

Budget Brief – Hardly!

A Recap of HB 166 & Other Legislation

Northwest Ohio ESC

August 1, 2019

Presentation by Dr. David Axner, BASA

School Funding

- Current school funding formula is “suspended”
 - Districts to receive same basic aid for FY 2020 and FY2021 as received in FY 2019 before deductions for students educated elsewhere
 - Basically means that State Share Index, caps, and guarantees are still in place
- Enrollment Growth Supplement
 - Eligibility: districts (with minimum enrollment of 50) experiencing an average annual percentage change greater than zero between FY 2016 and number of enrolled students “for FY 2019”
 - Formula: $\% \text{age change} \times 100 \times \text{FY 2019 enrollment} \times \20 (\$30 in FY 2021)
 - Example for district with 1.1% average annual increase and 1200 students in FY 2020: $1.1\% \times 100 \times 1200 \times \$20 = \$26,400$

Student Wellness and Success Funds

- Based on number of students enrolled in district “for the immediately preceding fiscal year”
- ODE to rank and group districts in quintiles based on percentage of children under age 18 with family income below 185% of federal poverty guidelines (using most recent 5-year estimates from U.S. Census Bureau in the American Community Survey)
- Different quintiles receive different amounts
 - FY 2020: Quintile 1 \$250 per pupil; Q2 \$200; Q3 \$110; Q4 \$50; Q5 \$20
 - FY 2021: Quintile 1 \$300 per pupil; Q2 \$240; Q3 \$130; Q4 \$60; Q5 \$25
- Additional scaled amount for districts not in highest quintile in relation to range of poverty percentages within quintile

Student Wellness and Success Funds (cont.)

- Additional “enhancement” funding provided to districts that received supplemental targeted assistance in FY 2019
 - Formula for FY 2020: Student count X \$50 X (square of quotient of poverty percentage divided by 36%); per pupil amount increases to \$75 in FY 2021
 - JVSDs will receive “enhancement” funding based on per pupil amount of “enhancement” per pupil funding received by resident district
- District must develop plan for utilizing funding in coordination with one or more community organizations
 - Includes (1) board of alcohol, drug, and mental health services; (2) educational service center; (3) county board of developmental disabilities; (4) community-based mental health treatment provider; (5) board of health of a city or general health district; (6) county department of job and family services; (7) nonprofit organization with experience serving children; (8) public hospital agency

Student Wellness and Success Funds (cont.)

- Funds may be used for any of the following:

1) Mental health services	7) Family engagement and support services
2) Services for homeless youth	8) City Connects programming
3) Services for child welfare involved youth	9) Professional development regarding the provision of trauma informed care
4) Community liaisons	10) Professional development regarding cultural competence
5) Physical health care services	11) Student services provided prior to or after the regularly scheduled day*
6) Mentoring programs	* Number 11 would also include any time that school is not in session

Student Wellness and Success Funds (cont.)

- No school district or JVSD to receive less than \$25,000 for FY 2020 and \$36,000 for FY 2021
- Districts required to file report describing the initiatives on which the funds were spent after the end of each fiscal year with ODE
- Report must be submitted in manner prescribed by the department
- Total appropriation of \$275 million for FY 2020 and \$400 million in FY 2021
- Caution: simulations previously circulated used enrollment data from March but legislation specifies that the “count” is the number of students enrolled in the district “in the immediately preceding fiscal year”

More School Funding

- The .028 deduction made part of ORC rather than temporary law
 - Applies to districts with increase in public utility tangible personal property value of more than 10% compared to total taxable value in second preceding tax year
 - Without this provision, would result in lower foundation aid
- ~~Would guarantee, beginning in 2022, that all school districts would receive as much per pupil paid to chartered nonpublic schools for Auxiliary Services and for administrative cost reimbursement~~
 - Approximately \$1,305 per pupil in FY 2019
 - Line item vetoed by Governor

