OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

H.B. 523
136th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Reported by House Education

Primary Sponsors: Reps. Brennan and Manning

Local Impact Statement Procedure Required: No

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Highlights

- School districts, other public schools, and public universities will incur various costs if they choose to provide the specified forms of compensation or other financial assistance for student teachers permitted by the bill. If provided, compensation or assistance costs will depend on program implementation decisions.
- Ohio Department of Job and Family Services (ODJFS) and Department of Education and Workforce (DEW) administrative costs may increase to create statewide and regional lists of in-demand teaching jobs.

Detailed Analysis

Student teacher compensation and other financial assistance

Traditionally, student teaching is an unpaid requirement within teacher preparation programs at institutions of higher education. Individuals enrolled in teacher preparation programs often pay tuition for the experience since it is a required part of the individual's college coursework, rather than employment.

The bill permits school districts, other public schools, and public universities to provide an individual enrolled in a teacher preparation program and who works as a student teacher with various forms of compensation and other financial assistance. Any costs to public schools and universities are permissive and, therefore, will depend on program implementation decisions. These provisions are discussed below in more detail. Any wider or longer term fiscal effects of the bill associated with teacher licensure and staffing will depend on the degree to which public schools and public universities support and participate in the bill's initiatives and other factors.

Public university tuition waivers

The bill permits a state institution of higher education[1] to establish a lower differential tuition rate, which may include a waiver of general or instructional fees, for the period in which an eligible individual works as a student teacher or participates in any teacher preparation program field experience in a school building. In FY 2025, 63% (10,946) of the 17,345 students enrolled in teacher preparation programs attended public universities. A public university with a teacher preparation program that chooses to provide a waiver to an eligible individual will forgo such revenue, the amount of which would vary by university. Generally, the amount of forgone revenue will likely be in the thousands of dollars per student. In FY 2025, the average in-state tuition for full-time undergraduate students enrolled at public universities weighted by FY 2025 subsidy eligible, full-time equivalent (FTE) students is approximately $10,800.

Such revenue loss could be offset at least somewhat by an increase in the university's share of state share of instruction (SSI) if more students enrolled in its teacher preparation program take advantage of the tuition waiver. SSI is the state's primary funding source to support the instructional costs of the state's 60 public universities and community and technical colleges. In FY 2025, the average per-student SSI received by public universities and their regional campuses was $7,621. If a university opts to provide tuition waivers, the bill requires the Ohio Department of Higher Education to establish procedures governing them.

Compensation for student teachers in public schools

Since 2024, student teachers have been required to obtain a pre-service teaching permit from the State Board of Education (SBE) to participate in student teaching or any other training experiences that involve students in any of grades pre-kindergarten through 12. The permit also allows student teachers to be employed as a substitute teacher and compensated for that service. The bill permits school districts and other public schools to pay student teachers a stipend in an amount determined by the school. Student teaching internships for the initial teaching license are full time and last at least 12 weeks.

Lists of in-demand jobs

The bill requires, as soon as practicable after the bill's effective date, the Ohio Department of Job and Family Services (ODJFS), in consultation with the Department of Education and Workforce (DEW), to create statewide and regional lists of in-demand teaching jobs. Each list must include the license required for each in-demand teaching job and be published on the websites of ODJFS and DEW. These requirements are in addition to ODJFS's current list of in-demand jobs[2] established under continuing law.

DEW and ODJFS may incur increased administrative costs to create the lists of in-demand teaching jobs. Since ODJFS is already required under continuing law to periodically update its

[1] Although the bill permits any state institution of higher education to waive tuition for eligible students, teacher preparation programs are currently only offered at 13 public universities and numerous private institutions.

[2] Accessible by filtering for "in-demand" jobs in the customizable Top Jobs List, which is available on the Governor's Office of Workforce Transformation's (OWT) website: topjobs.ohio.gov.

in-demand jobs list to reflect evolving workforce demands in Ohio and its regions, costs to create and maintain the lists are unlikely to exceed minimal.

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