House Bill 110 – The Biennial Budget Bill
“As Introduced” Version
Budget Webinar – March 5, 2021
OSBA, BASA, OASBO

Presented by: Kevin Miller (BASA), Katie Johnson (OASBO), Jennifer Hogue (OSBA), Will Schwartz (OSBA), and Nicole Piscitani (OSBA)
OBM Monthly Financial Report

- February 10th Report – click [here](#)

- Highlights include:
  - Unemployment rate declines to 5.5%
  - Income tax collections total $1.06 billion, 7.2% above estimate
  - Sales tax collections total $922.1 million, 3.5% above estimate
House Bill 110

- Rep. Scott Oelslager (R-North Canton)
- Biennial Budget
- Pending in the House Finance Committee
- Holding hearings in the subcommittees
  - OSBA, BASA and OASBO testified Thursday before the House Finance Subcommittee on Primary and Secondary Education
- Legislative schedule
- Key Resources:
  - lsc.ohio.gov
  - budget.ohio.gov
  - LSC Analysis of EDU portion of HB 110 (“As Introduced” version):
    - https://www.lsc.ohio.gov/documents/budget/134/MainOperating/IN/BillAnalysis/EDU.pdf
Funding

- Governor’s proposed budget assumes FY 2019 funding levels for K-12 schools.
  - $1.1 billion in Student Wellness and Success Funds
    - $500 million in FY22
    - $600 million in FY23
    - Represents a $300 million increase over the biennium
  - Does not implement a school-funding formula
    - Governor noted in a press conference that he does not want to interfere with work in the House and Senate on the funding formula
- Reps. Jamie Callender (R-Concord) and Bride Rose Sweeney (D-Cleveland) introduced House Bill (H.B.) 1, which would enact the Fair School Funding Plan (Sub. H.B. 305 from the last General Assembly)
Funding

- Growth Supplement - Continues to provide aid to growing districts
- Provides payments to districts experiencing public utility valuation reductions
- Provides funding adjustment for career tech centers based on student enrollment
- Provides $26 per student for high performing ESCs and $24 per student for all other ESCs
Student Wellness and Success Fund

- Student Wellness and Success Fund: $500 million in FY22; $600 million in FY23
  - Represents a $300 million increase over the biennium
  - [Click here to access district-by-district simulations](#) produced by the Office of Budget and Management (Student Wellness and Success Funds section)

- Establishes minimum amount per district $45,720 in FY22 and $56,160 in FY23

- Per student breakdown ranges are $38- $457 in FY22 and $47- $562 in FY23

- Uses the updated poverty data for 2015-2019 for both years of the biennium
  - Current law uses most recently published survey

- Provides a guarantee at FY21 funding levels for both years
## Student Wellness and Success Fund

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year</th>
<th>Per Pupil Amount Range</th>
<th>Minimum Aggregate Payment*</th>
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</thead>
<tbody>
<tr>
<td><strong>Currently</strong></td>
<td>FY 2020</td>
<td>$20 to $250</td>
<td>$25,000</td>
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<tr>
<td></td>
<td>FY 2021</td>
<td>$30 to $360</td>
<td>$36,000</td>
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<tr>
<td><strong>The Bill</strong></td>
<td>FY 2022</td>
<td>$38 to $457</td>
<td>$45,720</td>
</tr>
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<td>$47 to $562</td>
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*Minimum payment does not apply if the district has fewer than five enrolled students.*
Student Wellness and Success Fund

- Adds allowable uses for the funds
  - Telehealth services (as part of mental and physical health services)
  - Culturally appropriate, evidence-based or evidence-informed prevention education
  - Programs that connect students to community resource

- Removes provisions that permit funds to be used for professional development regarding the provision of trauma-informed care and professional development regarding cultural competencies
Student Wellness and Success Fund

• Requires SWSF to be spent in coordination with **two** community partners (rather than one as under current law)

• Either a board of alcohol, drug, and mental health services or a community-based mental health treatment or prevention provider; **and**

• An educational service center, a county board of developmental disabilities, a community-based mental health treatment or prevention provider, a board of alcohol, drug, and mental health services, a board of health of a city or general health district, a county department of job and family services, a nonprofit organization with experience serving children, or a public hospital agency
Other funding initiatives

- EdChoice Expansion (Income-based)
  - $7.1 million or 8.4 percent increase to $92.18 million per year
  - SB89 increased threshold from 200 percent of the federal poverty limit to 250 percent
    - $65,500 for a family of 4