More School Funding

- Requires ODE to use the state share index or state share percentage computed for a district for FY 2019 for purposes of computing FY 2020 and FY 2021 payments for other than foundation aid for which the state share index or state share percentage is a factor
- Specifies that, for purposes of open enrollment, College Credit Plus, and any other payments for which the “formula amount” is used, the formula amount for FY 2020 and FY 2021 equals the formula amount for FY 2019 (\$6,020)
- JVSDs to receive same amount of foundation aid as district’s payments for FY 2019
 - Exception is traditional school district that joins a JVSD in FY 2020

More School Funding

- Per pupil funding for ESCs set at \$26 per pupil for both fiscal years for high-performing ESCs and \$24 for all other ESCs
 - Payments will be prorated so as not to exceed appropriation of \$40 million
 - Establishes moratorium for additional school districts joining ESCs during both FY 2020 and FY 2021
- School districts permitted to transfer portions of their state aid to a flexible funding pool created by a county family and children first council to support services to families and children

Educational Choice Scholarships

- If number of traditional EdChoice scholarships exceeds 90% of maximum number permitted by law, ODE required to increase maximum number for following school year by 5%
 - In FY 2019, 23,000 scholarships awarded out of maximum number of 60,000
- Beginning in 2019-2020, student qualifies for traditional EdChoice scholarship if student meets following conditions:
 - 1) Student in prior school year was enrolled in public or nonpublic school or was home schooled and completed any of grades 8-11; and
 - 2) Student would be assigned to building serving any of grades 9-12 and the building received a “D” or “F” for four-year adjusted cohort graduation rate in two of the three most recent report cards published prior to July 1 of school year for which scholarship is sought or is building that otherwise qualifies
 - Student receives scholarship throughout high school if student maintains all existing criteria

Educational Choice Scholarships

- Expands eligibility for income-based EdChoice scholarships to all students entering grades K-12, beginning with 2020-2021 school year
 - Currently available through grade five in FY 2019
 - State pays for income-based scholarships up to limit in appropriation
- EdChoice scholarship to be computed as lesser of:
 - 1) base tuition amount minus applicable tuition discounts, or
 - 2) scholarship amount prescribed under current law (\$5,000 or \$7,500)
- Application period will begin on February 1 and continue for 75 days
 - Prorated scholarships may be awarded after school year begins

Community Schools

- ODE required to conduct evaluation of community school sponsor once every three years for sponsor with overall rating of “effective” or “exemplary” for at least three consecutive years
- ODE required to permit sponsor to review information used to determine sponsor’s rating on academic performance component and request adjustment if it believe that there is an error
- Dropout prevention and recovery schools graduation requirement for students who entered 9th grade after July 1, 2014 changed to 18 points on end-of-course exams rather than 21 points

Teacher Provisions in the Budget Bill

- State minimum salary increased from \$20,000 to \$30,000 with changes to all other steps using the same percentages now in law
- ~~Eliminates requirement that teachers in core subject areas be “properly certified or licensed” to teach in subject areas and grade levels in which they provide instruction (vetoed)~~
- ~~Eliminates requirement that paraprofessionals employed by program supported with Title I funds be “properly certified or licensed” to provide academic support in core subject areas (vetoed)~~
- Changes to substitute teaching licensure were removed in Senate
 - ORC 3319.226 still prevails

Teacher Provisions in the Budget Bill

- Pedagogical requirements for alternative resident educator license
 - Modifies criteria by allowing participants to have either (1) undergraduate GPA of 2.5 or (2) graduate school GPA of 3.0
 - Permits the Chancellor to approve summer preservice training teacher program offered by either nonprofit or for profit organization
- Permits (until July 1, 2021) school districts to allow teacher holding valid educator license in any of grades 7 through 12 to teach computer science course if teacher has completed professional development course approved by Superintendent
 - Superintendent must approve program endorsed by The College Board
 - Valid only for district employing teacher when professional development was completed

