

OSBA, BASA & OASBO HB 1 Summary – July 24, 2009

School Funding and Taxation

- Replaces the current funding foundation formula with the Ohio Evidence Based Model (OEBM)
 - Some components phased in over 10 years
- Appropriates \$6.8 billion in FY 2010 and \$6.79 billion in FY 2011 for the model
- Renames the “SF-3” the “PASS form” (Pathways to Student Success)
- Provides school districts with a transitional aid guarantee – 99% of the prior year’s funding in FY 2010 and 98% of the prior year’s funding in FY 2011
 - Charter school and open enrollment adjustments are applied after the transitional aid guarantee is calculated
 - The per-pupil adjustment for Open Enrollment students is \$5732 for both years in the biennium
 - The per pupil amounts for charter school and stem school students is \$5718 in FY10 and \$5703 in FY11
 - The per-pupil amounts for special education and career tech weights will be \$5732 for charter school students in both years
- Sets the gain cap on the OEBM to .75% in each fiscal year (Note: transportation subsidy for low-wealth and low-density districts, career technical funding, and federal funds not subject to gain cap)
- The addition of approximately \$788 million in federal Title I and IDEA stimulus funds boosts core funding to school districts to \$6.92 billion in FY 2010 (an increase of 5.78%) and \$6.90 billion in FY 2011
 - Only five districts will receive a decrease in funds over the biennium - no more than .70% (state and federal) compared to FY 09 appropriations
- The teacher salary base component of the OEBM is \$49,914 (median unweighted school district salary) with 14% added for benefits, assuming a 1.6% inflation between FY10 and FY11
- Creates the Educational Challenge Factor (ECF) that addresses differences among districts in concentration of poverty, property/income wealth, and college attainment level of the community
- Applies ECF to the following parts of the funding model to drive additional resources to districts in greatest need:
 - Teacher salary
 - Supplemental Teacher factor (tutors)
 - Summer Remediation factor
 - Enrichment factor
- Creates organizational units to drive funding at building level

- Guarantees one principal for each building in Type 1 and Type 2 districts (poor/rural districts)
- Funds District Administrator factor at 100% (combines and renames Superintendent and Treasurer factors)
- Funds Operations and Maintenance factor at 45% in FY 10-11 and 75% in FY 12-13
- Defines a small school district as having formula ADM of less than 418 students for purposes of allowing for 1 full organizational unit
- Provides additional funding for gifted education by funding gifted staff in every building, funding gifted identification testing and additional enrichment activities
- Establishes the Ohio School Funding Advisory Council to submit biennial recommendations for revisions to the components of the adequacy amount calculation
 - Schools boards, superintendents and treasurers will have representation on the Council
- Addresses phantom revenue by phasing down the charge-off from 23 to 20 mills over 3 biennia, starting with 22 mills this biennium
- Eliminates February Average Daily Membership (ADM) count and calculates ADM by using the prior year's ADM October count
 - If a 2% increase in ADM is realized, the current year October ADM count will be used
- Funds universal all-day kindergarten at "1" instead of ".5" as in the current system
- Allows school districts and community schools that offered all-day kindergarten in FY 2009 and charged tuition for participating students to continue to charge tuition in FY 2010 and 2011 at the same rate as FY 2009 and prohibits charging tuition after FY 2011
- Uses updated special education weights
- Enacts a new formula for transportation funding for school districts
- Extends the period before the phase-down of the replacement payments for the loss of Tangible Personal Property (TPP) Tax to school districts begins. Districts would receive full replacement for the next two biennia (FY 2010-2013) with a commitment to study the issue more fully during that time. If there is no change in law before FY 2014, the original phase-down schedule for replacement payments will be resumed – districts would receive the original percentage set for that year.
- The TPP "Offset" will be determined differently for this biennium than in the past. The "Offset" is the amount that school districts receive for the replacement of their TPP tax

losses through the school funding formula as a result of the lower valuation. The “Offset” is subtracted from the full replacement amount that each district is entitled to receive.

