



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: S.B. 216 of the 132nd G.A.
(L_132_1207-9)

Status: In Senate Education

Sponsor: Sen. Huffman

Local Impact Statement Procedure Required: No

Subject: Modifies various laws related to primary and secondary education

State & Local Fiscal Highlights

State achievement assessments

- The bill authorizes public and chartered nonpublic schools to administer the third, fourth, and fifth grade state achievement assessment in any combination of online and paper formats, potentially increasing the state's cost of the assessments in future years. State assessments are primarily funded by the GRF.
- The bill requires the Ohio Department of Education (ODE) to approve a list of comparable assessments that may be used in lieu of the Kindergarten Readiness Assessment (KRA) and that must be provided free of charge to any public school or chartered nonpublic school. The fiscal effect on the state's assessment costs will likely depend on the assessments ODE approves under the bill, their price, and the number of districts that opt to administer them.

College Credit Plus

- The bill may decrease public district and school expenditures for textbooks for College Credit Plus (CCP) participants in the \$3.8 million to \$5.9 million range each year by generally shifting the responsibility for 50% of the cost of such textbooks to the participants beginning in the 2018-2019 school year.

Excessively absent students

- The bill requires public districts and schools to consider only unexcused absences when determining if a student is excessively absent from school rather than both excused and unexcused absences. If fewer students are declared excessively absent due to the bill, districts and schools may experience a decrease in administrative costs to provide various intervention services.

Teacher evaluation system

- The bill's revisions to the teacher evaluation system may increase or decrease the workload or costs of public districts and schools. If, as permitted by the bill, the Cleveland Metropolitan School District decides to continue using its existing teacher

evaluation framework instead of adopting the bill's revised framework, there may be additional costs to ODE to maintain two evaluation systems.

Educator licensure and employment

- District or school professional development costs may decrease due to a provision that prohibits the State Board of Education from requiring an individual who teaches Advanced Placement or International Baccalaureate classes to complete professional development for a gifted education license or endorsement unless the individual will be teaching gifted students.
- Various provisions of the bill may provide public districts and schools with additional flexibility in responding to certain staffing needs, including provisions that modify educator license grade bands, the authority to teach grades and subjects for which a person is not licensed, and career-technical education teaching licenses.
- The bill reduces the number of educational aides and paraprofessionals required to obtain a permit or license, decreasing license fee revenue to the State Board of Education Licensure Fund (Fund 4L20). Costs for districts and schools to ensure applicants for the positions meet minimum qualifications and to pay for special training or education courses may also decrease. However, districts and schools could incur costs if they choose to develop their own system to track any criminal arrests and convictions of its employees since fewer of these individuals would participate in the existing RAPBACK criminal record monitoring service.
- The bill's elimination of highly qualified teacher requirements may reduce state and local reporting costs. It may also provide some additional flexibility for public districts and schools in the classes that teachers are assigned.

Gifted indicator in school report card

- The bill eliminates requirements for ODE to disaggregate the performance of gifted students on the value-added progress dimension in school report cards and other accountability reports, reducing ODE's workload associated with their production.

School mandate reports

- The bill requires ODE to establish a consolidated school mandate report for school districts on certain topics and generally prohibits ODE from requiring a separate report for any of the items included in the report, potentially decreasing the administrative responsibilities for districts and schools to complete and file various reports and for ODE to manage them.

Reading improvement plans

- An estimated additional 421 school districts and 86 community schools will incur what are likely to be minimal costs to develop and implement a reading improvement plan due to the bill's requirement that districts and schools with a proficiency rate of 80% or less on the third grade English language arts assessment establish the plans.

Detailed Fiscal Analysis

The bill makes many changes to a variety of laws governing primary and secondary education, including state achievement assessments, the College Credit Plus Program, excessively absent students, teacher evaluations, educator licensure and employment, and various mandated reports, among others. A number of provisions in the bill may reduce costs or administrative duties for the state and public districts and schools while a few others may increase them. Provisions in the bill with a notable fiscal effect are discussed in more detail below.

