OHIO LEGISLATIVE SERVICE COMMISSION

www.lsc.ohio.gov

Office of Research and Drafting

Legislative Budget Office

S.B. 328
136th General Assembly

Fiscal Note & Local Impact Statement

Click here for S.B. 328's Bill Analysis

Version: As Reported by Senate Education

Primary Sponsor: Sen. Koehler

Local Impact Statement Procedure Required: No

Ryan Brown, Senior Budget Analyst

Highlights

- Department of Education and Workforce (DEW) operating costs may minimally increase on an annual basis if it needs to hire an additional employee to assist in developing professional skills standards and a statewide career coaching framework and monitoring compliance with the bill's required career exploration instruction for middle school students.
- DEW and five other state agencies or entities (the departments of Children and Youth, Higher Education, Job and Family Services, and Development and the Governor's Office of Workforce Transformation) may incur additional costs to create and operate the Education and Workforce Return on Investment Initiative. These costs are uncertain, as the bill provides discretion to the initiative's leadership team in how it will implement and fund the initiative's activities.
- School districts and other public schools may incur additional costs to provide at least 60 hours of career exploration instruction to middle school students beginning in the 2027-2028 school year. These costs are expected to be limited since all districts are required to offer middle school career-technical education (CTE) beginning in the 2026-2027 school year under continuing law and many districts and schools already provide similar middle school coursework.
- The bill may increase state foundation aid and school district and other public school revenues for districts and schools that establish a middle school CTE exploration course or lengthen its duration to comply with the bill's instruction requirement, as such a course may generate CTE categorical funding through the school funding formula.
- The bill may lead to a savings effect for school districts and other public schools by streamlining requirements related to various student plans.

Detailed Analysis

The bill makes various changes to law related to career-technical education (CTE), workforce readiness, and cross-agency data use. The fiscal effects of the bill's major provisions are described below.

Career coaching framework and compliance activities

The bill requires the Department of Education and Workforce (DEW), by March 15, 2027, to develop professional skills standards aligned to employer needs in Ohio and, in consultation with career education and workforce development stakeholders, to establish a statewide career coaching framework. The framework must include quality indicators for career coaching sessions, career coaching session objectives, and qualifications and training for individuals that provide career coaching, including the role of licensed school counselors and other licensed educators.

DEW must also:

- Provide guidance to districts and schools on how to implement the framework and comply with the career exploration instruction requirement (see below);
- Identify professional development resources to support career exploration instruction and quality career coaching aligned to the framework;
- Issue guidance on high-quality career exploration instruction and activities, delivery models using courses and multi-year approaches, free tools and resources schools may use for career exploration instruction, and potential funding sources;
- Update the professional development provided for the middle school CTE license validation to align with career exploration instruction requirements;
- Publicly report on how each school is providing career exploration instruction to students and which schools are out of compliance with the bill's instruction requirement;
- Develop and release a career exploration plan template and review and approve district and school career exploration plans; and
- Audit up to 5% of schools annually to monitor compliance with the instruction requirement and enforce compliance through intervention and support measures when necessary.

Overall, the fiscal impact of these provisions is likely minimal. According to DEW, the Department anticipates managing initial implementation using private support funding it is already in the process of securing, combined with increased staff capacity. DEW currently has an open position in this area it is actively recruiting to fill. DEW indicated it may need one additional staff member beyond this hiring and that it expects to rely on its seven Career Pathway Support Networks (CPSNs) for regional implementation assistance and for conducting a portion of the required school audits. If DEW contracts with external entities to assist with auditing, there would be additional costs, but the magnitude will depend on the number of schools audited and the entity engaged.

Under provisions in H.B. 96 of the 136th General Assembly, the main operating budget act for FY 2026 and FY 2027, the CPSNs largely replace the functions of the six former Tech Prep Regional Centers and are designed to expand access to and participation in CTE, particularly for students in grades 7-10, and to provide mentoring and career planning and advising. H.B. 96

provides CPSNs with state funding of $3.1 million in FY 2026 and $4.0 million in FY 2027 through GRF ALI 200545, Career-Technical Enhancements, in the DEW budget.

Education and Workforce Return on Investment Initiative

The bill establishes a new inter-agency initiative to improve the usefulness and accessibility of education and workforce data for Ohio citizens. The initiative's leadership team consists of six cabinet-level officials: the Director of Education and Workforce, the Director of Children and Youth, the Chancellor of Higher Education, the Director of Job and Family Services, the Director of Development, and the Director of the Governor's Office of Workforce Transformation. The initiative, among other activities, must meet quarterly in a public setting; develop a vision, mission, and strategic plan within 270 days of the bill's effective date; coordinate the creation of tools, dashboards, reports, and research that use existing cross-agency education and workforce data; produce five annual data reports beginning December 1, 2027, covering high school graduate outcomes, a talent gap analysis, industry-recognized credential outcomes, higher education graduate outcomes, and workforce training program outcomes; and submit annual reports to the Governor and General Assembly.

Operating costs for DEW and the five other agencies represented on the initiative's leadership team may increase to conduct quarterly meetings and annual stakeholder engagement activities and prepare the bill's required reports. These costs are uncertain, as the bill provides discretion to the leadership team in how it will implement and fund the initiative's activities, which could involve state agency staff, universities, or other external entities. The costs of producing the cross-agency data reports will depend on whether the necessary data infrastructure and cross-agency linkages already exist or must be built.

