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H.B. 327
(1_134_1448-7)
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 327's Bill Analysis](#)

Version: In House State and Local Government

Primary Sponsors: Reps. Grendell and Fowler Arthur

Local Impact Statement Procedure Required: No

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Highlights

- The bill may increase the costs of the Department of Higher Education (DHE), state institutions of higher education, and the Ohio Department of Education (ODE) to perform various administrative tasks required by the bill.
- The bill may increase costs for public schools and state institutions of higher education to adapt curriculum or change how certain concepts are presented.
- The Department of Administrative Services (DAS), other state agencies, and political subdivisions all may incur some increase in administrative costs to develop and communicate policies, review grants and other duties to comply with the bill's prohibition on these entities promoting divisive concepts.
- DAS may incur additional costs to prepare a biennial report on compliance by the state and political subdivision employees with the bill's prohibitions.

Detailed Analysis

The bill prohibits K-12 schools, state agencies, and political subdivisions from teaching, instructing, and training or promoting professional development in a set of defined divisive concepts. However, the bill does not prohibit discussing or using supplemental instructional materials, as part of a larger course of academic instruction, to teach about divisive concepts in an objective manner and without endorsement. The bill also prohibits application for federal grants or acceptance of private funds for the purpose of curriculum development and the purchase of related materials, or training or professional development for a course promoting divisive topics. For state institutions of higher education, the bill prohibits any state moneys from being spent in support or the promotion of any divisive concept. It also prohibits the institutions including in new student or freshman orientation teaching, instruction, or training that promotes

divisive concepts, and requiring that a student complete a course containing instruction on divisive concepts as a condition of selecting a major in any undergraduate program. It also specifically permits a student to file a complaint with a state institution using the institution's existing standard grievance process and establishes the right to appeal the institution's decision to the Chancellor of Higher Education. Finally, the bill prescribes various penalties and sanctions for violating the bill's prohibitions.

State higher education institutions and DHE

The administrative costs of the Department of Higher Education (DHE) and state institutions of higher education may increase to perform various tasks. DHE must develop a policy and establish rules regarding its implementation for incorporating the requirements of diversity, equity, and inclusion efforts, and prepare a biennial report to the General Assembly regarding compliance, including detailed information for each violation of the bill by state institutions of higher education. Under the bill, the report must be submitted to the General Assembly not later than November 30 in each even-numbered year, beginning in 2022. Additionally, DHE must review any appeals from students whose complaints are denied by a state institution under the bill's proposed student complaint and appeal process.

State institutions are required to update their policies on faculty tenure; review their grant and scholarship programs to identify which programs may require grant or scholarship recipients, as a condition of receiving a grant from the entity, to certify that the recipient will not use grant funds to promote divisive concepts; review all employee training programs in diversity, equity, or inclusion (including those provided by a third party); communicate the Chancellor's policy to all employees; and ensure divisive concepts are not advocated, acted upon, or promoted by the institution, by employees during work hours, or by contractors hired to provide training to employees. Additionally, state institutions must annually review and assess compliance with the policy and submit a report to DHE. State institutions may also incur some cost to adapt courses or change how certain concepts are presented to students or employees to comply with the bill, depending on implementation decisions made by the institutions, and investigate any complaint made by a student under the bill's proposed student complaint and appeal process.

K-12 schools and the Department of Education

The administrative costs of the Ohio Department of Education may increase to assist the State Board of Education with certain tasks the bill requires. The State Board must prepare an annual report to the General Assembly regarding compliance with the bill. Under the bill, the report must be submitted to the General Assembly by June 30 each year, beginning in 2022. The State Board must also adopt rules to govern implementation of and monitor compliance with the bill. It also prohibits the State Board from adopting any standards, model curricula, professional development or classroom resources, or assessments promoting the divisive concepts.

There also may be some minimal cost for school districts and other public schools to adapt curriculum or change how certain concepts are presented to students or employees to comply with the bill, depending on implementation decisions made by districts and schools.

Department of Administrative Services, state agencies, and political subdivisions

The Department of Administrative Services (DAS), other state agencies, and political subdivisions all may incur some increase in administrative costs under the bill. Under the bill, DAS must develop a policy to ensure divisive concepts are not advocated, acted upon, or promoted by state agencies, political subdivisions, or these entities' employees. Once developed, the bill requires DAS to submit the policy to the Joint Committee on Agency Rule Review (JCARR) for approval, which must hold at least one hearing on the policy and vote on it.¹

The bill requires state agencies and political subdivisions to issue the approved policy to all employees, review compliance with the policy annually, and annually submit a report to DAS regarding each entity's compliance. The bill also requires these entities to review the various grant programs each offers to identify which programs may require grant recipients, as a condition of receiving a grant from the entity, to certify that the recipient will not use grant funds to promote divisive concepts. For DAS, the responsibility for carrying out the requirements of the bill would fall to the State Human Resources Division. In addition to the costs related to the tasks above, DAS may incur additional costs to prepare a biennial report regarding compliance with the bill by state and political subdivision employees. Under the bill, the report must be submitted to the General Assembly not later than November 30 in each even-numbered year, beginning in 2022.

Synopsis of Fiscal Effect Changes

- The substitute bill (I_134_1448-7) may decrease the bill's compliance costs for affected entities by replacing certain prohibitions in I_134_1448-4 (the previous bill) on teaching or content containing divisive concepts with prohibitions on promoting divisive concepts.
- However, the substitute bill may increase the previous bill's administrative costs for state institutions of higher education and the Department of Higher Education (DHE) by adding the provisions regarding the student complaint and appeals process. Ultimately, costs will depend on the number of complaints made by students that need to be heard by a state institution and DHE.
- The substitute bill requires the Joint Committee on Agency Rule Review (JCARR) to hold at least one hearing on the policy submitted by the Department of Administrative Services (DAS) and vote on it, leading to some possible increase in administrative workload for that legislative committee.

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¹ JCARR members are paid a per diem of \$150 for committee work on days when there is not a voting session for their chamber and reimbursed for necessary committee-related travel expenses.