The calculation will be made as always, but the amount used for the “Offset” will be the greater of:

- The results of the actual calculation, or
 - The “Offset” amount for FY 2009
- Requires school districts (not charter schools and STEM schools) to submit spending plans and compliance reports on how state funds are spent
 - ODE to promulgate rules for spending requirements
 - Exempts school districts rated “excellent” from the spending rules (except ADK); these districts are still subject to the reporting rules
 - Core academic strategy spending requirements – rules must be flexible for all districts
 - Academic Improvement spending requirements only for districts in academic watch and academic emergency for 2 consecutive years
 - Reporting requirements no earlier than July 1, 2010; spending requirements no earlier than July 1, 2011 (FY 2012 – not in this biennium)
 - Requires districts with a three-year average graduation rate of 80% or less to obtain approval from the Ohio Department of Education (ODE) and the Governor’s Closing the Achievement Gap Initiative for items in a district’s spending plan relating to closing the achievement gap activities
 - Funds Joint Vocational School Districts equal to the amount they received in the previous year plus .75%
 - Eliminates the School Bus Purchase funding and line item
 - Ensures that no public school district will receive less per pupil in state funding than private schools receive, when the OEBM is fully implemented
 - Restores a provision that recognizes some districts have an exceptionally high percentage of tax-exempt property in their district (Talawanda amendment)

Education Reform

- Revises the pupil-teacher ratio for grades K-3 is to be implemented over a six-year period according to the following schedule: 19:1 in FY 2010-2011, 17:1 in FY 2012-2013, and 15:1 in FY 2014 and thereafter
- Allows a school district to request a waiver from ODE in meeting the pupil-teacher ratio for grades K-3
- Requires each school district to offer all-day kindergarten to all students beginning in FY 2011
 - Requires districts to accommodate kindergartners whose parents elect to enroll students for half-day

- Allows ODE to grant a waiver to a school district in FY 2011 due to space considerations or funding issues
- Requires the Superintendent of Public Instruction to develop a 10-year strategic plan by December 1, 2009
- Requires the Superintendent of Public Instruction to report recommendations on extending the school year to the General Assembly by no later than December 31, 2010
- Reduces Calamity Days from five to three for the 2010-2011 school year only
- Requires eTech to develop and implement an interactive distance learning pilot project, beginning in 2009-10
 - To provide at least 3 free, interactive distance courses for all high schools, including two advanced placement courses and one foreign language course
 - Provide funds for the purchase of video conferencing equipment, installation of telecommunications equipment, and upgrading Internet service and training
- Replaces the Ohio Graduation Test with
 - A nationally standardized college prep assessment,
 - A series of end-of-course examinations in science, math, English language arts, social studies, and
 - A senior project completed individually or by a group of students
- Requires the State Board of Education to:
 - Adopt a diagnostic assessment for each of grades K to 3 in English language arts rather than reading
 - Adopt writing diagnostics for grades K to 2
 - Adopt a writing diagnostic assessment for grade 3
- Prohibits the administration of the elementary writing and social studies achievement assessments during the 2009-2010 and 2010-2011 school year unless the state superintendent determines that ODE has sufficient funds to pay the costs of furnishing and scoring the assessments
- Requires the State Board of Education to adopt new statewide academic standards at least once every five years beginning by June 30, 2010
- Requires the State Board of Education to adopt new statewide academic standards for core subject areas by June 30, 2010, and to adopt model curricula reflecting these standards by March 31, 2011
- Requires the State Board of Education (after completing the revision of the core subject areas) to revise standards and curricula for:
 - fine arts
 - foreign language
 - computer literacy
 - create standards and curricula for financial literacy

- Requires the State Board of Education to adopt standards for business education in grades 7-12
- Requires the state superintendent to develop model curriculum for instruction in college and career readiness for grades 7-12
- Requires that new standards emphasize skills needed for the 21st century (ex. critical thinking, problem solving, collaboration, and technological literacy)
- Requires the State Board of Education to adopt additional minimal standards for school district operations including:
 - Standards for the effective administration of each school district
 - Standards for the establishment of a business advisory committee and family and community engagement team
 - Standards for expenditure of the components of the school funding model
- Allows the state superintendent to grant waivers for operating standards
- Gives authority to the Superintendent of Public Instruction to create the Center for Creativity and Innovation to monitor, develop, and disseminate information about creative and innovative education practices
- Permits creation of Ohio Teaching Fellows Program to provide undergraduate scholarships for teacher preparation to qualified students
- Establish standards for the mastery of both education and management principles that will be expected of superintendents, school treasurers and other school business officials

Teacher Licensure, Professional Development, and Tenure

- Creates new educator licenses beginning in 2011:
 - Four-year (renewable at the state superintendent's discretion) resident educator license
 - Five-year professional educator
 - Five-year senior professional educator
 - Five-year lead professional educator license
- Sets the eligibility for tenure for new teachers who become licensed beginning January 1, 2011 to 7 years.
 - Specifies that this provision overrides any conflicting collective bargaining agreement entered into after the effective date of the bill
- Directs the Educator Standards Board (ESB) to:
 - Develop a method of measuring the academic improvement of individual students over a one-year period
 - Make recommendations incorporating the measurement into the evaluation criteria for eligibility of teacher licenses and the Board's model teacher and principal evaluation instruments