Training and the Budget Bill

- Funding to support professional development grants to ESCs to train educators in models of prevention of student risky or harmful behaviors
- Up to \$1.5 million in FY 2020 for grants to support coursework and content testing fees for teachers to receive credentials to teach computer science
- Up to \$3 million in FY 2020 to support graduate coursework for high school teachers to receive credentialing to teach CCP in high school setting
- Funding for professional development on implementation of OTES and OPES with portion to be provided to ESCs for this purpose

Early Childhood Education in the Budget Bill

- No significant changes
- Programs must meet at least third highest tier of Step Up to Quality Program and serve children who are at least four years of age and whose families earn not more than 200% of federal poverty guidelines but may charge for those in excess of 200% guideline
 - May serve 3-year-olds if funds remain after serving all eligible 4-year-olds
 - Priority in funding for existing providers in previous school year
 - Early childhood schedule still defined as minimum of 12.5 hours per week
 - New programs where ODE determines there is need based on community economic disadvantage, limited access to high quality preschool or childcare services, demonstration of high quality preschool services

Student Issues in the Budget Bill

- All references in ORC to “limited English proficient student” to “English learner” (to comply with federal law)
- Assessments for students in chartered nonpublic schools
 - Nonpublic schools with at least 65% of enrollment receiving state scholarship may administer alternative assessment (determined by ODE) rather than state achievement assessments; parent of non-scholarship student may “opt out”
 - Any nonpublic school enrolling any state scholarship students may also administer ODE-approved alternative assessment
 - Results from any alternative assessment still reported to ODE
 - Nonpublic school may develop written plan to excuse student with disability from taking state assessment if school and parent determine that assessment or alternative assessment with accommodations would not reflect student’s academic performance

Student Issues in the Budget Bill

- Only a student's non-medical excused absences and unexcused absences are considered in determining whether the student is excessively absent triggering a required notice
 - No change in threshold (38 hours in one month or 65 hours in a school year)
- Selected school districts required to participate in National Assessment of Education Progress (NAEP)
- Requires ODE to establish a program for FY 2020 and FY 2021 that awards grants to traditional and joint vocational school districts and educational service centers to support activities that encourage and assist high school seniors with completing the Free Application for Federal Student Aid (FAFSA)

End-of-Course Exam Issues in the Budget Bill

- ODE must seek waiver to make the algebra I EOC exam the primary high school math assessment
- State Board of Education prohibited from setting new minimum cumulative performance score on EOC exams for graduation
 - State Superintendent required to conduct public presentations before House and Senate education committees on range of scores on the EOC exams
- Student prohibited from being required to retake the algebra I or English language arts II EOC exam if student achieved at least a proficient score or “competency score” on exam prior to high school

Report Cards in the Budget Bill

- ODE must issue preliminary report card data for overall academic performance and for each separate measure by July 1 of each year
 - Includes preliminary data on community schools at risk of becoming subject to permanent closure
- Modifies grading scale for value-added progress dimension, which computes “gain index” values based on number of standard errors above or below mean on statistical measure of academic growth
 - A = score of 1 or greater (rather than 2 or greater)
 - B = <1 but >-1 C = <-1 but >-2 D = <-2 but >-3 F = <-3
- Overall “A” cannot be assigned for value-added progress dimension unless assigned grade for value-added for subgroups is a “C” or higher

Curriculum in the Budget Bill

- If school district requires foreign language as additional requirement for high school graduation, it must accept one unit of computer coding instruction toward meeting that requirement
- Permits school district to allow student to use two full seasons of show choir to fulfill high school physical education requirements
- Funding appropriated for ODE to reimburse portion of costs of AP exams for low income students

