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HB 2 - Charter School Reform Bill Supported by OEA Passes Unanimously in Ohio Senate

A strong charter school reform bill was passed 30-0 by the Ohio Senate (three members absent) on Thursday, June 26, 2015. After five-months of legislative hearings on proposals to increase the accountability and transparency of Ohio's charter schools, the Senate-passed version of HB 2 reflects a comprehensive approach to charter school reform that OEA supports.

Senate-passed HB 2 now awaits a vote in the Ohio House early next week (the House passed an earlier version of HB 2 in March). If the House concurs with the Senate changes, the bill will go to the Governor for his signature. If the House does not concur, the bill will go to a Conference Committee to resolve differences in the House and Senate-passed versions of the bill.

This charter school bill will benefit Ohio's charter school students by taking steps to help accelerate the process for closing failing charter schools. Research at Stanford has shown that charters that fail after 3 years will almost always fail. We urged lawmakers not to give charters 6-7 years, only to continue to fail.

Further, the bill will benefit Ohio taxpayers and local school districts by requiring that charter schools be subject to the same kind of public records laws and financial transparency standards as any other public entity.

All in all, Senate-passed HB 2 represents significant progress in improving the major accountability and transparency deficiencies in Ohio's current charter school law.

Major elements of Senate-passed HB 2 include:

- Stronger sponsor accountability and oversight that restricts ineffective sponsors from sponsoring new schools and revokes all sponsorship authority for the most poorly rated sponsors
- Makes it harder for failing schools to avoid closure by "sponsor hopping" in an effort to find more a more passive sponsor



- Provides more authority for the Ohio Department of Education (ODE) to deny sponsorship applications and expands the Department's school intervention authority
- Establishes stronger expectations for sponsors with regard to school oversight, monitoring, training and other support
- Provides more protection for taxpayers by holding school operators more accountable for their expenditure of large sums of public funds
- Increases ODE engagement with school operators by requiring an operator rating and monitoring system (operators often control almost all decision making and funding for a school)
- Requires public records training for employees of a governing authority, charter sponsor and operator who are responsible for handling records.

Legislature Passes Budget Bill and Sends to Governor Kasich

This week, the Ohio Legislature finished its work on House Bill 64, the state budget for FY 2016 and FY 2017. The final bill was produced by a Conference Committee that worked out the differences between the House and Senate. On Thursday, the Senate voted 23-9, largely along party lines. The House followed by voting in favor of the bill, 61-33. The bill is subject to possible line-item vetoes and must be signed by Governor Kasich by June 30, 2015.

School Funding

The Conference Committee adopted the Senate version of the school funding plan with few changes. This formula is similar to the one currently in place but adds new supplemental support for transportation. The Committee removed the Senate funding for technology supplements and lowered funding tied to the third grade reading and graduation rates, while increasing funding for capacity aid and the transportation supplement so that additional funding can go to less-wealthy school districts. OEA anticipates that the Senate Plan will still be less than what the House proposed. Spreadsheets reflecting these changes for each school district have not yet been released.

Testing

The Conference Committee retained language in the Senate version of the bill calling for a single period of time in which testing is conducted, reducing the amount of time spent on testing, removing the requirement of online testing, and providing schools with testing scores faster. OEA supports this language. Additionally, the bill would prohibit the use of general revenue funds for the purchase of PARCC assessments. The Conference Committee added \$20 million a year for assessments and authorized ODE to transfer funds if needed. However, it is not known at this time what state assessments will be used next school year.

Safe Harbor Extension

The Conference Committee adopted House-passed language providing "safe harbor" for students and school districts through the 2016-17 school year. The Conference Committee also adopted the Senate version of safe harbor for teacher evaluations. This language would prohibit school districts from using the value-added progress ratings from the 2014-2015 and 2015-2016 school years for teacher evaluations or making decisions regarding the dismissal, retention, tenure or compensation of teachers unless a district collectively agrees with its teachers to use the ratings for those purposes. OEA supports this language, but had



advocated that the effective period be extended an additional year to cover the 2016-2017 school year as well.

