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H.B. 151
134th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Passed by the Senate

Primary Sponsor: Rep. Jones

Local Impact Statement Procedure Required: No

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Highlights

Reorganization of Department of Education

- The bill's effects on state operating expenditures appear to be limited, as the reorganization of the Ohio Department of Education (ODE) into a renamed Department of Education and Workforce (DEW) and the transfer of most of the powers and duties of the State Board of Education and the Superintendent of Public Instruction into DEW do not alter the scope or operations of current programs.
- The bill creates the position of Director of Education and Workforce to lead DEW, with a total annual payroll (salary and benefit) cost that could be up to \$254,000. The bill also creates two deputy director positions to head the new divisions of Primary and Secondary Education and Career-Technical Education within DEW. Total annual payroll costs for each deputy director position may range from \$151,000 to \$189,000.
- State operating expenditures may also increase if the State Board needs to hire staff in administrative areas. Such costs will depend on the extent of new staff needed and any shared services arrangements that the State Board enters into with DEW.
- There may be some minimal costs to procure new signage and other branded material and for DEW to participate in certain workforce development-related initiatives.

Ohio Teacher Residency Program

- The bill will increase Ohio Department of Education (ODE) state non-GRF costs for the contract to operate the Resident Educator Summative Assessment (RESA) by requiring assessment results to be returned more quickly than current practice and by providing instructional coaches who are certified RESA assessors to consult with entry-level teachers

(i.e., resident educators) that do not pass the RESA. Costs to train RESA assessors for this new service will be about \$165,000 with additional annual costs of up to \$7,500 for consultation services. Costs to provide quicker assessment results will depend on contract negotiations with the test vendor.

- The bill may further increase ODE expenditures to provide resident educators and mentors with sample videos of classroom lessons submitted for the RESA. Depending on the number of videos ODE decides are necessary, video production could be handled in-house by its GRF-funded Office of Communications or contracted out to a vendor.

Teacher professional development

- Requiring school districts and other public schools to provide teachers with one day of professional development leave each school year to observe a veteran teacher may increase costs for substitute teachers. However, observation days are likely already provided to resident educators. Costs could also be limited if other professional development activities are reduced in favor of observation days.

Detailed Analysis

Reorganization of Department of Education

Overview

The bill reorganizes the functions and responsibilities of the State Board of Education, the Superintendent of Public Instruction, and the Ohio Department of Education (ODE). Under current law, ODE serves as the administrative unit through which the Superintendent administers the policies and statutorily prescribed powers and duties of the State Board and the Superintendent. Under the Ohio Constitution, the Superintendent is appointed by the State Board. The bill renames ODE as the Department of Education and Workforce (DEW) and transfers control over the Department from the State Board and Superintendent to the new position of Director of Education and Workforce (DEW Director), who is appointed by the Governor with the advice and consent of the Senate. The bill establishes two divisions under DEW, the Division of Primary and Secondary Education and the Division of Career-Technical Education. Each division is headed by a deputy director appointed by the DEW Director with the advice and consent of the Senate. The bill transfers to DEW most of the powers and duties of the State Board and the Superintendent. DEW, the State Board, and the Superintendent must complete any action necessary to implement the bill's provisions by June 30, 2023. The State Board and Superintendent retain some current law responsibilities. From a fiscal perspective, this most notably involves administration of educator licenses, the educator disciplinary process, and oversight of teacher and school counselor evaluation systems.

Fiscal effects

Potential staffing costs

The bill transfers all employees and resources of DEW necessary for the State Board to perform its duties and responsibilities to the State Board. The bill does not alter the scope of operation of the programs currently administered by ODE. As a result, most, if not all, of the current ODE employees will continue to perform their currently prescribed duties and the effect on state operating expenditures appears to be limited. According to the Department of

Administrative Services, ODE currently employs 634 full-time, permanent staff. Based on information gathered for a similar bill of the 132nd General Assembly, 15% of DEW employees, more or less, may transfer to the State Board to carry out the current law responsibilities it retains.

The new annual payroll (salary and fringe benefit) cost associated with the creation of the DEW Director position may be comparable to the payroll costs of the Superintendent of Public Instruction, depending on the qualifications and experience of the individual appointed. The base pay rate for the Superintendent is about \$97 per hour. The annual salary for the Superintendent is \$202,000, with a total payroll cost (including fringe benefits) ranging from \$239,000 to \$254,000 depending on the single or family health insurance coverage the individual may enroll in.

The annual payroll costs of each of the deputy directors of the divisions of Primary and Secondary Education and Career-Technical Education would likely be comparable to those for senior executive officials within ODE. Each position may receive base pay rates from \$60 to \$70 per hour, with annual salaries ranging from \$125,000 to \$146,000. Total annual payroll costs for each position may range from \$151,000 to \$189,000, depending on health insurance coverage.

