

April 28, 2017

House Finance Committee Unveils Substitute Budget Bill

On Tuesday, April 25, the House Finance Committee adopted a substitute version of House Bill 49, the budget bill for Fiscal Years (FY) 2018 and 2019. OEA appreciates that given a tight revenue situation, the House budget proposal directs an additional \$90 million to school districts over the biennium. OEA also applauds the removal of the requirements for teacher externships and adding non-voting members of the business community to local school boards.

While OEA believes some matters have been improved, we are seeking additional changes to the budget bill. OEA is strongly opposed to provisions in the bill that reduce sick leave for college and university employees from 15 to 10 days and prohibit colleges and universities from providing sick leave greater than what is in law. This change is an outright attack on the benefits and bargaining rights of college and university employees similar to Senate Bill 5. Secondly, OEA is opposed to a provision that would require every faculty member who assigns textbooks to file an annual financial disclosure with the Ohio Ethics Commission. This provision is based on the false assumption that faculty members assign textbooks based on the influence of textbook companies. The measure also eliminates the Resident Educator Program. OEA is concerned about the proposed elimination of mentoring and the supports that are needed for Ohio's new teachers in their first two years of their teaching careers currently included in Ohio's Resident Educator Program. OEA acknowledges that early career educators have expressed frustrations with the burdensome nature of the Resident Educator Summative Assessment (RESA). We encourage improvements in this area. However, the elimination of ORC 3319.223 in its entirety creates unintended consequences and raises unanswered questions regarding licensure.

Additionally, OEA remains concerned that many K-12 districts will receive less state support than their current level of funding and that both the state share of instruction for

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higher education and the Ohio College Opportunity Grant are flat-funded at FY 2017 levels.

OEA Government Relations staff is currently reviewing the language in the bill and will provide additional information as it becomes available. You may view the new district-by-district spreadsheet by clicking [here](#). House Bill 49 is expected to have additional amendments and a vote next week.

Below is a synopsis of the major changes to substitute House Bill 49:

K-12 Education

School Funding

- Retains the current school funding structure
- Provides an additional \$90 million to K-12 over the biennium
- Changes the proposed per-pupil amount from \$6,000 (same as FY 2017 per-pupil) to \$6,020 in each FY
- Increase the gain cap on annual growth in formula aid in each year of the biennium from 5% to 5.5%
- Raises the capacity aid multiplier to 4.0% from 3.5%
- Removes the transportation supplements from the transitional aid (guarantee) calculations
- Provides \$25 per student to a high performing Educational Service Center (ESC) - other ESCs will receive \$23 per student
- Adjusts the valuation index in certain districts with high public utility personal property
- Restores funding for INFOhio to FY 2015 levels
- Requires a study of funding levels and methods for gifted education

Licensure Renewal and Ex-Officio Board Members

- Removes the proposed teacher externship requirement
- Eliminates the proposed addition of non-voting members of the business community to school boards

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- Requires the creation of standards for the current school Business Advisory Councils

Resident Educator

- Repeals the Resident Educator Program
- Maintains the resident educator license and the alternative resident educator license, which are both four-year, renewable, entry-level licenses that an educator must hold prior to applying for a five-year professional educator license
- Specifies that individuals currently participating in the Ohio Teacher Residency program must not be required to complete the program or its components, and the State Board must not require any applicant for a new educator license, or for renewal of an educator license, to complete the Ohio Teacher Residency program or its components as a condition for issuance of the license

Testing

- Allows public and chartered non-public schools the option of using paper for state tests
- Permits schools to administer assessments in a combination of online and paper formats
- Requires the Ohio Department of Education (ODE) to provide, free of charge, all assessments regardless of the format
- Prioritizes the allocation of any unused Title IV funds under the federal Every Student Succeeds Act (ESSA) to cover the cost of AP exams for low-income students

Charter Schools and Vouchers

- Allows ODE and the State Board of Education to have access to the personal identities of students associated with numbers in the Statewide Student Identifier System for the purposes of making per-pupil payments to a community/charter school
- Prohibits ODE from ranking a community/charter school sponsor ineffective because a sponsor received a 0 on one component other than the academic component

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- Requires ODE to weigh progress as 60% of the academic performance component of the state report card for a community/charter school sponsor
- Compels ODE to notify a community/charter school sponsor 45 days before the release of the report card. Allows an informal hearing 10 days after notification at which ODE must provide a written decision
- Permits an ESC that has a rating of effective or higher to sponsor an e-school without previous experience and a community/charter school whether or not it is in the territory or a contiguous county
- Requires ODE to determine whether funds remain for the EdChoice Voucher by May 31 after the first application period

