



OHIO EDUCATION ASSOCIATION

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## 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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### Legislature Passes Budget Bill (HB 59)

This week, the legislature finalized its work on House Bill 59, the state budget bill for FY 2014 and FY 2015. The final bill was produced by a Conference Committee that worked out the differences between the versions passed by the House and Senate. On Thursday, the Senate voted 21-11 with all Democrats voting no. The House followed by voting in favor of the bill 53-44 with all Democrats voting no. The bill is pending possible vetoes and signature by Governor Kasich.

### **School Funding**

The Conference Committee adopted the Senate version of the new school funding plan with few changes. This proposal includes additional funding to the foundation formula for primary and secondary education over the House proposal. However, even with these additional resources, the budget is approximately \$515 million short of restoring the devastating \$1.8 billion in state reductions that districts experienced as a result of the last budget cycle.

### **Vouchers**

A major setback in the bill is the statewide expansion of vouchers. The new voucher program is based solely on household income and calls for providing vouchers to students entering Kindergarten in the 2013-14 school year



and Kindergarten and first grade the following year. The income threshold would be set at 200% of the federal poverty rate (\$46,100 for a family of four). This proposal would expand vouchers statewide even in the highest-performing school districts. Approximately 2,000 vouchers are funded for the 2013-2014 school year, and this amount doubles the following year.

The bill also expands eligibility for the Ed Choice voucher based on a school's progress in improving literacy in grades K-3. Beginning in the 2016-17 school year, students would be eligible if they are assigned to schools that receive a "D" or "F" on this component of the report card for two out of three years. This component of the report card has yet to be developed, and there is no evidence that voucher programs will improve literacy performance.

### **Value-Added and Teacher Evaluations**

The Conference Committee did not retain the Senate changes to the student growth factor percentage used on teacher evaluations that set the student growth factor at 35% of an evaluation, with a local option to add up to an additional 15%. The Conference Committee maintained current law that sets the student growth factor at 50% of an evaluation. The bill also maintains the current framework for the portion of the student growth factor comprised of value-added data (VA). This framework sets the value-added component of the student growth factor *in proportion* to the part of a teacher's schedule of courses/subjects that are VA applicable (grades 4-8, math and reading). If a teacher's schedule is comprised *only* of courses/subjects for which VA is applicable, the following applies: Beginning March 22, 2013, until June 30, 2014, the majority of the student growth factor shall be based on VA; on or after July 1, 2014, 100% of the 50% student growth factor shall be based on VA.

The Conference Committee also reduced the number of student absences allowed before a student is no longer included in the student growth calculation used on a teacher's evaluation from 60 or more unexcused absences to 45 or more excused or unexcused absences. The House had not made any changes to the number of absences allowed. The Senate had reduced the number of absences allowed to 30 or more excused or unexcused absences, which was not retained.

### **Harmful Provisions Removed from the Final Bill**

It is important to note that several OEA opposed proposals were not included in the final version of the bill. These include the elimination of the minimum salary schedule and single salary schedule, increased higher education faculty workload, expansion of the parental trigger, elimination of the ratios for school psychologists and speech language pathologists, expansion of the Academic Distress Commission for student data manipulation, changes to





student residency for voting purposes and changes to Ohio's operating standards. These changes would not have been possible without the strong advocacy efforts of OEA and our members.

### **Higher Education**

The Conference Committee report also included a new funding formula for four-year higher education institutions based on degree completion. In addition, the bill included a new funding formula for community colleges based on completion of classes, degrees and success points. The bill also provides for a modest increase in funding for the State Share of Instruction line item over current biennium levels and also creates a 2% tuition cap limit on increases of in-state undergraduate instructional and general fees.

### **Developmental Disabilities**

Policy changes to the Ohio Department of Developmental Disabilities (DD) include requiring each County DD Board to implement an Employment First policy, which includes a policy that every individual is presumed capable of community employment and appropriates \$3 million in each year to support this effort. The bill also requires each County DD Board to submit a cost report on its expenditures and income, which is to be audited by the department. The budget fails to restore the reductions to the County Board Subsidy from last budget cycle by flat funding it at FY 13 appropriation levels. Tax Equity Support is also funded at FY 13 levels.

