The Effects of the State Biennial Budget on Ohio School Districts

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House Bill 64, Ohio's Biennial Budget, was signed into law by Governor Kasich on Tuesday, June 30th. Governor Kasich vetoed funding guarantees for wealthy school districts and the Tangible Personal Property supplement payment for Fiscal Year 2017. These measures were taken to allow funds to be directed to districts that need them most. In addition to school financing changes, the Bill makes changes to state testing and report cards, the sale of school property, educator licensing and evaluations, and new scholarship and educational programs, among others. This client advisory highlights some of these changes.

Community Schools

The Bill authorizes community schools that are sponsored by an entity rated as "exemplary" by the Department of Education (DOE) to obtain a license to operate a preschool program. General education students could be admitted to the community school preschool program. Community school preschool programs must comply with the same licensing and operational requirements that apply to school district preschool programs. Community schools will not receive state operating funding for students in the preschool program, but they may apply for early childhood education funding.

The Biennial Budget Bill also mandates DOE approval of educational service centers sponsoring a conversion school. The Bill modifies the definition of an internet based community school to include career-technical schools that provide some in-classroom instruction.

School Property

H.B. 64 requires that, when selling real property, school districts must first offer the property to high-performing community schools or new community schools that follow a proven model for high quality academic performance. Similarly, when offering unused school facilities for lease or sale, districts must first offer the unused facilities to high-performing community schools sponsored by the district. The Bill also prohibits community schools and college-preparatory schools from selling property that was acquired from a school district through a mandatory sale within five years of acquiring the property. This prohibition does not apply to a sale to another community school or college-preparatory school within the district.

State Testing

The Bill proscribes using General Revenue funds to purchase assessments developed by PARCC for state elementary and secondary achievement assessments. It also prohibits using federal Race to the Top program funds for anything related to the state assessments. The Superintendent of Public Instruction must verify that (i) state assessments are administered once per year in the second half of the year, and not using multiple testing windows; and (ii) the length of assessments are reduced to increase classroom instruction and avoid disruption of student learning.

The Biennial Budget Bill modifies high school graduation eligibility for students who do not pass all the Ohio Graduation Tests if the student meets certain graduation pathway and OGT testing requirements. Also, it exempts students at chartered nonpublic schools with ISACS accreditation from completing one of the three high school graduation pathways or taking end-of-course examinations. The Bill allows the third grade reading skills assessment to be administered electronically, so the teacher can be in a separate location from the student.

State Report Card

The State Board of Education will create proficiency percentages for each report card indicator. The Bill clarifies that the high school academic progress measure will not be used to determine a district or school’s overall report card grade. Districts are prohibited from using value-added ratings for teacher and principal evaluations or for making decisions on dismissal, retention, tenure, or compensation of teachers and principals (unless provided for in a CBA). The Bill extends some key provisions currently in effect, including (i) the prohibition of assigning an overall district or school letter grade, and (ii) using elementary assessment or high school end-of-course assessment scores when deciding whether to retain or promote the student, or give course credit. Districts will be required to report to the DOE the number and percentage of students who did not take and were not excused from assessment tests.

Educator Licensing

The Bill modifies the mentoring requirement for the Ohio Teacher Residency Program and requires a performance-based assessment for resident educators in the third year of the program. It also allows career-technical educators to skip the first two years of the Ohio Teacher Residency Program. H.B. 64 provides for alternative principal or administrator licenses for people who complete the Bright New Leaders for Ohio Schools Program and meet certain requirements.

Educator Evaluations

The State Board will develop a standards-based framework for evaluating school counselors. The Bill requires districts to adopt a school counselor evaluation policy and framework that complies with the State Board's framework, and districts must submit an annual report to the DOE on the evaluation policy. The teacher evaluation framework is also being changed, with an increase to 50 percent for teacher performance and a decrease to 35 percent for student academic growth measures, with the district determining the remaining portion.

Other Changes Involving Schools

The Bill allows community schools to seek a waiver from administering state-mandated achievement assessments, teacher evaluations and reporting student data for report card ratings. H.B.

64 provides additional limits to waivers for school districts, community schools and STEM schools. It authorizes STEM schools to admit out of state students. The Bill provides for course credit based on subject area competency and establishes a Compentency-Based Education Pilot Program, which provides grants for implementing competency-based education models. It makes changes to GED testing, including allowing homeschooled persons to take the GED test without additional requirements. Students who withdraw from school to take GED tests will show up as a dropout on the state report card graduation rate. Students who fail to attain a passing GED score must only pay for and retake the specific test which they did not pass.

The Bill increases scholarship amounts available under the Ed Choice scholarship, the Autism Scholarship Program, and the Jon Peterson Special Needs Scholarship Program. The Biennial Budget Bill makes changes to the College Credit Plus program, including allowing students to participate in the program during summer term, and the applicability of the CCP to career-technical programs offering transcripted or articulated credit to students. Also, it creates the Straight A Program, which provides grants to schools for projects aimed at advancing student achievement, reduced spending, utilization of classroom resources, and shared service delivery models.

What You Need To Know

Many of the changes listed above will take effect in the 2015-2016 school year. You should review the all of the changes that could affect your district and update your policies and practices accordingly. Frost Brown Todd can help you comply with the requirements outlined; please feel free to contact any of the attorneys in the Government Services Practice Group to answer any questions you have concerning the information.

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