Provisions related to state achievement assessments

Paper and online administration of certain state assessments

Currently, public districts and schools are generally expected to administer all state assessments online. According to the Ohio Department of Education (ODE), districts and schools that demonstrate a lack of infrastructure to test all students online must apply to the Department for an exception. In contrast, the bill authorizes public and chartered nonpublic schools to administer in a paper format any state achievement assessment administered in the third, fourth, or fifth grade. The bill also allows a district or school to administer any of those assessments in any combination of online and paper formats and to administer them in a particular format on a student-by-student basis and expressly states that a district or school may not be required to administer any of those assessments in an online format. In the short term, there appears to be no fiscal effect on the state's assessment costs to administer these tests in paper format since Ohio's current assessment contract calls for a cost of \$13 per content test, regardless of whether the test is delivered online or in paper format. However, there may be some additional workload for ODE to coordinate with districts and schools and the testing vendor concerning the mix of paper and online tests administered in each school. In addition, over the long term, paper tests tend to be more expensive than computer-based assessments due to additional printing, shipping, and test security costs. The state's assessment costs are primarily funded by the GRF.

Kindergarten readiness assessment alternatives

The bill requires ODE to approve a list of comparable diagnostic assessments that may be used in lieu of the Kindergarten Readiness Assessment (KRA). ODE must provide any of these alternative kindergarten diagnostic assessments free of charge to any public school or chartered nonpublic school. The provision will increase ODE's administrative responsibilities to identify and approve comparable assessments. The fiscal effect on the state's assessment costs will likely depend on the assessments ODE approves under the bill, their price, and the number of districts that opt to administer them.

The KRA is a state-funded diagnostic assessment administered to first-time kindergarten students at the beginning of each school year that measures early learning skills in mathematics, language and literacy, physical well-being, motor development,

and social and emotional development. The current KRA was developed and implemented through collaboration with the Maryland State Department of Education (MSDE). However, ODE's current contract with MSDE ends after FY 2018. In FY 2019, \$2.8 million is earmarked for the KRA and other diagnostic assessments from GRF line item 200437, Student Assessment.

Assessment analysis and assistance

The bill requires ODE to request each assessment vendor contracted by ODE to provide an analysis explaining how questions on each of the state achievement assessments are aligned to the statewide academic content standards. The analysis must be provided to all school districts and schools for all grade levels for which assessments are prescribed. Additionally, the bill requires that ODE request each assessment vendor to provide information and materials to school districts and schools for assistance with the state achievement assessments, including practice assessments, study guides, and other preparatory materials. The analysis must be produced and the information and materials must be distributed to districts and schools annually beginning with the 2018-2019 school year. This provision may increase the cost of the state's assessment contracts if this work is not already being performed. Presumably, any additional cost would depend on negotiations between the state and the testing companies.

College Credit Plus

Textbooks

The College Credit Plus (CCP) Program allows both public and nonpublic high school students to attend classes at postsecondary education institutions and earn both high school and college credits at state expense. In general, the bill changes the way textbook costs are paid for students who participate in CCP beginning with the 2018-2019 school year. Under current law, a participant's secondary school is generally responsible for textbook costs unless the secondary school and the college have entered into an alternative payment structure. Under the bill, participants enrolled in a public, nonpublic, or chartered nonpublic school must pay 50% of the cost of all required textbooks, and the secondary school must pay for the other 50%. However, the participant's secondary school will pay 100% of the required textbook costs for economically disadvantaged participants.