Middle school career exploration instruction

Beginning with students who enter the sixth grade for the first time in the 2027-2028 school year (FY 2028), each school district, community school, and science, technology, engineering, and mathematics (STEM) school must offer at least 60 hours of instruction in career exploration to students at any point in grades 6-8. Instruction must include: career field exploration; experiential learning such as research projects, guest speakers, and job shadowing; life budgeting and financial planning exercises; interest and aptitude assessments; professional skills development that aligns with the state's professional skills standards that DEW will adopt; at least one quality career coaching session per student; and career and academic planning. A school may fulfill the instruction requirement by (1) offering a career exploration course at some point during grades 6-8 for all students, (2) providing its students with a CTE course in seventh or eighth grade if the course satisfies the instructional requirements described above, or (3) carrying out a DEW-approved career exploration plan. The plan must document how the school will address the required instruction in a series of experiences for all students in a cohort in a single year or across grades 6-8. DEW may work with CPSNs to approve the plans. The bill provides districts and schools with flexibility in providing the instruction by specifically permitting district personnel, such as counselors, career coaches, or teachers, as well as outside organizations to provide all or part of the required instruction.

The fiscal effect of this provision appears to be limited for several reasons. Continuing law enacted in H.B. 96 of the 136th General Assembly already requires all school districts to offer CTE to students in grades 7-8 by eliminating, beginning in the 2026-2027 school year (FY 2027), the option of waivers from a district's obligation to provide CTE to such students. Typically, CTE for grades 7-8 is

provided in courses that involve career awareness, exploration, and planning activities. There are three types of middle school CTE courses: career exploration, career connections, and middle grades CTE. According to DEW, career exploration courses involve scheduled time for researching career options. In career connections courses, students investigate how classroom learning translates into marketable skills. Students engage in career-related experiences through hands-on learning and local business involvement to acquire basic skills in various career fields, providing students with tangible experiences to begin career decision making. Teachers have the flexibility to select career fields related to Ohio's in-demand jobs represented in the community. Middle grades CTE courses are introductory level courses in specific career fields that ensure a seamless pathway from middle grades to an approved CTE program of study that leads to college and career readiness.

Further, DEW data indicates that many districts already provide some form of career exploration coursework to middle school students, though not all courses are at least 60 hours. As noted above however, the bill provides flexibility to districts to meet the instruction requirement through a course or a series of approved activities in a single year or over multiple grade levels. As a point of reference, enrollment and course data from DEW for the 2024-2025 school year show that roughly 63% to 75% of the middle school CTE courses offered by districts and schools were 60 hours or more in length, depending on the type of course (see the table below). Because individual districts may offer multiple course types, the course type figures cannot be summed.

School Districts and Other Public Schools Offering Middle School CTE by Course Type and Course Length, FY 2025

Course Type	60-Hour or More Courses	Less Than 60-Hour Courses	Total Courses	60-Hour or More Share of Total
Career Exploration	222	74	296	75.0%
Career Connections	78	46	124	62.9%
Middle Grades CTE	250	81	331	75.5%

Districts that do not yet meet the 60-hour threshold may incur costs to lengthen courses, adjust scheduling and curriculum to meet the bill's requirements, or both. All courses or programming will need to incorporate the bill's required elements, including at least one career coaching session per student and career and academic planning activities.

Districts that establish a middle school CTE exploration course or lengthen the duration of course instruction to comply with the bill may also receive more state foundation aid. Career connections and middle grades CTE courses generate CTE categorical funding. Based on its similarities with a career connections course, the course required by the bill may as well. The school funding formula provides additional state aid to support the higher cost of CTE services. There are five CTE funding categories based on CTE program type. Each CTE funding category is assigned a weight, which is multiplied by the career-technical base cost per pupil for the fiscal year to determine per-pupil CTE funding. Career connections fall under CTE category 4, which carries a weight of 0.183. Based on the current CTE base cost per pupil of $9,856, the weighted per-pupil CTE amount for category 4 is $1,804. However, the school funding formula equalizes CTE categorical funding by applying a district's state share percentage so that lower wealth school districts receive

higher per-pupil amounts of state aid. In general, students are counted for CTE categorical funding purposes based on the length of time a student is enrolled in the course, the course's number of hours of scheduled instruction, and the number of hours in the school calendar (set at 1,080 for schools that are not community schools).

The bill also permits the lead district of a career-technical planning district (CTPD) to use career awareness and exploration funds to support the bill's required career exploration instruction provided to students within its CTPD. The lead district of a CTPD provides primary CTE leadership for the districts comprising the CTPD and is responsible for reviewing and approving or disapproving each member school district's CTE program. Under current law, the lead district may use career awareness and exploration funds only for DEW-approved purposes, including delivering career awareness programming to students in grades K-12, providing a common career development curriculum, developing a career development plan for each student, and providing career fairs, job shadowing, and mentorship opportunities. Career awareness and exploration funds are paid by DEW to each lead district in an amount equal to $3 multiplied by the sum of the student enrollment count used for state funding purposes ("enrolled ADM") for all districts and schools within the CTPD. In FY 2026, career awareness and exploration funds total $4.7 million. The payments are funded by an earmark of GRF line item 200545, Career-Technical Education Enhancements.

Changes to various student plan requirements

The bill makes changes to the plans that districts and schools must prepare for certain students. In general, the bill replaces the graduation plans that districts and schools must develop for each student in grades 9-12 with a career and academic plan that must be completed by the end of a student's eighth grade year, beginning with students that enter sixth grade for the first time in the 2027-2028 school year. It also replaces the student success plans for students identified as at risk of not graduating high school with either a separate graduation and career plan or, once students begin to receive a career and academic plan, a graduation planning addendum to that plan. The career and academic plan must be evaluated annually to monitor progress and make adjustments. DEW must develop a template and guidance to support implementation.

According to the Buckeye Association of School Administrators (BASA), school districts and other public schools generally should be able to manage the bill's plan requirements using existing staff. BASA also indicated that combining elements of the various plans under current law into the career and academic plans under the bill may lead to a savings effect by streamlining current requirements.

FNSB0328RS-136/lb