The bill also may lead to some additional administrative costs if the State Board needs to hire staff in nonprogrammatic areas, such as fiscal services, legal services, human resources, communications, and information technology. However, the bill permits the State Board to request DEW's assistance in exercising the State Board's powers and duties. To the extent the DEW Director determines that assistance is necessary and practicable, DEW must provide the requested assistance. Therefore, it may be that DEW and the State Board share some services.

Signage and other costs

Other fiscal effects are not likely to be significant. There may be some minimal signage costs incurred to rebrand buildings, offices, letterhead, and other materials. In addition, the bill requires DEW to participate in certain workforce development-related activities. Specifically, DEW must develop and make available informational materials for seventh and eighth graders about career opportunities available to them, including in-demand jobs. The materials also must address how a career-technical education may help those students satisfy state high school graduation requirements. DEW must also participate in the processes established under continuing law to identify in-demand jobs, conduct a survey of employers about in-demand jobs, and publish an OhioMeansJobs website. DEW will collaborate with various prescribed entities as part of this work, including the Governor's Executive Workforce Board, the Governor's Office of Workforce Transformation, the Department of Job and Family Services, the Department of Higher Education, and higher education institutions.

Budget changes

As part of the reorganization, the bill requires the Director of Budget and Management to transfer the balance of all appropriations made related to the statutorily prescribed powers and duties of the State Board from DEW to the State Board for the same purposes.

Ohio Teacher Residency Program

The Ohio Teacher Residency (OTR) Program is a four-year, entry-level program for teachers that must be completed in order to qualify for a professional educator license issued by the State Board of Education. The OTR Program currently is comprised of two years of mentoring, followed by the completion of the Resident Educator Summative Assessment (RESA) during a

participant's third year, and then one year of leadership opportunities or other activities determined by the school district where the teacher is placed. During this fourth year, a designated "colleague" works with a teacher and the district's local resident educator program to establish the activities that the teacher will perform as the teacher transitions to the professional educator license. The OTR Program was initially established in 2011 by the Ohio Department of Education (ODE) and the Department of Higher Education (DHE).

H.B. 442 of the 133rd General Assembly reduces the length of the OTR Program to two years, effective beginning in the 2023-2024 school year, while maintaining the RESA and the mentoring and counseling components. The bill makes further changes to the components of the revised OTR Program that provide additional flexibility and supports to teachers as they work through the program. These changes and their potential fiscal effects are discussed below.

Mentoring

Under the current OTR Program, resident educators are assigned a mentor selected by the educator's school district. A mentor generally must possess a five-year professional license or permanent license (or have previously held such a license, if the teacher is retired), complete a district application process and be selected, and attend a two-day mentor academy for training. According to ODE, mentors provide in-depth instructional mentoring through differentiated mentoring supports using one-to-one mentoring, co-teaching, and other methods as needed.

The bill permits mentoring to be provided in person or online. Online mentorship would likely be provided by mentors in other districts or schools. Mentors are typically provided a stipend by their school district as compensation for the additional work. The stipend, which varies by district, may be either a flat amount or a percentage of the mentor's base salary. The fiscal effects of this provision appear to depend on implementation decisions made by districts, including payment arrangements for out-of-district mentors.

The bill also requires ODE to provide both resident educators and mentors, at no cost, with online professional development resources and sample videos of classroom lessons submitted for the RESA. The administrative costs of ODE may increase to develop these resources. Such costs will depend on implementation decisions made by ODE. The Department will not use videos submitted by actual RESA candidates to protect student privacy. Therefore, ODE indicated it will produce sample videos. The sample videos are likely to be produced in-house with the assistance of ODE's GRF-funded Office of Communications. However, ODE stated that costs would be higher if it decides that videos specific to grade levels or subject areas are necessary. In that case, the amount of videos may be rather large, which may mean contracting with an outside provider for video production.

Counseling

Under the current OTR Program, school districts and other public schools provide resident educators with counseling, in a manner determined by the district or school, to ensure they receive needed professional development. The bill further requires that participants who do not receive a passing score on the RESA be provided the opportunity to meet online with an instructional coach who is a certified RESA assessor (i.e., an individual that scores RESA submissions) to review the participant's assessment score results and discuss improvement strategies and professional development. Resident educators who choose to meet with an instructional coach will be able to select from an online pool of coaches who have completed

training and are approved by ODE. The characteristics of each coach's own district must be made available to the resident educator. ODE will cover the cost of the instructional coaches for these candidates through the contract with the RESA vendor. The bill permits resident educators who have not taken the RESA to also meet with an ODE-approved instructional coach, provided that their district or school covers the cost of the meetings.