- Notification of district net indebtedness
  - Requires a school district, instead of the Facilities Construction Commission, to notify the Superintendent of Public Instruction if the district will exceed the limit on net indebtedness under certain circumstances
Other funding initiatives

- **Quality Community Schools Support**
  - Recently created in 2019 in HB 166
  - $30 million in FY2020 and $30 million in FY2021
  - HB 110 increases earmark to $54 million in each fiscal year (FY2022 and FY2023)
  - Per-pupil payments
  - Eligibility?
Other funding initiatives

- Industry-recognized credentials
  - $20.5 million in each fiscal year (up from current $4 million annual line item)
    - $8 million for credential reimbursement and $12.5 million for payments to school districts totaling $1,250 for each state-approved credential earned by a student

- School Safety Funding
  - $2.7 million in each fiscal year additional for operating costs of the Ohio School Safety Center to help local schools and first responders address threats and acts of violence
    - Currently $270,00 line item for the Ohio Homeland Security Safer Schools Tip Line
Other funding initiatives

- P-Tech Model of Education Pilot Program
  - Three schools selected by ODE and ODHE
  - A high school, university or college, and businesses partner to provide a STEM-focused, dual enrollment curriculum to students starting in ninth grade
  - HS diploma, associate degree, and workplace learning activities
  - $150,000 for each school per fiscal year
Computer Science Education

• Requires the Department of Education, in consultation with the Chancellor, to establish a committee to develop a state plan for primary and secondary computer science education in Ohio

• Requires the committee to complete the state plan within one year of the bill’s effective date and the Department to post it in a prominent location on its website
Computer Science Education

• Requires that students enrolled in public school districts must have the option to enroll in computer science courses or general education courses that include computer science principles

• Authorizes districts to apply for, and receive, a renewable waiver from the state Superintendent that exempts them from offering computer science or general education courses in a particular school building for up to five years
Computer Science Education

• Beginning in ‘22–’23, students in 11th and 12th grades must have the option to enroll in a computer science course offered by the student’s district or school

• Beginning in ‘23–’24, students in 9th and 10th grades must have the option to enroll in an age-appropriate, standalone computer science course offered by the student’s district or school

• Beginning in ‘24–’25, students in grades K-8 must have the option to enroll in an age-appropriate general education course that incorporates computer science principles
Computer Science Education

• Requires the Department to establish a program to review and approve proposals from educational providers to offer online computer science courses to high school courses

• Requires the Department to determine a method to calculate and make payments to educational providers that uses deductions from the foundation payments to the student’s district or school
Computer Science Education

• Extends through the 2022-2023 school year an exemption that permits a school district to allow an individual with a valid educator license in any of grades 7-12 to teach a computer science course if, prior to teaching the course, the individual completes a professional development program approved by the district superintendent or school principal.
FAFSA Requirements

• Requires each school district to enter a data sharing agreement with the Chancellor of Higher Education to operate a data system, created by the bill, to track the Free Application for Federal Student Aid (FAFSA) completion rate of Ohio’s students

• Each district or school must provide principals and school counselors with access to the data system to assist with efforts to support and encourage students to complete the FAFSA form
FAFSA Requirements

• Requires all public and chartered nonpublic school students to complete the FAFSA in order to qualify for a high school diploma

• An exemption applies if:
  • A parent or guardian chooses to opt out on completion and submission of the FAFSA
  • The district has made a record describing circumstances that make it impossible or impracticable for the student to complete the FAFSA
Diploma Seal Requirements

• Expands the ways in which a student may earn a diploma seal:
  • In citizenship with a “B” or higher in an American history and American government course offered by the student’s high school
  • In science with a “B” or higher in a prescribed science course offered by the student’s high school

• Currently, students earn diploma seals by:
  • Attaining a score of proficient or higher on state-required End-of-Course exams
  • Attaining a score equivalent to proficient or higher on an AP or IB exam
  • Earning a final course grade of a “B” or higher in an appropriate CCP course
Kindergarten Readiness Assessment (KRA) and Reading Skills Assessment

- Adjusts the period of time in which a school must administer the Kindergarten Readiness Assessment and the kindergarten reading skills assessment to July 1 through the 20th day of instruction
Dyslexia Diagnostic Assessments

- Requires that the diagnostic assessments for grades K-3 in reading and comparable reading skill assessment tools for the Third Grade Reading Guarantee include items related to dyslexia identification.