Shifting responsibility for 50% of the cost of textbooks to participants will likely result in a substantial savings for school districts. The total amount paid by public districts and schools for CCP textbooks is uncertain, as postsecondary institutions bill the participant's high school for textbooks directly.¹ Nevertheless, total textbook costs for public school, noneconomically disadvantaged CCP participants are estimated to be

¹ According to the Department of Higher Education, postsecondary institutions and secondary schools have developed a number of different purchasing systems to provide textbooks to participants, including vouchers, district or school purchases of an inventory of books that students borrow, and agreements with college bookstores to invoice the district or school.

between \$7.6 million and \$11.8 million each year, based on the total number of CCP credit hours attempted in the 2015-2016 school year (480,972), the percentage of CCP participants from public schools (95.3%), the percentage of participants that are not economically disadvantaged (between 55% and 85%, based on the percentage of CCP participants identified as economically disadvantaged and the statewide percentage of students in grades K-12 who are economically disadvantaged; note that economic status is unknown for about 46% of CCP participants), and an average cost for textbooks of roughly \$900 per year per student, equating to about \$30 per credit hour, based on various reports published by the National Association of College Stores, *Student Monitor*, and the College Board. The estimated savings due to this provision would be 50% of the total cost, which is between \$3.8 million and \$5.9 million. Actual savings may be less depending on the textbook arrangements included in the alternative agreements that may be entered into by institutions and secondary schools.

Study on results and cost-effectiveness

The bill requires ODE to conduct a study on CCP's results and cost-effectiveness and submit its findings not later than one year after the bill's effective date to the Governor, Chancellor of Higher Education, each member of the General Assembly, and the superintendent of each school district and educational service center (ESC). The study must include the cost-effectiveness for secondary schools and participants and whether participants in CCP save money on college tuition and reduce the amount of time to degree completion. ODE's administrative workload will increase to conduct the study.

Excessively absent students

Current law specifies that a school district or school must consider a student's *excused and unexcused* absences when determining whether a student is excessively absent from school.² Under the bill, school districts and schools are required to consider only *unexcused* absences when determining if a student is excessively absent. Under continuing law, when a student becomes excessively absent from school, the district or school must notify the student's parent, guardian, or custodian of those absences, in writing, within seven days of the most recent triggering absence. In addition, school districts with a chronic absenteeism percentage of 5% or more must assign excessively absent students to an absence intervention team and develop an intervention plan for the student, with the aim of reducing or eliminating further absences. Statewide, 543 (89.3%) school districts have a chronic absenteeism percentage equal to or greater than 5%, according to the report cards for the 2016-2017 school year. School districts that are exempt from the absence intervention plan process (districts with a chronic absenteeism percentage of less than 5%) must instead implement any appropriate

² The threshold for a student to be declared "excessively absent from school" is when a student's absences exceed 38 or more hours in one school month or 65 or more hours in a school year.

intervention strategy contained in the district's or school's policy on addressing and ameliorating student absences.

Under the bill, school districts subject to the absence intervention plan process may need to complete that process for fewer students, which may result in a decrease in administrative costs to carry out those responsibilities. School districts that are exempt from the absence intervention plan process may also experience a decrease in administrative costs to implement other intervention strategies for chronically absent students. Likewise, juvenile courts caseloads may decrease if the bill's changes lead to fewer students referred to the juvenile court system for excessive absences. Due to data limitations, the magnitude of this provision is unclear.

Provisions related to teachers

Teacher evaluation system

The bill makes a number of changes to the Ohio Teacher Evaluation System (OTES) based on the January 2017 recommendations made by the Educator Standards Board for revising the system.³ Notably, the bill:

- Requires ODE to revise the state framework for OTES based on those recommendations and requires the State Board of Education to adopt the revised framework by May 1, 2018, and each district board, by July 1, 2018, to update its teacher evaluation policies to conform to the updated framework;
- Eliminates a requirement that 50% of an evaluation consist of value-added student data and replaces it with "high-quality student data" derived from student assessment instruments approved by each district board;
- Eliminates shared attribution of performance data among all teachers in a district, building, grade, content area, or group;
- Eliminates an option for districts to formally observe an "accomplished" teacher only once (instead of the general requirement of twice) as part of the teacher's evaluation if the teacher meets certain requirements;
- Eliminates the alternative framework for the evaluation of teachers; and
- Requires ODE to provide guidance to districts on various aspects of the revised evaluation system.