Graduation Requirements in the Budget Bill

- Establishes new requirements for students entering 9th grade on or after July 1, 2019
 - Optional for Classes of 2018, 2019, 2020, 2021, and 2022
- Student must meet curriculum requirements & do both of following:
 - Attain “competency score” on both algebra I and English language arts II EOC exams (or use alternative demonstration of competency) and
 - Attain at least two state diploma seals (at least one of which must be existing biliteracy seal, existing Ohio Means Jobs readiness seal, or one of 7 new seals for which State Board establishes requirements)
- “Competency score” to be determined by ODE in consultation with Chancellor of Governor’s Office of Workforce Transformation

Graduation Requirements in the Budget Bill

- The state diploma seals with * indicating that the State Board will establish using requirements in law and # indicating requirements set locally

Biliteracy seal*	OhoMeansJobs-readiness seal*
Industry recognized credential seal*	College-ready seal*
Military enlistment seal*	Citizenship seal*
Science seal*	Honors diploma seal*
Technology seal*	Community service seal#
Fine and performing arts seal#	Student engagement seal#

Graduation Requirements in the Budget Bill

- Schools districts must offer remedial support to students who fail one or both EOC exams and students must retake exam at least once
- Permits students who fail retakes to demonstrate competency by:
 - 1) Completing course credit in failed subject through College Credit Plus;
 - 2) providing evidence that student has enlisted in armed forces; or
 - 3) completing at least one “foundational” option (including earning proficient scores on 3 or more state technical assessments in a single pathway, obtaining an industry-recognized credential, completing a pre-apprenticeship or apprenticeship, or providing evidence of acceptance into an apprenticeship program after high school) and either another “foundational option” or a “supporting option” (including completion of 250 hours or work-based learning experience, obtaining an OhioMeansJob-readiness seal, or attaining a specified score on the WorkKeys assessment)

Graduation Requirements in the Budget Bill

- District board of education by June 30, 2020 must adopt policy regarding students who are at risk of not qualifying for diploma
- Policy must include:
 - Criteria and procedures for identifying at-risk students
 - Process to notify at-risk student's parent that the student is at risk
 - Additional instructional or support services for at-risk students
 - Development of a graduation plan (to be updated annually) with the graduation plans to supplement district's policy on career advising
- Graduation plan is apparently for all students and is updated until requirements for diploma are satisfied

School Breakfast in the Budget Bill

- Higher poverty public schools must offer breakfast to all enrolled students either before or during the school day
 - In first year, requires school with at least 70% of students eligible for free or reduced-price meals to participate
 - Required participating schools drops to 60% in second year and 50% in third
- Requirement for schools to make efforts to increase student participation in breakfast program to at least 70% of school's free or reduced-price lunch participation rate was removed in Senate
- School districts permitted to choose not to establish school breakfast program in a school for financial reasons or if it already has a successful breakfast program or partnership in place

ESCs in the Budget Bill

- Permits a “high performing” ESC to enter into contract to purchase supplies, materials, equipment, and services on behalf of district or political subdivision with service agreement with ESC
- Exempts district with an agreement with ESC from competitive bidding requirements for purchase of supplies, equipment, or services
- Requires ODE to submit annual report describing manner in which ODE partnered with ESCs in delivery of certain services for which state funding was provided to ESCs during previous school year
- ODE required to use ESCs in development and delivery of professional development programs on content standards and model curriculum
- ESCs permitted to participate in school component of Medicaid program

Athletics and the Budget Bill

- Permits any international student attending an elementary or secondary school in Ohio that holds an F-1 U.S. visa to participate in interscholastic athletics, regardless of whether the student's school began operating a dormitory prior to 2014
- Requires a school district, interscholastic conference, or organization that regulates interscholastic athletics to have the same transfer rules for public and nonpublic schools and prohibits the creation of rules, bylaws, or other regulations to the contrary

