assessments**

### **Paper and online administration of certain state assessments**

Currently, public districts and schools are generally expected to administer all state assessments online. According to the Ohio Department of Education (ODE), districts and schools that demonstrate a lack of infrastructure to test all students online must apply to the Department for an exception. In contrast, the bill authorizes public

and chartered nonpublic schools to administer in a paper format any state achievement assessment administered in the third, fourth, or fifth grade. The bill also allows a district or school to administer any of those assessments in any combination of online and paper formats and to administer them in a particular format on a student-by-student basis and expressly states that a district or school may not be required to administer any of those assessments in an online format. The state's assessment costs may increase as a result. Paper tests tend to be more expensive than computer-based assessments due to additional printing, shipping, and test security costs. There may also be some additional cost for ODE to coordinate with districts and schools and the testing vendor concerning the mix of paper and online tests administered in each school. The state's assessment costs are primarily funded by the GRF.

### **Assessment analysis and assistance**

The bill requires ODE to request each assessment vendor contracted by ODE to provide an analysis explaining how questions on each of the state achievement assessments are aligned to the statewide academic content standards. The analysis must be provided to all school districts and schools for all grade levels for which assessments are prescribed. Additionally, the bill requires that ODE request each assessment vendor to provide information and materials to school districts and schools for assistance with the state achievement assessments, including practice assessments and other preparatory materials. The analysis must be produced and the information and materials must be distributed to districts and schools annually beginning with the 2018-2019 school year. This provision may increase the cost of the state's assessment contracts if this work is not already being performed. Presumably, any additional cost would depend on negotiations between the state and the testing companies.

## **College Credit Plus**

### **Textbooks**

The College Credit Plus (CCP) Program allows both public and nonpublic high school students to attend classes at postsecondary education institutions and earn both high school and college credits at state expense. In general, the bill changes the way textbook costs are paid for students who participate in CCP beginning with the 2018-2019 school year. Under current law, a participant's secondary school is generally responsible for textbook costs unless the secondary school and the college have entered into an alternative payment structure. Under the bill, participants enrolled in a public, nonpublic, or chartered nonpublic school must pay 50% of the cost of all required textbooks, and the secondary school must pay for the other 50%. However, the participant's secondary school will pay 100% of the required textbook costs for any student whose family income is at or below 200% of the federal poverty guidelines.

Shifting responsibility for 50% of the cost of textbooks to participants will likely result in a substantial savings for school districts. The total amount paid by districts and

schools for CCP textbooks is uncertain, as postsecondary institutions bill the participant's high school for textbooks directly.<sup>1</sup> Nevertheless, total textbook costs for public school CCP participants whose family income is above 200% of the federal poverty guidelines are estimated to be \$8.5 million each year, based on the total number of CCP credit hours attempted in the 2015-2016 school year (480,972), the percentage of CCP participants from public schools (95.3%), the estimated percentage of participants that are above 200% of the federal poverty guidelines (62%, based on the percentage of the general 12-17 year old population in Ohio whose families fall into certain income brackets), and an average cost for textbooks of roughly \$900 per year per student, equating to about \$30 per credit hour, based on various reports published by the National Association of College Stores, *Student Monitor*, and the College Board. The estimated savings due to this provision would be 50% of the total cost, which is about \$4.3 million. Actual savings may be less depending on the textbook arrangements included in the alternative agreements that may be entered into by institutions and secondary schools.

### **Study on results and cost-effectiveness**

The bill requires ODE to conduct a study on CCP's results and cost-effectiveness and submit its findings not later than one year after the bill's effective date to the Governor, Chancellor of Higher Education, each member of the General Assembly, and the superintendent of each school district and educational service center (ESC). The study must include the cost-effectiveness for secondary schools and participants and whether participants in CCP save money on college tuition and reduce the amount of time to degree completion. ODE's administrative workload will increase to conduct the study.

### **Excessively absent students**

Current law specifies that a school district or school must consider a student's *excused and unexcused* absences when determining whether a student is excessively absent from school.<sup>2</sup> Under the bill, school districts and schools are required to consider only *unexcused* absences when determining if a student is excessively absent. Under continuing law, when a student becomes excessively absent from school, the district or school must notify the student's parent, guardian, or custodian of those absences, in writing, within seven days of the most recent triggering absence. In addition, school districts with a chronic absenteeism percentage of 5% or more must assign excessively absent students to an absence intervention team and develop an intervention plan for

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<sup>1</sup> According to the Department of Higher Education, postsecondary institutions and secondary schools have developed a number of different purchasing systems to provide textbooks to participants, including vouchers, district or school purchases of an inventory of books that students borrow, and agreements with college bookstores to invoice the district or school.

