



OEA Legislative Watch

An OEA Newsletter

Do you know that the political process affects virtually everything in your school day?

Take action — Become an OEA Member Lobbyist!

Questions?

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House Finance Committee Unveils Substitute Budget Bill

On Tuesday, April 9, 2013, the Ohio House Finance and Appropriations Committee adopted a substitute bill to House Bill 59, the budget bill for FY 14 and 15, by a vote of 19-12. The bill makes many changes to provisions that OEA has been working on; however, many issues still remain. OEA Government Relations staff is currently reviewing the language in the bill, including analyzing changes to the K-12 school funding formula, and will provide additional information as it becomes available.

House Bill 59 is scheduled to be further amended and voted on next Tuesday, April 16, 2013 in the House Finance and Appropriations Committee. An Ohio House Floor vote is slated for Thursday, April 18, 2013.

Below is a synopsis of the major changes in substitute House Bill 59:

Primary and Secondary Education

Funding

- Retains many of the components of Kasich's funding formula but replaces the \$5,000 Core Funding base per-pupil amount under the Executive Budget proposal with the current \$5,732 figure for FY 14 and \$5,789 for FY 15.

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- Shifts money in the “as introduced” formula so that 175 school districts remain on the guarantee (with no increase in funding). Under the Executive Budget proposal, 368 school districts were on the guarantee.
 - Caps increases a school district can receive at six percent in both years.
 - Includes transportation funding in the formula and eliminates the “efficiency factor” (*Note: Transportation Funds were not included in the Executive Budget proposal*). Transportation is funded at \$413.4 million in FY 14 and \$434.1 million in FY 15. The bill also provides supplements for low-wealth/low-density districts with an additional \$25.3 million in FY 14 and \$23.1 million in FY 15.
 - Funds the six special education weights at ninety percent and applies the state share index instead of a dollar amount as proposed in the Executive Budget proposal.
 - Changes the funding methodology for the catastrophic special education cost fund from self-funded by school districts to an outside the formula amount that provides \$40 million in each year.
 - Provides for gifted identification funding at \$5.00 in FY 14 and \$5.05 in FY 15 per Average Daily Membership (ADM). Also funds gifted unit funding at a cost of \$37,000 in FY 14 and \$37,370 in FY 15.
 - Expands the ADM count from once a year to monthly.
 - Increases funding for ESC’s by \$22.5 million in FY 14 and \$30 million in FY 15.
 - Requires school districts and schools to account for the expenditure of state education funds provided to certain subgroups of students including: students with disabilities, gifted, economically disadvantaged and limited English proficient students. The bill further requires a district or school to submit an improvement plan to the Ohio Department of Education (ODE) if ODE determines that a district or school has not reached satisfactory achievement and progress for a subgroup. ODE may require that the plan include partnering with another entity for services to that subgroup.
 - Retains the Straight A Fund program but decreases the appropriation for the program from \$300 million over the biennium to \$150 million.

School Choice

- Retains the proposals to create a household income-based voucher and expand the Ed Choice voucher program for schools based on progress on the K-3 literacy component of the report card.
 - Increases the Cleveland Scholarship amount from \$5,000 to \$5,700 for grades 9-12 beginning in FY 14. The bill does not change the K-8 amount of \$4,250.
 - Specifies a suspended community school contract is void if they fail to propose remedies by September 30 of the following school year.
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- Creates a rating of “exceeds standards” for community schools.
 - Removes a provision in current law that requires any classroom teacher initially hired by a community school after July 1, 2013 to provide physical education instruction to hold a valid license from the State Board of Education for teaching physical education.

Other

- Retains the proposed elimination of the statutory requirement for the single salary schedule and the state minimum salaries for teachers.
 - Removes the expansion of the parent trigger.
 - Maintains current law in regard to minimum operating standards.
 - Restores the current minimum ratios for Speech Language Pathologists and School Psychologists.
 - Removes the requirement that the State Board of Education review and revise school operating standards by the end of the year.
 - Adds language to the minimum operating standards stating that standards should provide access to high quality education “according to the learning needs of each individual, including students with disabilities, economically disadvantaged students, limited English proficient student and students identified as gifted.”
 - Retains the proposed changes to Ohio’s standards for a minimum school year to be based on hours rather than a minimum number of days and retains the elimination of defining a school week as 5 days.
 - Requires school district boards to hold a public hearing on the school calendar 30 days prior to adopting the school calendar.
 - Prohibits a school district from reducing the total number of hours of instruction from the previous years, unless the reduction is approved by the district board.
 - Exempts school districts from transporting students to and from chartered nonpublic and community schools on Saturday and Sunday, unless an agreement to do so has been made prior to July 1, 2014.
 - Prohibits, for the 2012-2013 school year, requiring a student to repeat Kindergarten solely because of their age.
 - Eliminates the College Credit Plus changes to Post Secondary Enrollment Options.
 - Removes the changes to Education Service Centers (ESC) governance.
 - Allows home-schooled and non-public students to participate in extracurricular activities in their resident home district if their school does not offer these activities.
 - Directs the State Board of Education to review and revise academic grade card benchmarks at least every three years.
 - Creates the Electronic Textbook Pilot Programs and earmarks \$3 million per year for this
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purpose.

Higher Education

- Removes the higher education faculty workload provision.
- Creates the State Share of Instruction (SSI) bridge fund to provide supplemental funding of \$8.1 million in FY 14 to hold campuses harmless in the first year of the transition to the new funding formula.
- Allows a university to establish a fixed tuition price for a four year college education. Permits a one-time 6% tuition increase for universities who proceed with the plan. Requires legislative approval for future increases.
- Appropriates an additional \$125,000 per year for the Adult Basic Literacy Education program.

Developmental Disabilities (DD)

- Allows an individual to serve more than three terms on a county DD board after obtaining a waiver from the state.
- Removes the name change of the Rehabilitation Service Commission.
- Removes the reorganization of law governing Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IDD) services (analysis pending).

State Council of Professional Educators (SCOPE)

- Increases funding for RECLAIM Ohio by \$500,000 per year.
- Increases funding for the Department of Rehabilitation and Corrections for medical services.

Taxation

- Replaces the proposed 20% across-the-board income tax cut phased in over three years with an “immediate and permanent” 7% income tax reduction at a cost of \$1.5 billion paid for by anticipated revenue growth and a carryover balance from FY 2012.
- Removes the severance and sales tax proposals included in the Executive Budget proposal.

Medicaid

- Eliminates the plan to expand Medicaid, which would have covered the cost of insuring another 275,000 individuals over the next two years.
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