Behavior Initiatives and the Budget Bill

- Beginning in 2019-2020, school districts required to report to ODE annually the types of behavioral prevention programs, services, and supports being used to promote healthy behavior and decision-making by students
 - (1) curriculum and instruction provided during the school day,
 - (2) programs and supports provided outside the classroom or outside the school day,
 - (3) professional development for teachers, administrators, and other staff,
 - (4) partnerships with community coalitions and organizations to provide prevention services and resources,
 - (5) school efforts to engage parents and the community, and
 - (6) activities designed to communicate with and learn from other schools or professionals with expertise in prevention education

School Buses and the Budget Bill

- Prohibits a school district from reducing transportation it has opted to provide to students the district is not required to transport after the first day of the school year
- Permits the following to perform annual medical examination for school bus drivers:
 - (1) licensed chiropractors;
 - (2) medical professionals listed on the National Registry of Certified Medical Examiners; and
 - (3) medical professionals currently authorized to perform the exams under State Board of Education rules
- Payment in lieu of transportation remains at average per pupil cost for previous year with minimum of \$250 (no state reimbursement)

Accountability and the Budget Bill

- Creates a one-year moratorium on establishing new academic distress commissions but State Superintendent required to resume establishing ADCs beginning October 1, 2020
 - Does not affect previously established ADCs
- Funding provided for training district and regional specialists and district educators in use of value-added progress dimension and data
 - Portion of funding must go to ESCs to support training and professional development

Credentials and the Budget Bill

- Up to \$8 million to support payments to schools whose students earn industry recognized credential or receive journeyman certification with educating entity to pay for cost of credential
- Up to \$12.5 million to establish and operate Innovative Workforce Incentive Program (IWIP), which will pay public schools \$1,250 for each qualifying credential earned by student attending the school
- Up to \$4.5 million each year for public schools to establish credentialing programs that qualify for IWIP

Miscellany and the Budget Bill

- \$20 million for school bus purchase assistance under rules to be developed by January 31, 2020 by ODE and Department of Public Safety
- School Climate grants continued for PBIS training for schools serving any of grades K-3 with limits of \$5,000 per school and \$50,000 per district
- Continues funding for the School Safety Training Grants (SROs, identification of students with mental health issues, etc.)
- Chancellor and State Superintendent to develop plan by June 30, 2020 for career-tech students to receive transcribed credit for course approved through CTAG or articulation agreement

Miscellany and the Budget Bill

- Boards of education may propose sharing part of revenue from school safety and security tax levy with chartered nonpublic school
- Amounts subject to business income tax deduction must be added back when computing taxable income for school district earned income tax
- Extends moratorium on storm shelters for new or renovated school facilities if financing has been secured prior to September 15, 2020
- OFCC required to provide assistance to at least one JVSD each fiscal year for acquisition of classroom facilities
- Increases school building program assistance by \$100 million for FY 2019-FY2020 capital biennium

Miscellany and the Budget Bill

- Removes from the list of items on the consolidated school mandate report to be filed with ODE: 1) training on crisis prevention intervention and 2) establishment of a wellness committee
- Permits electors in school district located in township split between two or more districts to petition for transfer of territory to adjacent school district
- ESCs may apply for federal or state grants on behalf of client districts
- \$1 million per year for Innovative Shared Services at Schools Program with grants generally limited to \$100,000

HB 305 – School Fair Funding Formula

- Kudos to Representatives Cupp, Patterson, and many of their colleagues as well as to the dedicated superintendents and CFOs who shared abundance of time and talent in the effort
- Formula based on cost of educating “typical” child (including instruction, administrative support, pupil support, technology, etc.)
- Payments for students to be made directly to educating districts rather than to resident district with deduction
- Local share to be sliding scale ranging from 2% to 2.5% in 0.1% increments based on local capacity
- Hearings will begin this fall with goal to adopt by end of 2019

Studies and the Budget Bill

- HB 166 requires studies of the following with varying deadlines:
 - Dropout Prevention and Recovery Schools
 - New funding system for e-schools
 - Early childhood education
 - 12th grade completers with no diploma
 - Economically disadvantaged student study
 - Report card study committee