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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 327  
(1\_134\_1448-12)  
134<sup>th</sup> 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

Edward M. Millane, Fiscal Supervisor, and other LBO staff

### 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 certain 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 generally prohibits state agencies, political subdivisions, K-12 schools, school administrators, teachers, and other school employees from promoting or compelling adherence to certain specified concepts described in divisions (B)(1) to (8) of R.C. 3313.6028, which the bill creates (the concepts are hereafter referred to as "prohibited 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 prohibited concepts in an objective manner and without endorsement. The bill also prohibits application for federal grants or acceptance of private funds or donated materials for the purpose of curriculum development and the purchase of related materials, or training or professional development for a course that compels individuals to affirm, adopt, adhere to, profess, or promote any prohibited concept. For state institutions of higher

education, the bill prohibits any state moneys from being spent in support or the promotion of any prohibited concept. It also prohibits the institutions from including in new student or freshman orientation teaching, instruction, or training that promotes or compels adherence to prohibited concepts, and from requiring that a student complete a course containing instruction on prohibited 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 June 30 in each even-numbered year, beginning in 2024. 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 or compel adherence to prohibited 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 prohibited 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 2023. The State Board must adopt rules to govern implementation of and monitor compliance with the bill and amend the licensure code of professional conduct to include conduct prohibited in the bill as unbecoming actions. It also prohibits the State Board from adopting any standards, model curricula, professional development or classroom resources, or assessments promoting or compelling compliance with any of the prohibited 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. The bill requires school district boards of education or school governing authorities to annually adopt a policy approving a list of activities that are consistent with the bill's code of conduct provisions, which may also increase administrative costs for school districts and other public 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 that state agencies and political subdivisions do not offer teaching, instruction, or training promoting any of the prohibited concepts. The policy must also incorporate the requirements of diversity and inclusion efforts. 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.<sup>1</sup>

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 any of the prohibited 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 June 30 in each even-numbered year, beginning in 2024.

## **Synopsis of Fiscal Effect Changes**

- The substitute bill (I\_134\_1448-12) may increase the previous bill's (I\_134\_1448-7) administrative costs for school districts and other public schools by requiring the annual adoption of a policy of approved activities consistent with the bill's code of conduct provisions and for the Ohio Department of Education (ODE) by requiring the State Board of Education to amend the licensure code of professional conduct to include conduct prohibited in the bill as unbecoming actions.
- The substitute bill delays potential administrative costs for ODE by extending the first filing of the State Board's annual compliance report from June 30, 2022, to June 30, 2023, and for the Chancellor of Higher Education and the Department of Administrative Services (DAS) by extending their first filing deadlines for their respective biennial compliance reports from November 30, 2022, to June 30, 2024.

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<sup>1</sup> 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.

- The substitute bill eliminates financial penalties in the previous bill that would have required ODE to withhold a district or school's state funding payment for violating the bill's provisions.