These provisions are not likely to have a substantial effect on ODE's costs to operate OTES, though the extent of any new costs will ultimately depend on the manner in which the bill's revisions are implemented. Notably, the Department indicated that it would likely continue to produce teacher value-added reports due to

³ Jacques, Catherine, Jessica Giffin, and Amy Potemski, "Ohio Educator Standards Board Recommendations for Revising the Ohio Teacher Evaluation System," January 2017, accessible online at http://education.ohio.gov/getattachment/Topics/Teaching/Educator-Standards-Board/OTES-Recommendations-By-ESB_Jan2017_FINAL.pdf.aspx.

the valuable information they contain. State funding for OTES is spread throughout various GRF and non-GRF earmarks in ODE's budget.

Public districts and schools may experience an increase or decrease in workload or costs associated with these provisions. For example, a district's workload may increase to identify and approve student assessment instruments for use in the system, to develop performance measures based on assessment data, and to train educators on the revised system. However, a representative of the Buckeye Association of School Administrators suggests that eliminating the value-added progress dimension as an OTES component may reduce the amount of time spent by teachers creating student learning objectives that measure student progress in subjects or grades lacking state assessments or other approved assessments, as student learning objectives would no longer be necessary.

Costs may increase for the districts and schools that have elected to formally observe "accomplished" teachers once as under current law, to observe those teachers twice. Lastly, the bill's removal of the alternative framework may result in additional work for districts and schools that were using the alternative framework to comply with the requirements of the revised framework. According to ODE, 41 school districts and 25 community schools are currently using the alternative framework to evaluate teachers.

The bill also allows the Cleveland Metropolitan School District (CMSD) board of education and the teacher's labor organization to jointly decide whether to update the district's teacher evaluation procedures to match the teacher evaluation framework adopted under the bill. If they decide not to do so, the district will continue to be subject to the current law system regarding its teacher evaluations. However, there may be additional costs to ODE to maintain two evaluation systems. The decision must be made by July 1, 2018.

Professional development for certain gifted services providers

The bill requires the State Board of Education to accept professional development hours completed for teaching advanced placement (AP) or international baccalaureate (IB) classes toward the professional development requirement related to a gifted education license or endorsement. It also prohibits the State Board from requiring an individual who teaches AP or IB classes to complete professional development for a gifted education license or endorsement unless the individual will be teaching gifted students. Under the State Board's current rules, a designated provider of gifted services with a license in general education must participate in 30 hours of professional development related to gifted education from an educator licensed or endorsed in gifted education during their first and second year, and must participate in additional hours each year thereafter, as determined by the district or school. As a result of this provision, school districts' professional development costs may decrease.

Educator license grade bands

The bill requires the State Board to specify whether an educator is licensed to teach grades pre-kindergarten through six or grades five through twelve when issuing resident, professional, senior professional, and lead professional educator licenses. Current law does not require educator licenses to be issued for particular grade bands, but the State Board's rules specify that licenses be issued for "Early Childhood" (grades pre-kindergarten through three), "Middle Childhood" (grades four through nine in named curriculum areas), and "Adolescence through Adult" (grades seven through twelve in named curriculum areas). This provision may provide public districts and schools with additional flexibility in responding to certain staffing needs.

Teacher employment for any subject area or grade level

The bill allows school district superintendents to request the district board of education to employ licensed teachers to teach a subject area or grade level for which the teacher is not licensed for up to one school year. The board may renew the person's employment each year for not more than a total of four consecutive school years. This additional flexibility, at the discretion of the board, could place existing teachers into classrooms that would previously have required the hiring of a new teacher. One factor to consider is that the federal Elementary and Secondary Education Act (ESEA) requires state plans for Title I funds to contain assurances that teachers working in Title I-supported programs meet state licensure requirements.⁴ Thus, placing teachers outside the subject area or grade level for which a teacher is licensed may put Ohio at risk for certain federal sanctions. The U.S. Department of Education may impose a range of enforcement actions for noncompliance, including placing a state's Title I, Part A grant on high-risk status, withholding Title I, Part A state administrative funds, or, in what is likely to be the most severe option, withholding Title I, Part A programmatic funds.