<sup>2</sup> The threshold for a student to be declared "excessively absent from school" is when a student's absences exceed 38 or more hours in one school month or 65 or more hours in a school year.

the student, with the aim of reducing or eliminating further absences. Statewide, 543 (89.3%) school districts have a chronic absenteeism percentage equal to or greater than 5%, according to the report cards for the 2016-2017 school year. School districts that are exempt from the absence intervention plan process (districts with a chronic absenteeism percentage of less than 5%) must instead implement any appropriate intervention strategy contained in the district's or school's policy on addressing and ameliorating student absences.

Under the bill, school districts subject to the absence intervention plan process may need to complete that process for fewer students, which may result in a decrease in administrative costs to carry out those responsibilities. School districts that are exempt from the absence intervention plan process may also experience a decrease in administrative costs to implement other intervention strategies for chronically absent students. Likewise, juvenile courts caseloads may decrease if the bill's changes lead to fewer students referred to the juvenile court system for excessive absences. Due to data limitations, the magnitude of this provision is unclear.

## **Provisions related to teachers**

### **Teacher evaluation system**

The bill makes a number of changes to the Ohio Teacher Evaluation System (OTES) based on the January 2017 recommendations made by the Educator Standards Board for revising the system.<sup>3</sup> Notably, the bill:

- Requires ODE to revise the state framework for OTES based on those recommendations and requires the State Board of Education to adopt the revised framework by May 1, 2019, and each district board, by July 1, 2019, to update its teacher evaluation policies to conform to the updated framework;
- Eliminates a requirement that 50% of an evaluation consist of value-added student data and replaces it with at least two measures of "high-quality student data," as defined by ODE, including the value-added progress dimension and at least one other measure;
- Eliminates shared attribution of performance data among all teachers in a district, building, grade, content area, or group;
- Eliminates an option for districts to formally observe an "accomplished" teacher only once (instead of the general requirement of twice) as part of the teacher's evaluation if the teacher meets certain requirements;
- Eliminates the alternative framework for the evaluation of teachers;

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<sup>3</sup> Jacques, Catherine, Jessica Giffin, and Amy Potemski, "Ohio Educator Standards Board Recommendations for Revising the Ohio Teacher Evaluation System," January 2017, accessible online at [http://education.ohio.gov/getattachment/Topics/Teaching/Educator-Standards-Board/OTES-Recommendations-By-ESB\\_Jan2017\\_FINAL.pdf.aspx](http://education.ohio.gov/getattachment/Topics/Teaching/Educator-Standards-Board/OTES-Recommendations-By-ESB_Jan2017_FINAL.pdf.aspx).

- Prohibits the use of student learning objectives;
- Eliminates the requirement that certain "ineffective" teachers of core subject areas in traditional and joint vocational school districts and all teachers of core subject areas in low-performing community and STEM schools take content area tests; and
- Requires ODE to provide guidance to districts on various aspects of the revised evaluation system and professional development and technical assistance through a pilot program in the 2018-2019 school year.

These provisions are not likely to have a substantial effect on ODE's costs to operate OTES, though the extent of any new costs will ultimately depend on the manner in which the bill's revisions are implemented. State funding for OTES is spread throughout various GRF and non-GRF earmarks in ODE's budget.

Public districts and schools may experience an increase or decrease in workload or costs associated with these provisions. For example, costs may increase for the districts and schools that have elected to formally observe "accomplished" teachers once as under current law, to observe those teachers twice. Also, the bill's removal of the alternative framework may result in additional work for districts and schools that were using the alternative framework to comply with the requirements of the revised framework. According to ODE, 41 school districts and 25 community schools are currently using the alternative framework to evaluate teachers. There may also be costs to train educators on the revised system and, for districts that either opt in or are selected by ODE, to participate in the pilot program created by the bill.

On the other hand, the bill eliminates costs for districts and schools to pay for content area tests for traditional and joint vocational school teachers of core subject areas and that have been rated "ineffective" for two of the three most recent school years and all teachers of core subject areas in "low-performing" community and STEM schools (i.e., the school ranks in lowest 10% of all public school buildings by performance index score). Current law prohibits teachers from paying the cost of the tests. In practice, districts and schools purchase vouchers from the test vendor or make other arrangements to handle payment or reimbursement for the tests, depending on which tests are taken. In addition, the bill will eliminate teacher workload associated with creating student learning objectives that measure student progress in subjects or grades lacking state assessments or other approved assessments.