New Career Technical Educator Level I and Level II Licenses

- Replaces some of the education and experience requirements listed in the bill and instead requires the State Board of Education (SBE) (in collaboration with chancellor of higher education) to adopt rules establishing standards and requirements for the Level I and Level II licenses
- Requires a Level I career-technical education license holder to begin participating in, and for a Level II license holder to have completed, an educator preparation program that meets the current criteria for an individual who is teaching career-technical courses under an alternative resident educator license, i.e. “Successful completion of a career-technical workforce development teacher preparation program that consists of not less than twenty-four semester hours, or the equivalent, from a state university. The teacher preparation program shall include a performance-based assessment, to be verified by the institution.”
- Continues to grandfather holders of the current professional career-technical educator license, which can be renewed under existing rules for the remainder of the individual’s teaching career

Other

- Permits a school district to offer early retirement or severance pay only if both of the following conditions are met: 1) the agreement is financially-sound 2) the district must comply with tax levy provisions concerning wage and salary increases

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- Exempts certain classes of part-time or intermittent school district employees, including substitute teachers, from mandated AED training
- Places a four-year moratorium on the transfer of territory between schools in a win-win agreement
- Gives authority for the hiring and firing of the Joint Education Oversight (JEOC) director to the Speaker and Senate President instead of the committee
- Orders JEOC to develop legislative recommendations for creating a Joint Transportation Pilot Program in which at least two districts share transportation services
- Charges JEOC with a review of the ODE manual used to audit or review enrollment in public schools
- Adds two Senators and two Representatives to the Facilities Construction Council
- Directs ODE to use Education Service Centers (ESCs) in the development and delivery of professional development on content standards and curricula
- Modifies an earmark for Accountability/Report Cards to require that a portion go to ESCs to support training and professional development instead of providing it to a non-profit with expertise in value-added dimensions
- Changes the criteria for rating early childhood education programs; replaces metrics ODE uses to determine certain high-quality preschool services; requires ODE to assess effectiveness of early childhood education programs receiving state funding
- Reverses a recent OAC rule regarding preschool staffing ratios
- Directs unspent preschool funding to be offered to 3-year olds after all 4-year olds have been served

Higher Education

Funding

- Removes the increases to the State Share of Instruction and Ohio College Opportunity Grant and flat-funds these items at FY 2017 levels
- Permits a Community College to increase tuition by \$10 per credit hour
- Clarifies that tuition caps do not apply to tuition guarantee programs and removes the restrictions on increases between cohorts

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- Exempts health insurance, auxiliary goods and services, non-instructional program fees, licensure costs, fines, travel costs and elective service charges from the tuition freeze
- Requires the Chancellor to investigate fees charged by institutions and prohibits the charging of any fee unless approved by the State Controlling Board
- Removes the proposal on textbook costs
 - Requires institutions of higher education (IHE) to examine their textbook costs annually and report costs to the Chancellor
 - Requires an IHE to report annually to the Efficiency Advisory Committee on efforts to reduce textbook costs

Tenure and Sick Leave

- Directs the trustees of each state university, rather than all IHEs, to review and update tenure policies
- Specifies IHEs shall conduct post tenure reviews
- Clarifies tenure language that “any combination” of specified goals is acceptable and that there are “multiple” tenure pathways
- Reduces the number of mandated sick days for university employees from 15 to 10 and prohibits colleges and universities from providing sick leave greater than what is in statute

College Credit Plus (CCP)

- Restricts the awarding of CCP credit unless the student receives a grade of C or higher
- Limits IHEs to paying for one assessment for the CCP program. Additional assessments are the responsibility of the student
- Modifies the CCP textbook requirements by requiring IHEs to pay 50% or an amount agreed to with the school district
 - Homeschooled students pay 50%
- Mandates that the Chancellor study the outcomes of the College Credit Plus (CCP) program

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- Maintains current law on the alternative CCP payment structure as long as it complies with the rest of the program
- Specifies that minor labor laws do not apply to CCP pre-apprenticeship programs

Other

- Requires faculty who assign textbooks to file an annual financial disclosure statement with the Ohio Ethics Commission
- Mandates an IHE must accept college coursework earned in Ohio over the past 5 years
 - If the credit is over 5 years old the IHE must offer a competency-based test.
- Allows a Community College to offer an applied bachelor's degree if the degree is not offered by a public or private university within 30 miles
- States that an institution created by several governors must be regionally accredited and is not a state institution
 - Prohibits the institution from receiving any state funding

