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H.B. 583
134th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Passed by the House

Primary Sponsors: Reps. Bird and Jones

Local Impact Statement Procedure Required: No

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Highlights

- The bill provides school districts and other public schools with more flexibility in hiring substitute teachers through FY 2024 by extending by two years temporary authority for an individual to obtain a substitute teacher license without a bachelor's degree under certain conditions.
- A greater pool of substitute teachers may decrease costs for some districts and schools that are dealing with a shortage in this area, as the costs of paying a substitute teacher may be lower than supplemental amounts paid to contract teachers to provide coverage.
- The bill may increase Ohio Department of Education (ODE) administrative costs paid from the State Board of Education Licensure Fund (Fund 4L20) to process additional license applications. These costs will be more or less offset by a gain in license fee revenue paid by applicants.
- The annual cost of performing the Bureau of Criminal Investigation's background check activities and services may temporarily increase to some degree. These costs will be more or less offset by the fees charged to conduct a background check.
- The bill increases the FY 2022 appropriation for Federal Fund 3L60 line item 200617, Federal School Lunch, by \$338.0 million to allow ODE to pay federal reimbursement to school districts and other providers operating school lunch programs.

Detailed Analysis

Substitute teaching licenses

Overview

Generally, educator licenses, permits, or certificates issued by the State Board of Education for teaching grades K-12, including serving as a substitute teacher, require at least a bachelor's degree. The bill permits school districts and other public schools to employ an individual who does not possess a bachelor's degree by permitting such individuals to obtain a substitute teacher license, for one school year at a time, under certain conditions until June 30, 2024, which is the end of the 2023-2024 school year. The bill, in effect, codifies a two-year extension of current temporary law in S.B. 1 of the 134th General Assembly permitting the employment and temporary licensure of substitute teachers who do not hold postsecondary degrees for the 2021-2022 school year. A similar provision was also in place for the 2020-2021 school year under H.B. 409 of the 133rd General Assembly.

Fiscal effects

School districts and other public schools

The bill's less stringent criteria to obtain a substitute teaching license provides school districts and other public schools with more flexibility in hiring substitute teachers through FY 2024, temporarily increasing the pool of available substitute teachers. Additional substitute teachers may lead to a decrease in school district expenditures while the provisions are in effect. Some districts and schools may be addressing shortages of substitute teachers by assigning contract teachers to use their planning periods to cover classes in which a substitute teacher is not available. Contract teachers generally are paid supplemental amounts for each of these "substitute periods." The supplemental amounts appear to hover around \$25 per period based on a limited review of a number of school district collective bargaining agreements across a range of different district types. Considering a typical school day may consist of around eight periods more or less, this might equate to about \$200 per day. A substitute teacher, by contrast, earns an average of \$105 per full day.¹

Ohio Department of Education

The bill may lead to an increase in Ohio Department of Education (ODE) administrative costs to process additional license applications. ODE may also pay more in fees for the Retained Applicant Fingerprint Database (RAPBACK) continuous criminal record monitoring service if additional individuals become enrolled.² However, any additional cost will be more or less offset by a gain in license fee revenue paid by applicants. A one-year substitute teacher license carries

¹ National Substitute Teachers Alliance, "[Frequently Asked Questions](https://nstasubs.org)," which is available on the Alliance's website: nstasubs.org.

² RAPBACK provides participating entities notice that an individual they have enrolled in the database has been arrested or convicted of a criminal offense. The Attorney General's (AGO) Bureau of Criminal Investigation charges participating agencies an initial fee for each individual entered in RAPBACK and an ongoing annual fee per individual, both of which are \$5. ODE pays the fees from Fund 4L20. Upon receipt, AGO deposits RAPBACK fees into the General Reimbursement Fund (Fund 1060).

a fee of \$25. Educator licensure fees are deposited into the State Board of Education Licensure Fund (Fund 4L20). These fees cover the costs of processing licensure applications (including RAPBACK fees), providing technical assistance related to licensure, and administering the educator disciplinary process, among other functions. As a point of reference, ODE has issued 4,660 active temporary substitute teaching licenses statewide in FY 2022 under the authority granted by S.B. 1, as of March 30, 2022.

Background checks

An applicant for a license under the bill will need to have current state and federal background checks on file with ODE. According to ODE, the checks can be no older than one year at the time ODE issues the credential. Background checks filed with ODE are valid for five years. The bill may temporarily affect the workload of the Attorney General's Bureau of Criminal Investigation (BCI) if the number of background checks requested each year increases as a result of the bill. Any associated increase in BCI's annual operating expenses will be more or less offset by the fees charged to conduct a check. BCI performs state-only background checks by comparing an individual's fingerprints against a database of criminal fingerprints to determine if there is a criminal record. BCI also administers federal background checks through the Federal Bureau of Investigation (FBI), which uses a national database to search for criminal history records. The base fees of the state-only and FBI background checks are \$22 and \$25.25, respectively. All of the fees are credited to the General Reimbursement Fund (Fund 1060),³ with \$23.25 of the FBI background check fee subsequently disbursed to the FBI.

Federal school lunch program appropriation increase

The bill increases the FY 2022 appropriation for Federal Fund 3L60 line item 200617, Federal School Lunch, by \$338.0 million. ODE uses this line item to pay federal reimbursement for meals served by participating districts, schools, and other providers through the National School Lunch Program (NSLP). In general, the program provides federal assistance on a per-meal basis that allows providers to offer free or reduced-price meals to students from low-income families. Currently, the FY 2022 appropriation for item 200617 is \$605.8 million. With the appropriation included in this bill, that amount will increase to \$943.8 million.

According to ODE, the Department needs the increased appropriation to pay school lunch reimbursement claims, which have increased substantially in FY 2022 for three reasons: (1) the United States Department of Agriculture (USDA) extended into the 2021-2022 school year child nutrition program waivers that allowed all students to receive a free lunch regardless of income status during the 2020-2021 school year, (2) the federal reimbursement rate per free lunch increased from \$3.68 to \$4.46, and (3) participation in NSLP has grown, as the number of school lunches served has increased by 6% from the 2018-2019 school year (the year before the COVID-19 pandemic) to the 2021-2022 school year.

Substitute teacher shortage study committee

The bill creates a study committee to address the shortage of substitute teachers and examine the temporary substitute teacher licensing provisions found in H.B. 409 of the

³ The Attorney General uses the money credited to Fund 1060 to pay for operating expenses incurred in the provision of law enforcement services, legal representation, and overall office administration.

133rd General Assembly and S.B. 1 of the 134th General Assembly. This committee, consisting of the chairpersons and ranking members of the House and Senate Primary and Secondary Education committees and other members determined by the chairpersons and ranking members, is required to submit a report to the House and Senate Primary and Secondary Education committees by October 30, 2022. State administrative costs may increase to support the committee.