### **State Council of Professional Educators (SCOPE)**

The funding in House Bill 59 reflects the amounts requested by SCOPE agencies and is expected to maintain existing services provided by SCOPE members. The bill creates the Office of Enterprise Development (OED) Advisory Board, which is tasked with advising and assisting the Department of Rehabilitation and Corrections (DRC) with the creation of training programs and jobs for inmates and releasees through partnerships with private sector businesses. DRC states that the intent is to supplement, not supplant, the work of SCOPE. OEA will monitor the OED Advisory Board. Further, the bill increases the penalty for institutional assault of a DRC or Department of Youth Services (DYS) employee by an inmate to a third degree felony (currently a fifth degree felony). OEA-SCOPE supports the increased penalty for institutional assault, which will encourage safer and more effective classroom learning environments.

### **Taxation**

HB 59 contains many changes to tax policy that will provide approximately a \$2.6 billion tax cut over the next three years predominately for the benefit of higher income Ohioans. This will reduce available state revenue to fund vital state-supported programs. The bill phases in a 10% income tax reduction for all brackets over three years by reducing current rates by 8.5% for taxable year 2013, 9% for taxable year 2014, and 10% for taxable years beginning in 2015 and





thereafter. The top 1 percent (\$335,000 and over) on average would get tax cuts of more than \$6,000 a year and the bottom fifth of Ohioans (\$18,000 and below) pay \$12 more a year. The bill also provides a 50% small business income tax deduction on net income up to \$250,000.

Additionally, the bill limits the application of the 12.5% property tax rollback by specifying that the rollback may not be applied to reduce the taxes due on new or replacement levies that become effective in or after tax year 2014. Property tax levies effective in tax year 2013 and renewals of these levies remain subject to the rollback. As a result of this elimination, property owners will be responsible for paying their entire tax bill. This provision impacts all local entities, including school districts and County Boards of Developmental Disabilities. The elimination of the state property tax rollback for new levies and the replacement of existing levies will make it even more challenging for school districts to pass new or replacement levies.

Once completed, a detailed analysis of the provisions contained in the budget bill impacting all segments of OEA will be released.

### **House Bill 167 : “Columbus Plan” Passes and Goes to Governor for Signature**

House Bill 167, known as the “Columbus Plan,” is sponsored by State Representatives Cheryl Grossman (R-Grove City) and Tracy Heard (D-Columbus). The bill was introduced after months of deliberation by the Columbus Education Commission on how best to address the issue of improving education in Columbus City Schools. The legislation contains a number of recommendations from the Commission’s final report that require legislative approval. The Columbus Education Association (CEA) was represented on the Commission as various reform measures were considered. CEA supports the package contained in House Bill 167. As this legislation is the result of a local reform process, the OEA closely monitored the bill as an “Interested Party.” On June 25, 2013, the House concurred with Senate amendments to House Bill 167. The bill was passed with an emergency measure and will therefore go into effect immediately upon being signed by the Governor. The following are the major provisions in the bill:

- Requires a ballot issue where voters would approve or disapprove a levy for Columbus City Schools and “partnering” charter schools. The school board has the authority to determine which charter schools to partner with, if any. The question shall be submitted to the voters at the next general or special election occurring at least 90 days after the effective date of the bill. The ballot shall identify the total millage on the levy and specify how many of these mills are to be allocated for the school district and how many mills are to be allocated to partnering charter schools. The school board may distribute all or a portion (instead of 100%) of levy dollars in the “partnering community schools” fund during a fiscal year and must publish online by June 15 the estimated dollar amount per student.
  - Requires a ballot issue where voters would approve or disapprove the creation of the position of an independent auditor for the Columbus City Schools with additional authority to audit partnering charter schools. The question shall be submitted to the voters at the general election occurring at least 90 days after the effective date of the bill.
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- Authorizes the mayor and city council of Columbus to sponsor charter schools that are located in the school district of Columbus City Schools. The mayor shall establish standards for sponsoring charter schools not later than 180 days after the effective date of the bill.
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