Education aide permits and educational paraprofessional licenses

Current law requires an "educational assistant" nonteaching employee, such as an educational aide or paraprofessional, to have a permit or license in order to directly assist a teacher in a school district, whether they work in a federally funded program or not. In general, the bill applies the permit or licensure requirement only to those aides and paraprofessionals who work in a district in a federally funded program. The bill also removes current law specifications for applicants for an educational aide permit or paraprofessional license, including minimum qualifications of education, health, and character and special training or educational courses designed to qualify a person to be an aide or paraprofessional.

According to ODE, about 19,000 educational aides and paraprofessionals were employed during the 2016-2017 school year. Of these, about 3,600 worked in a federally funded program and must maintain their permits and licenses. The remainder, about

⁴ 20 U.S.C. 6311(g)(2)(f).

15,400 individuals, would not need a permit or license. Educational aides currently pay a fee of \$25 for a one-year permit or \$100 for a four-year permit while paraprofessionals pay \$200 for a five-year license, or an average of \$40 per year. Depending on the mix of educational aides and paraprofessionals that would forego permits or licenses, the State Board of Education Licensure Fund (Fund 4L20) may lose up to \$400,000 to \$600,000 in fee revenue on an average annualized basis due to the bill.

Costs for districts and schools to ensure applicants for an educational aide permit or paraprofessional license meet the minimum qualifications and to pay for special training or education courses may decrease as a result of the bill. In addition, since educational aides and paraprofessionals not working in a federally funded program will no longer need permits or licenses under the bill, individuals foregoing the credentials will also not be enrolled in the Bureau of Criminal Investigation's RAPBACK continuous criminal record monitoring system, which ODE uses to notify school districts of criminal arrests and convictions. As a result of the bill, districts and schools may incur additional costs if they choose to develop systems to track criminal arrests and convictions of their employees.

Substitute teacher licenses

Current law requires the State Board to issue educator licenses for substitute teaching that are valid for one year, five years, and any other length of time up to five years as determined by the State Board. Applicants may choose a short-term license, which requires an individual to hold a postsecondary degree and allows the individual to teach for up to 60 school days in a given school year, or a long-term license, which requires an individual to hold a postsecondary degree that meets certain coursework requirements and allows the individual to teach for periods longer than 60 days.

The bill requires the State Board to adopt new rules establishing standards and requirements for obtaining an educator license for substitute teaching and requires the State Board to begin issuing educator licenses for substitute teaching under these new rules on July 1, 2018. Under the new rules, there would be a single substitute license that would require an applicant to hold a postsecondary degree, but not in any specified subject area. A license holder with a postsecondary degree in either education or a subject area directly related to the class to be taught may work for an unlimited number of school days. A license holder with a postsecondary degree in a subject not related to the class to be taught must receive approval from the district board of education for each semester that the license holder will teach. The bill specifies that any license that is issued or renewed under current law and is still in force on the bill's effective date must remain in force for the remainder of the term for which it was issued or renewed. At the end of that term, the license holder is subject to the bill's requirements for licensure.

Under the bill, more individuals may qualify for and obtain a substitute teaching license due to less stringent criteria. If so, Fund 4L20 may gain license fee revenue while ODE's administrative responsibilities may increase to process additional applications,

both of which would depend on the rules the State Board adopts to govern the issuance and renewal of the licenses. Currently, substitute teachers pay \$25 for a one-year license or \$125 for a five-year license. This provision may also provide a larger pool of individuals for school districts to choose from to fill staffing needs.