### **Professional development for certain gifted services providers**

The bill requires the State Board of Education to modify standards for professional development hours related to gifted education to extend the time in which a gifted service provider has to complete the required hours. Under the bill, teachers designated as gifted service providers, but who are not certified advanced placement (AP) or international baccalaureate (IB) teachers, must participate in at least 15 hours of ongoing gifted professional development by the end of the first year the teacher has that designation and an additional 45 hours by the end of the fourth year. Service providers

who are also certified AP or IB teachers and have earned at least 24 hours of certified AP or IB professional development within the past five years must participate in 7.5 hours of ongoing professional development by the end of the first year and an additional 22.5 hours by the end of the fourth year. Under the State Board's current rules, a designated provider of gifted services with a license in general education must participate in 30 hours of professional development related to gifted education from an educator licensed or endorsed in gifted education during both their first and second year, and must participate in additional hours each year thereafter, as determined by the district or school. As a result of this provision, school districts' professional development costs may decrease.

### **Educator license grade bands**

The bill requires the State Board to specify whether an educator is licensed to teach grades prekindergarten through five, grades four through nine, or grades seven through twelve when issuing resident, professional, senior professional, and lead professional educator licenses. Current law does not require educator licenses to be issued for particular grade bands, but the State Board's rules specify that licenses be issued for "Early Childhood" (grades prekindergarten through three), "Middle Childhood" (grades four through nine in named curriculum areas), and "Adolescence through Adult" (grades seven through twelve in named curriculum areas). The changes to the grade band specifications will not apply to a person who holds a license prior to the bill's effective date. The bill generally extends the same grade band requirements for a teacher licensed as an intervention specialist for students with disabilities except that a licensed intervention specialist with mild-moderate or moderate-intensive specialty areas will be licensed to teach grades kindergarten through twelve, as under current practice. These provisions may provide public districts and schools with additional flexibility in responding to certain staffing needs.

### **Teaching outside of license area**

The bill allows school district superintendents to employ licensed teachers with three or more years of experience to teach a subject area or grade level (within two grade levels of the teacher's licensure grade band) for which the teacher is not licensed for up to three school years, provided the teacher passes an examination in the teaching area. After teaching for one year in a subject area or grade band for which the person is not licensed, a license may be obtained if that person successfully completes the pedagogy and instruction in the teaching of reading required by ODE. This additional flexibility could place existing teachers into classrooms that would previously have required the hiring of a new teacher. One factor to consider is that the federal Elementary and Secondary Education Act (ESEA) requires state plans for Title I funds to contain assurances that teachers working in Title I-supported programs meet state licensure requirements.<sup>4</sup> Thus, placing teachers outside the subject area or grade level

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<sup>4</sup> 20 U.S.C. 6311(g)(2)(J).

for which a teacher is licensed may put Ohio at risk for certain federal sanctions. The U.S. Department of Education may impose a range of enforcement actions for noncompliance, including placing a state's Title I, Part A grant on high-risk status, withholding Title I, Part A state administrative funds, or, in what is likely to be the most severe option, withholding Title I, Part A programmatic funds.

### **Substitute teacher licenses**

Current law requires the State Board to issue educator licenses for substitute teaching that are valid for one year, five years, and any other length of time up to five years as determined by the State Board. Applicants may choose a short-term license, which requires an individual to hold a postsecondary degree and allows the individual to teach for up to 60 school days in a given school year, or a long-term license, which requires an individual to hold a postsecondary degree that meets certain coursework requirements and allows the individual to teach for periods longer than 60 days.

The bill requires the State Board to adopt new rules establishing standards and requirements for obtaining an educator license for substitute teaching and requires the State Board to begin issuing educator licenses for substitute teaching under these new rules on July 1, 2018. Under the new rules, there would be a single substitute license that would require an applicant to hold a postsecondary degree, but not in any specified subject area. A license holder with a postsecondary degree in either education or a subject area directly related to the class to be taught may work for an unlimited number of school days. A license holder with a postsecondary degree in a subject not related to the class to be taught must receive approval from the district board of education for each semester that the license holder will teach. The bill specifies that any license that is issued or renewed under current law and is still in force on the bill's effective date must remain in force for the remainder of the term for which it was issued or renewed. At the end of that term, the license holder is subject to the bill's requirements for licensure.

Under the bill, more individuals may qualify for and obtain a substitute teaching license due to less stringent criteria. If so, Fund 4L20 may gain license fee revenue while ODE's administrative responsibilities may increase to process additional applications, both of which would depend on the rules the State Board adopts to govern the issuance and renewal of the licenses. Currently, substitute teachers pay \$25 for a one-year license or \$125 for a five-year license. This provision may also provide a larger pool of individuals for school districts to choose from to fill staffing needs.