SCOPE – Department of Rehabilitation and Correction

- Allows a non-sexual or non-violent offender who earns an Ohio high school diploma or certificate of high school equivalence certified by the Ohio Central School System to receive early-release credit of up to 90 days, or a 10% reduction of the prison term, whichever is less

Taxation

- Removes the proposed tax reform plan, including proposed changes to the following taxes: income, sales, severance, commercial activity, tobacco and vapor, and alcohol
- Eliminates the bottom two individual income tax brackets
 - New lowest bracket begins at \$10,000
 - The current low-income tax credit, which eliminates liability for an individual with less than \$10,000, is repealed

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- Adds two new factors to be considered in calculating the current agricultural use value (CAUV) and phases in the changes over 6 years
- Mandates a political subdivision pay owners fees when the subdivision appeals a property tax assessment case and loses
- Exempts prescription eyewear from the sales and use tax in FY 2020

Other

- Consolidates the Speech Language Pathology and Audiology and the Hearing Aid Dealers and Fitters Boards to create a Hearing Professionals Board

OEA Opposes HB 176 and HB 181: Both Bills Seek to Rehash Prior Attempts to Eliminate Common Core Standards

Testing: OEA opposes HB 176 and HB 181 because each bill would shift gears on students and teachers by implementing yet another set of academic standards and tests.

HB 181: HB 181 would replace all current state tests in grades 3-8 with “norm-referenced” achievement assessments. The same number of tests would be given except for the fall administration of the 3rd grade English Language Arts (ELA) test. (OEA supports maintaining the fall administration of the test as long as it is attached to high stakes student retention). But overall, the number of tests in Ohio would exceed federal requirements by maintaining state Social Studies tests in grades 4 and 6.

HB 181 would replace the 7 current end-of-course exams in high school with “a series of nationally norm-referenced standardized assessments” in ELA, math, science, American history and American government. The number and type of tests is not specified, but there would be a minimum of 5 based on the subjects specified. Federal law requires three high school tests (English, math and science).

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In sum, the bill would establish yet another set of academic standards and does little to reduce testing. Feedback from education stakeholders and parents around testing was to 1) reduce the amount of testing and 2) not create yet another new set of tests after they changed three times in three years.

HB 176: The bill would repeal current academic content standards and replace them with standards in place in Massachusetts prior to 2010. HB 176 does reduce the amount of state testing to levels that are consistent with the federal Every Student Succeeds Act (ESSA) by repealing the Social Studies tests in grades 4 and 6 and reducing the number of tests in high school to 3 (one in English language arts, math and science). The current tests would be replaced by those used in Iowa prior to 2010. While HB 176 would reduce the amount of state testing to minimum levels required under federal law, it would introduce a new set of academic standards (no longer used in Massachusetts) and a new slate of tests (no longer used in Iowa). Feedback from education stakeholders and parents around testing was to 1) reduce the amount of testing and 2) not create yet another new set of tests after they changed three times in three years.

Teacher Evaluations: OEA opposes HB 176 and HB 181 because each bill makes proposals disconnected from the teacher-driven OTES reform recommendations recently made by the Ohio Educator Standards Board (ESB). The ESB recommendations have been endorsed by the State Board of Education and are expected to be introduced in legislation soon.

HB 181: The evaluation changes in HB 181 would interfere with teacher-driven efforts to reform the Ohio Teacher Evaluation System (OTES) based on comprehensive recommendations from the Ohio Educator Standards Board.

OEA supports the recommendations of the Ohio Educator Standards Board regarding how OTES can be improved. The State Board of Education passed a resolution on April 12 requesting the Ohio General Assembly to consider the ESB recommendations to update OTES, which are expected to be introduced in legislation soon.

The ESB recommendations to update OTES are far more comprehensive and educator-focused than the HB 181 teacher evaluation proposal. The ESB recommendations include:

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- Embedding the current 50% Student Growth Measure (SGM) into five performance areas: Knowledge of students, Differentiation, Assessment of student learning, Assessment data, Professional responsibility.
- Remove the use of shared attribution in calculating teacher evaluation ratings.
- Maintaining the two- and three- year evaluation cycle for teachers who are rated skilled and accomplished respectively.
- Refining formal and informal observation procedures tailored to meet the needs of teachers in order to focus on improvement and growth.
- Provide professional growth process for teachers rated accomplished or skilled

Importantly, the ESB recommendations will focus on encouraging and supporting growth for teachers and students. Further, they will bring more emphasis to classroom instruction, professional growth, and help to reduce testing.

In contrast, under HB 181, teacher evaluations would continue to focus on rating teachers and students in a watered-down version of the current OTES.

HB 176: Under HB 176, teacher evaluations would be unilaterally adopted by local school boards without input from teachers or guidance under state law.

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