Under the OTR Program, districts and schools provide a resident educator with a facilitator, who also may be a participant's mentor, to support the resident educator in preparing for the RESA. The facilitator's role is to provide technical and logistical support and offer feedback on the resident educator's thinking and problem solving before a resident educator submits RESA materials, though facilitators are prohibited from providing specific advice or feedback that could be construed as co-authorship of the educator's work.¹ However, it appears existing staff and resources currently may be providing a similar function as an instructional coach would under the bill. The RESA vendor, TeachForward, and ODE indicate that RESA assessors provide comprehensive feedback statements on score reports for the resident educator to review and that candidates may arrange times with their mentor, facilitator, or program coordinator to review the feedback and discuss areas for growth.² The instructional coaches will be an additional option. RESA consultation is a service that the vendor offers but the state does not currently purchase. To comply with the bill, ODE expects that the RESA assessor training will need to be updated to account for this new responsibility. This will cost ODE around \$165,000 under the vendor contract. The consultation services cost \$75 for a one-hour session. According to ODE, 90 to 100 candidates each year do not pass the RESA. If all individuals who do not pass the RESA opt to use an instructional coach, yearly costs of consultation would amount to \$6,750 to \$7,500.

RESA score reports and retakes

The bill may lead to additional increases in the state's cost for the contract to operate the RESA by requiring assessment results to be returned more quickly than current practice and prohibiting the State Board of Education from limiting the number of attempts to successfully complete it. For the current 2021-2022 school year, for example, candidates must have submitted the RESA by January 28, 2022, while the vendor released score reports on April 8, 2022, a span of 70 days. The bill generally requires results to be returned within 30 days. In addition, current administrative rules limit a resident educator to three attempts to successfully complete the RESA. However, information supplied by ODE indicates that about 95% of all candidates pass the RESA by their third attempt, meaning that the number of additional assessments to score will be relatively small. ODE expects that, while not addressed in the current contract, the faster turnaround time will lead to increased contract costs. Any contract cost increases will depend on contract negotiations with the vendor.

¹ See ODE's [Facilitator Guidelines for Supporting RESA Candidates \(PDF\)](#), which is accessible by conducting a keyword "facilitator guidelines" search on the ODE website: education.ohio.gov.

² See TeachForward's [Frequently Asked Questions](#) website, which is available by clicking on the "FAQ" link at TeachForward's RESA website: ohioresa.com. Also, see page 12 of ODE's [Ohio Resident Educator Program Mentor Toolkit \(PDF\)](#), which is accessible by conducting a keyword "mentor toolkit" search on the ODE website: education.ohio.gov.

The ongoing cost of the vendor contract to operate the RESA amounts to about \$660,000 each year, according to the state accounting system. The vendor contract includes maintaining the RESA website, assessment scoring, telephone and online support to RESA candidates, and other duties. ODE pays for the operational and technical costs for the RESA using educator license fees appropriated from Fund 4L20 line item 200681, Teacher Certification and Licensure.

Professional development for teachers

The bill also requires school districts and other public schools to provide one day of professional development leave each school year, to observe a veteran classroom teacher, for each teacher who is not an administrator. According to the Buckeye Association of School Administrators (BASA), most of these activities are already provided for resident educators in the current OTR Program. Ultimately, the cost of this provision will depend on how more experienced teachers and their districts or schools react to the bill's provision. It may be that other professional development activities are reduced in favor of observation days. Otherwise, if a district adds a professional leave day to cover this requirement, the provision may result in increased substitute teacher costs to districts and schools. As a point of reference, BASA indicated that a substitute teacher costs about \$125 per day, including benefits.

Other provisions

Provisions regarding home instruction

The bill may decrease school district administrative costs by removing the requirement that, prior to excusing a child from attending school, the school district superintendent receive satisfactory assurance that the child is being instructed at home by a qualified person to teach. Instead, the bill exempts a child from compulsory school attendance when receiving instruction in core subjects from the child's parent. In the event of cessation of proper home instruction, the bill removes the power of the school district superintendent to recall the excused absences that were granted and removes the ability to proceed against the child or the child's parents for truancy. The bill also codifies Administrative Code rules regarding nonchartered nonpublic schools and prohibits DEW from prescribing or adopting new rules for home education and nonchartered nonpublic schools.

Interscholastic athletic teams

The bill also requires schools to designate separate athletic teams for participants of the female sex and expressly prohibits students of the male sex from participating in female sports divisions and teams. The bill also requires schools to designate athletic teams for participants of the male sex within male sports divisions and permits students of the female sex to participate within male sports divisions or, if applicable, to designate co-ed teams for participants of the female and male sexes within co-ed sports divisions. The bill's provisions with regard to athletic teams do not appear to have a direct fiscal effect on public schools. Interscholastic athletics at Ohio schools are generally single-sex. School districts and other public schools may need to update rules, regulations, and administrative policies to comply with the bill but this work can likely be accomplished with existing resources.