### **Career-technical teacher licenses**

The bill replaces the current professional career-technical teaching license with two new career-technical workforce development educator licenses (a two-year "initial" license and a five-year "advanced" license) for individuals teaching in career-technical and workforce development subject areas in any of grades four to twelve. However, the bill allows individuals holding a professional career-technical teaching license issued under current law to continue to renew their licenses for the remainder of their teaching



careers. As of July 1, 2018, new applicants for a career-technical educator license must obtain one of the new licenses, rather than the current professional career-technical teaching license. The bill requires the State Board, in collaboration with the Chancellor of Higher Education, to adopt rules for the two licenses, which will increase the administrative responsibilities of the State Board, ODE, and the Department of Higher Education. The provision may also provide public districts and schools with additional flexibility in employing qualified individuals to teach career-technical education courses.

### **Early college high school provisional teacher licenses**

The bill establishes a nonrenewable four-year provisional educator license for teaching grades seven through twelve at an early college high school. In order to obtain the license, an individual must: (1) have a graduate or terminal degree related to the subject area to be taught, (2) have experience teaching at any grade level, including postsecondary, and (3) have proof that an early college high school intends to employ the applicant. The provisional educator license is only valid for that high school. After teaching for four years under a provisional educator license, an individual may apply for a five-year professional license, upon passing an assessment. This provision will allow college professors who teach courses in early college high schools to do so without obtaining an alternate resident educator license, which has additional requirements that include completion of the Intensive Pedagogical Training Institute. The State Board may have additional administrative responsibilities to adopt rules for the new licenses. In addition, early college high schools will have increased flexibility in employing qualified teachers.

### **Highly qualified teacher requirement**

To comply with former federal law, current state law provides that a teacher of a core subject area (English, math, science, foreign language, government, economics, fine arts, history, and geography) must be "highly qualified" in order to teach in a school with federal Title I funds (for disadvantaged students). In general, a highly qualified teacher (HQT) holds a baccalaureate degree, is fully licensed or in an alternative route to licensure, and demonstrates evidence of content knowledge in the core academic subjects taught. According to ODE, 97.4% of core courses statewide were taught by HQTs in the 2016-2017 school year.

The federal Every Student Succeeds Act (ESSA) eliminated the HQT requirement related to Title I funding. Accordingly, the bill eliminates from current state law the requirement that a teacher of a core subject area be highly qualified as well as a number of other related provisions. Thus, the bill may reduce state and local reporting costs. It may also provide some additional flexibility for public districts and schools in the classes that teachers are assigned. Note, however, that ESSA requires states to implement teacher equity plans to ensure economically disadvantaged and minority students are not disproportionately served by ineffective, out-of-field, or inexperienced teachers, principals, and other school leaders.

## **School mandate reports**

The bill requires ODE to establish a consolidated school mandate report for school districts on the following topics: (1) staff training on the use of physical restraint or seclusion on students, (2) staff training on harassment, intimidation, or bullying, (3) staff training on the use of cardiopulmonary resuscitation and automated external defibrillators, (4) the establishment of a wellness committee, (5) the reporting of compliance with nutritional standards, (6) the screening of pupils for hearing, vision, speech, and medical problems and for developmental disorders, and (7) compliance with intra-district and inter-district open enrollment. Each district or school must complete and file a consolidated school mandate report by November 30 each year that specifies whether the district or school has or has not complied with the requirements contained within each item and provides any other information that ODE requests regarding those items. A district or school that specifies it has not complied with the requirements of an item must submit to the school district board, within 30 days, a written explanation and a written plan of action for accurately and efficiently addressing the problem.

The bill prohibits ODE from requiring a separate report for any of the items listed above, except for a public presentation on nutrition standards required by continuing law. Thus, the bill may result in a decrease in administrative responsibilities for school districts and schools to complete and file various reports and for ODE to manage them.

## **Reading improvement plans**

Beginning with the 2017-2018 school year, the bill requires a school district, community school, or STEM school in which less than 80% of its students attain proficient scores on the third grade English language arts (ELA) assessment to establish a reading improvement plan supported by reading specialists. The reading improvement plan must be approved by the district's board of education or school's governing authority or body prior to implementation. Current law already requires a school district or community school with a grade of "D" or "F" on the literacy progress measure and less than 60% of students scoring proficient on the third grade ELA assessment to implement a reading improvement plan.

Based on the 2016-2017 report card grades, the provision would result in 421 additional school districts and 86 new community schools that will need to establish a reading improvement plan. The bill's requirement may result in what is likely to be a minimal increase in costs for qualifying districts and schools to develop the plans, which may require hiring an outside consulting service. According to the Buckeye Association of School Administrators, this assistance may be available from the ESC with which the district currently contracts.