Career-technical teacher licenses

The bill replaces the current professional career-technical teaching license with two new career-technical workforce development educator licenses (a two-year "initial" license and a five-year "advanced" license) for individuals teaching in career-technical and workforce development subject areas in any of grades 4 to 12. However, the bill allows individuals holding a professional career-technical teaching license issued under current law to continue to renew their licenses for the remainder of their teaching careers. As of July 1, 2018, new applicants for a career-technical educator license must obtain one of the new licenses, rather than the current professional career-technical teaching license. The bill requires the State Board, in collaboration with the Chancellor of Higher Education, to adopt rules for the two licenses, which will increase the administrative responsibilities of the State Board, ODE, and the Department of Higher Education. The provision may also provide public districts and schools with additional flexibility in employing qualified individuals to teach career-technical education courses.

Highly qualified teacher requirement

To comply with former federal law, current state law provides that a teacher of a core subject area (English, math, science, foreign language, government, economics, fine arts, history, and geography) must be "highly qualified" in order to teach in a school with federal Title I funds (for disadvantaged students). In general, a highly qualified teacher (HQT) holds a baccalaureate degree, is fully licensed or in an alternative route to licensure, and demonstrates evidence of content knowledge in the core academic subjects taught. According to ODE, 97.4% of core courses statewide were taught by HQTs in the 2016-2017 school year.

The federal Every Student Succeeds Act (ESSA) eliminated the HQT requirement related to Title I funding. Accordingly, the bill eliminates from current state law the requirement that a teacher of a core subject area be highly qualified as well as a number of other related provisions. Thus, the bill may reduce state and local reporting costs. It may also provide some additional flexibility for public districts and schools in the classes that teachers are assigned. Note, however, that ESSA requires states to implement teacher equity plans to ensure economically disadvantaged and minority students are not disproportionately served by ineffective, out-of-field, or inexperienced teachers, principals, and other school leaders.

Gifted indicator in school report card

Current law requires that school report cards include an indicator for students identified as gifted that is disaggregated for the value-added progression dimension score of a school district or school and for the performance of those students when data on student achievement and progress is reported. The bill eliminates the requirement that the performance of gifted students be disaggregated in this manner, reducing ODE's workload related to producing the report cards and other accountability reports.

School mandate reports

The bill requires ODE to establish a consolidated school mandate report for school districts on the following topics: (1) staff training on the use of physical restraint or seclusion on students, (2) staff training on harassment, intimidation, or bullying, (3) staff training on the use of cardiopulmonary resuscitation and automated external defibrillators, (4) the establishment of a wellness committee, (5) the establishment and review of school emergency management plans, (6) the reporting of compliance with nutritional standards, and (7) the screening of pupils for hearing, vision, speech, and medical problems and for developmental disorders. Each district or school must complete and file a consolidated school mandate report by November 30 each year that specifies whether the district or school has or has not complied with the requirements contained within each item and provides any other information that ODE requests regarding those items. A district or school that specifies it has not complied with the requirements of an item must submit to the school district board, within 30 days, a written explanation and a written plan of action for accurately and efficiently addressing the problem.

The bill prohibits ODE from requiring a separate report for any of the items listed above, except for a public presentation on nutrition standards required by continuing law. Thus, the bill may result in a decrease in administrative responsibilities for school districts and schools to complete and file various reports and for ODE to manage them.

Reading improvement plans

Beginning with the 2017-2018 school year, the bill requires a school district, community school, or STEM school in which less than 80% of its students attain proficient scores on the third grade English language arts (ELA) assessment to establish a reading improvement plan supported by reading specialists. The reading improvement plan must be approved by the district's board of education or school's governing authority or body prior to implementation. Current law already requires a school district or community school with a grade of "D" or "F" on the literacy progress measure and less than 60% of students scoring proficient on the third grade ELA assessment to implement a reading improvement plan.

Based on the 2016-2017 report card grades, the provision would result in 421 additional school districts and 86 new community schools that will need to establish a reading improvement plan. The bill's requirement may result in what is likely to be a minimal increase in costs for qualifying districts and schools to develop the plans, which may require hiring an outside consulting service. According to the Buckeye Association of School Administrators, this assistance may be available from the ESC with which the district currently contracts.

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