Teacher Evaluations

The Conference Committee report retains the Senate changes that make needed adjustments to the alternative framework for the Ohio Teacher Evaluation System (OTES). The provision reduces the weight of the student growth measure (SGM) to 35% and increases the teacher performance measure to 50%. The remaining 15% could be one or a combination of other measures including student surveys, teacher self-evaluations, peer-review, student portfolios or other locally-determined components. The OEA strongly supports this provision. Student testing data plays too large a role in teacher evaluations and adjustments to the alternative framework are needed. (This 35% SGM alternative framework is the same legislative language passed by the Senate in the last General Assembly in SB 229, but was not passed by the House at that time.)

Special Elections

The Conference Committee report retained the Senate provision that eliminates the ability of school districts to seek levies via a special election in February. OEA opposes this provision. Passage of a levy is often required in order to maintain quality education programs. Unfortunately, it often takes three or four attempts for a school district to pass a levy. Elimination of an opportunity for school districts to put a levy on the ballot will hamper the ability of school districts to secure critical local funding.

Retirement Systems Membership

The Conference Committee removed language that would have allowed certain charter school operators to exclude teaching and non-teaching school employees from membership in the state retirement systems. OEA supports the removal of this provision.

School Counselors

The Conference Committee retained the Senate provision that requires the Educator Standards Board to develop standards for school counselors that align with the American School Counselor Association's professional standards, and are in keeping with the core elements of an effective school counseling program. OEA supports this requirement.

School Nurses

The Conference Committee report includes a provision that would allow school districts to enter into a contract with a hospital, licensed health care provider or a Federally Qualified Healthcare Center (FQHC) to provide nursing services. OEA opposes this provision and believes these contracted individuals should meet the requirements to obtain a school nurse license or school nurse wellness coordinator license under the Ohio Revised Code.

Zero Tolerance Policies

The Conference Committee did not retain the Senate language that requires each school district board of education to update its policies for violent, disruptive, and inappropriate behavior. OEA opposes this elimination and will continue to work with legislators on separate bills that address this issue.

Joint Education Oversight Committee

The Conference Committee reinserted a House proposal to create the Joint Education Oversight Committee. This committee is charged with reviewing, investigating, inspecting and



evaluating education programs at school districts, other public schools, and state institutions of higher education that receive state financial support. OEA opposes this provision because it grants too much authority to the committee and is duplicative of some of the roles and responsibilities of the Ohio Department of Education and State Board of Education.

Higher Education

The Conference Committee adopted the Senate increases to State Share of Instruction (SSI) appropriations by 4.5% in FY 16 and 4% in FY 17. The report also includes the requirement for public colleges and universities to freeze instructional and general fees at state institutions of higher education for academic years 2015-2016 and 2016-2017 at 2014-2015 levels for all undergraduate students, and a requirement for state institutions of higher education to develop a plan by October 15, 2015 to reduce tuition costs by 5% for all undergraduate students.

Developmental Disabilities

The Conference Committee report did not maintain the House changes to the Developmentally Disabled (DD) Bill of Rights. However, the report includes the following provisions that OEA supports:

- Language that specifies that it is the General Assembly's intent for individuals currently receiving services through the existing array of adult services, including those delivered in sheltered workshops, (1) to be informed of any new home and community-based services and their option to receive those services and, (2) to continue receiving services in a variety of settings if those settings offer community integration.
- Language that requires a Medicaid waiver to be administered by the Ohio Department of Developmental Disabilities that covers adult day services provided by sheltered workshops on the effective date of the provision to continue covering these services.
- Language that prohibits a sheltered workshop with a Medicaid provider agreement from decreasing the number of Medicaid recipients it is willing and able to serve.
- Creation of a Developmental Center Closure Commission, including a clarification that the Commission will apply to Montgomery and Youngstown Developmental Centers.

Taxation

The Conference Committee report calls for a 6.3 percent across-the-board reduction in income tax rates. It provides a 75 percent tax deduction for the first \$250,000 in small business income for 2015, a 100 percent deduction in 2016 and 2017 and a flat tax rate on income above \$250,000. The conference report includes a 35-cent increase in the cigarette excise tax which is lower than both the Executive and Senate proposals.