- Eliminates state funding for the National Board Certification Program and stipends
- Requires the ODE, in consultation with the Educator Standards Board, to develop model peer assistance and review programs.
 - There is no mandate requiring districts to adopt the model
- Liberalizes background check mandates by requiring a criminal records check for a person applying for issuance of an educator license or employment to include only an FBI check if the person:
 - Has previously had a Bureau of Criminal Identification and Investigation (BCI) check for licensure for employment, and
 - Provides proof of continuous Ohio residency for the previous five-year period
- Beginning January 1, 2010, prohibits the State Board of Education from requiring a criminal records check for licensure purposes any more often than every five years

Collective Bargaining

- Retains current law which allows districts to make reductions in force (RIF) for “financial reasons”
- Repeals current law that allows a non-Civil Service school district to terminate some or all of its transportation staff for “reasons of economy and efficiency”
- Changes the statutory grounds for dismissal for a school district teacher to “good and just cause”
 - specifies that this provision overrides any conflicting collective bargaining agreement entered into after the effective date of the bill

Charter Schools and Voucher Programs

- Continues to count charter school students where they reside rather than where they are educated
- Grants ODE authority and regulation over all charter schools and sponsors
- Eliminates current law requiring that charters be in operation for 2 school years before receiving a report card
 - Exempts the performance ratings on the report cards issued in the first two years from consideration for automatic closure
- Requires ODE’s annual report on charter schools to include the performance of charter school sponsors
- Revises the exception to the cap on new start-up charter schools by prohibiting contracts with operators that manage other schools in Ohio, unless at least one of those schools has a report card rating higher than academic watch

- Strengthens charter school mandatory closure provisions for schools in academic emergency to 2 of 3 consecutive years for middle schools, and 3 of 4 consecutive years for elementary and high schools
- Requires educational records to be transmitted within seven days to the student's resident district if a charter school closes
- Retains current law regarding first offer language to charter schools on school district property sales
- Requires students participating in the Cleveland voucher program to take state assessments
- Requires ODE to post disaggregated testing data for voucher students (both Cleveland and Ed Choice) on its web site
- Requires ODE to provide the parent of each voucher student with information comparing the student's performance on the assessments with the performance of similar students enrolled in the school district building the student would otherwise attend

School Safety/Wellness/Other

- Expands to include students eligible for free lunch to those which districts may not charge fees for instruction and materials. Current law prohibits school districts that receive PBA from charging fees to students whose families participate in Ohio Works First or the Disability Assistance Program
- Limits authority to administer prescription drugs beginning July 1, 2011, to employees that are licensed health professionals or who have completed a drug administration program conducted by a licensed health professional
- Repeals current law establishing the School Health and Safety Network (Jarod's Law) and the enforcement structure and replaces it with requirements that:
 - Boards of health inspect the sanitary condition of schools semiannually rather than annually
 - School districts review policies and procedures to ensure that there a no known immediate risk to health or safety and to ensure compliance with federal health and safety laws and regulations applicable to schools
- Eliminates the requirement that students entering the seventh grade at a public or nonpublic school receive a tetanus, diphtheria, and a cellular pertussis booster vaccination
- Requires schools to establish policies with respect to protecting students with peanut or other food allergies, in consultation with parents, school nurses, other school employees, school volunteers, students, and community members
- Prohibits corporal punishment in school districts, educational service centers, community schools, and STEM schools

- Eliminates the requirement that school districts report to ODE the aggregate results of hearing, vision, speech health and medical, and developmental screenings for entering kindergarteners and first graders
- Requires the State Board of Education to adopt rules establishing standards and requirements for obtaining a school nurse or school nurse wellness coordinator license
 - Does not require the school nurse wellness coordinator to be a licensed practical nurse
- Establishes the nine-member School Health Services Advisory Council to make recommendations on:
 - The content of courses of instruction required to obtain a school nurse license or a school nurse wellness coordinator license
 - Best practices for the use of school nurses and school nurse wellness coordinators in providing health and wellness programs for students and employees of public schools
- Prohibits school districts from preventing teachers from including student recitation of the Pledge of Allegiance in the classroom, and prohibits altering the Pledge of Allegiance from the wording set forth in the United States Code
- Transfers the School Employees Health Care Board to the Ohio Department of Education

School Facilities Commission

- Allows securities issued by a school district for the acquisition or construction of real property to have a maximum maturity of greater than 30 years, but not greater than 40 years, if the school district fiscal officer estimates the real property's useful life to be greater than 30 years.
- Requires OSFC to conduct a study of new demands upon and issues related to classroom facilities that may arise due to new operating requirements in the implementation of the OEBM.