- Specifies that any diagnostic assessment adopted by the State Board or any comparable reading tool approved by the Department, as described above, may be used to meet the current law requirement to administer a tier one dyslexia screening.
• Cleans up and strengthens provisions related to the State Board of Education’s actions on educator licensure

• Adds human trafficking to the list of absolute bars to the teaching profession

• Permits a school district or school to request that ODE provide any report of misconduct they have received regarding an individual whom the district or school is considering for employment. Upon receiving a request, the Department must provide the contents of any report of misconduct it has received and must notify the school that the information provided is confidential and may not be disseminated to another person or entity
Community Schools

- Sponsor evaluation
  - Specifies that a sponsor rated “exemplary” for the two most recent years the sponsor was evaluated may take advantage of certain sponsor incentives
  - Specifies that a sponsor rated “exemplary” or “effective” for the three most recent years the sponsor was evaluated must be evaluated only once every three years

- Montessori preschool payments
  - Specifies that a Montessori preschool operated by a community school will no longer receive community school funds for students under age five

- Community School Revolving Loan Fund
  - Eliminates the community school revolving loan fund
• Permits a STEM or STEAM school to submit an amended proposal to the STEM Committee to offer additional grade levels

• Eliminates the authority for a joint vocational school district (JVSD) or an educational service center (ESC) to apply for designation as a STEM or STEAM school

• Eliminates the authority for a career center to receive a STEM or STEAM school equivalent designation

• Revises the required content of the proposal for designation as a STEM or STEAM school or equivalent

• Repeals the authority for city, local, and exempted village school districts, community schools, and chartered nonpublic schools to apply for grants to support the operation of STEM programs of excellence
STEM Schools

• Specifies that a JVSD or ESC may apply for distinction as a STEM program of excellence

• Specifies that STEM and STEAM school designations, STEM and STEAM school equivalent designations, and distinctions as STEM programs of excellence are effective for five years unless revoked and may be renewed upon reapplication

• Specifies that, if the STEM Committee finds that a school is not in compliance as part of the reapplication process or as part of a review during the five-year effective period, it must require the school to develop a corrective action plan, implement the plan, and demonstrate exemplary STEM pedagogy and practices within one year

• Makes other changes regarding STEM and STEAM school or equivalent oversight and operations
Pupil Transportation

- Eliminates bus purchase funding – previously a one time $20 million payment in FY2021
- Allows for the higher of the morning or afternoon ridership counts
- Extends deadline for ridership report from October 15 to November 1
- Changes the date from January 1 to August 1 by which a community school must notify a school district that it is electing to assume transportation services for its students
- Requires districts to transport nonpublic and community school students if their school is open for attendance, regardless of whether the district's schools are open or closed
Pupil Transportation

• Requires community schools and nonpublic schools to establish their start and end times by June 1 annually and to submit those to their transporting districts

• Districts must use that information to develop and submit transportation plans to those schools of choice by July 1
  • For a student who enrolls in a community or nonpublic school at any time after June 1 and requests transportation services, the transporting district has 14 days to develop a transportation plan

• Requires ESCs to work with all districts in their territory that have more than 20 community and nonpublic school students to create transportation plans by July 15
Pupil Transportation

- Requires districts to make payment in lieu determinations not later than 30 days before the first day of school or within 14 days if the year has begun
- Allows the superintendent to make the initial determination, but requires it be formalized by the board
- Requires districts to issue a letter with a detailed explanation of why the payment in lieu determination was made
- Requires ODE to deduct funding from a district’s transportation dollars if the district has been consistently, or for a prolonged period, not been compliant with obligations for student transportation
• Prohibits districts from transporting community and nonpublic school K-8 students on mass transit unless the district enters into a contract with the student’s school.

• For districts that use mass transit for 9-12 students in community and nonpublic schools, districts must:
  • (1) enter into a contract with the transit system so the student is transported using a vehicle operating on a route designed for transporting fare-paying passengers and students, and
  • (2) ensure the student is assigned to a route that does not have any transfers.
College Credit Plus (CCP)

• Removes the current alternative pathway to eligibility for CCP
• Creates a new alternative eligibility pathway to be defined in administrative rule by the ODHE chancellor in consultation with the State Superintendent
• Allows students enrolled in the following institutions to participate:
  • State School for the Deaf, the State School for the Blind, or a school operated by the Department of Youth Services
    • Funding for CCP is deducted from state appropriations to those schools
Vaping

- Mandatory requirement for school districts to include in health education curriculum
- Curriculum must include harmful effects and legal restrictions against the use of electronic smoking devices
- This language does not change current law that requires instruction on the harmful effects of and legal restrictions against the use of drugs of abuse, alcoholic beverages and tobacco
Victim Counseling

- Permits but does not mandate that a school district can provide counseling to victims of sexual harassment and sexually related conduct
- Bill language broadly defines applicability to “any” victim
## Elimination of certain reports, plans, and recommendations

<table>
<thead>
<tr>
<th>Repealed</th>
<th>Description</th>
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<tbody>
<tr>
<td>Repealed</td>
<td>An annual report by ODE to the General Assembly regarding aggregate spending on specified compensation components for the previous school year for teachers and other school employees employed by each school district.</td>
</tr>
<tr>
<td>Repealed</td>
<td>A ten-year strategic plan developed by the Superintendent of Public Instruction that is aligned with the strategic plan developed for higher education to be submitted to the General Assembly (due December 1, 2009).</td>
</tr>
<tr>
<td>Repealed</td>
<td>A joint plan proposing a standard method and form for documenting high school transcripts, credit transfer and articulation, and any electronic clearing house for student transcript transfer developed jointly by the Department and the Chancellor of Higher Education (due April 30, 2009).</td>
</tr>
<tr>
<td>Repealed</td>
<td>An annual report regarding participation by public and chartered nonpublic schools to screen students for body mass index and weight status to be submitted by the Department to the Governor and the General Assembly.</td>
</tr>
<tr>
<td>Repealed</td>
<td>A report evaluating a municipal school district’s performance to be submitted by the state Superintendent to the Governor and the General Assembly (due November 15, 2017).</td>
</tr>
<tr>
<td>Repealed</td>
<td>A monthly report by the state Superintendent to the Speaker of the House and the President of the Senate for each month that a school district is unable to meet its expenses.</td>
</tr>
<tr>
<td>Repealed</td>
<td>A report that analyzes student performance data to determine if there are mitigating factors that warrant extending graduation qualification exemptions for students who entered 9th grade between July 1, 2010 and July 1, 2016, by the Department, in collaboration with the Chancellor of Higher Education (due December 1, 2015).</td>
</tr>
<tr>
<td>Repealed</td>
<td>A plan for accelerating the modernization of the career-technical education curriculum by the State Board of Education (to be presented July 1, 1990, with annual progress reports issued through FY 2000).</td>
</tr>
<tr>
<td>Repealed</td>
<td>Standards for operation of internet- or computer-based community schools (eschools) by the Director of the Governor’s Office 21st Century Education to the Speaker of the House and the President of the Senate (due July 1, 2012).</td>
</tr>
<tr>
<td>Repealed</td>
<td>Study committee recommendations regarding community schools that primarily serve students enrolled in dropout prevention and recovery programs that offer blended learning, portfolio learning, and credit flexibility to the General Assembly (due April 17, 2020).</td>
</tr>
<tr>
<td>Repealed</td>
<td>Recommendations by the State Board to the General Assembly regarding the standards governing the operation of e-schools and other educational courses delivered by electronic media (due September 30, 2003).</td>
</tr>
<tr>
<td>Repealed</td>
<td>A five-year research and development initiative to collect and analyze data with which to improve community school dropout prevention and recovery programs, known as the ISUS Institutes (initiative ended on June 30, 2013).</td>
</tr>
</tbody>
</table>
Local funds transfer approval period

- Extends the approval period from 10 days to 30 days to either approve or deny a request
- The 30 days begin when the request was first received
- Only applies to funds that are currently subject to Tax Commissioner approval
- No changes to continuing law on the funds that are permitted to be transferred unilaterally
Property tax exemption for supportive housing

- Allows a property tax exemption for housing used by individuals diagnosed with mental illness or substance use disorder and their families
  - The owner of the property must be a tax-exempt 501(c)(3) organization for which providing such housing is a primary purpose. Can be owned by multiple 501(c)(3) organizations
  - At least one of those 501(c)(3) organizations must receive some of its funding from the Department of Mental Health and Addiction Services; a county board of alcohol, drug addiction, and mental health services; or a local continuum of care – a regional or local planning body that coordinates housing and services funding for homeless families and qualifies for federal funding from the U.S. Department of Housing and Urban Development
Property tax exemption for supportive housing

- The property owner must either use the property to provide such housing, lease the property to individuals with mental illness or substance use disorder and make supportive service available to such individuals, or lease the property to a charitable institution that uses the property for charitable purposes.
- Continuing law, allows property owned by a charitable organization and used exclusively for charitable purposes to be exempt from taxation.
- The bill provisions are in response to a recent Board of Tax Appeals decision that reversed an exemption for a property that would be applicable under this language.
- Both the House and Senate have introduced bills (HB71 and SB 57) that also address providing this tax exemption.
Questions?

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