State budget bill goes beyond school funding

After months of public hearings and debate, the Ohio House and Senate passed the state’s biennial budget bill (H.B. 166), which has been signed into law by Gov. Mike DeWine (R-Cedarville).

As has historically been the case, the legislation goes beyond funding various state agencies, public and private entities, and also addresses a variety of policy issues, including those specific to education. In most cases, policy provisions will become effective 90 days after signed into law by the governor (effective Oct. 16).

Here are highlights of particular interest to stakeholders in Ohio’s charter school community:

FUNDING

In addition to basic foundation funding (maintained at $6,020 per pupil), categorical funding (special education, targeted assistance, etc.), and facilities funding (set at $200 per pupil in the first fiscal year and $250 in the second for brick and mortar schools, and $25 per pupil for e-schools in both fiscal years), H.B. 166 provides “student wellness and success” funding to schools based on the number of students enrolled for the immediately preceding fiscal year. ODE will rank and group districts based on the percentage of students under 18 years of age residing in each district with a family income below 185% of federal poverty guidelines (with charter allocations aligned to districts). For fiscal year (FY) 2020, per pupil funding levels are set at: $250 for those in the highest quintile; $200 for those in the second; $110 for those in the third; $50 for those in the fourth; and, $20 for those in the fifth. For FY 2021, levels are set at: $300; $240; $130; $60; and, $25. Charter schools will receive at least $25,000 for FY 2020 and $36,000 for FY 2021.

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FUNDING — continued

Student wellness and success funds may be used for: mental health services; services for homeless youth; services for child welfare involved youth; community liaisons; physical health care services; mentoring programs; family engagement and support services; City Connects programming; professional development (PD) regarding the provisions of trauma informed care; PD regarding cultural competence; services for child nutrition and physical health, fitness and wellness; and, student services provided any time school is not in session. Schools will be required to describe initiatives supported by the student wellness and success funding in year-end reports to the Ohio Department of Education (ODE).

The bill also includes additional allocations — $1,750 for economically disadvantaged students and $1,000 for students who are not — for schools designated as a “Community School of Quality,” which must be authorized by a sponsor rated “effective” or “exemplary” and meet very specific performance criteria.

H.B. 166 also provides a number of opportunities for grant funding.

CHARTER SCHOOL AUTOMATIC CLOSURE

Great news here! Under the new law, a charter school’s performance history used as the basis for automatic closure will be based on the three most recent school years (rather than two of the three most recent school years).

H.B. 166 also requires ODE by Oct. 1 of each year, to publish separate lists of: charter schools that have become subject to permanent closure under the law (based on academic performance); and, charter schools that are at risk of becoming subject to permanent closure. (Note: ODE must also publish annual reports of “challenged” school districts in which new start-up charter schools may be located).

STATE REPORT CARDS

The bill modifies the grading scale used to determine letter grades assigned for the report card’s value-added progress dimension, which computes “gain index” values.

TEACHERS

The bill increases the minimum (base) salary for teachers with bachelor’s degrees from $20,000 to $30,000 and makes changes to the other steps in the statutory stepped teacher salary schedule based on the change to the minimum salary.

It also eliminates the requirement that charter school teachers providing instruction in core subject areas be “properly certified or licensed” to teach in the subject areas and grade levels in which they provide instruction. It also eliminates the requirement that charter school paraprofessionals employed by a program supported with federal Title I funds be “properly certified” in order to provide academic support in core subject areas. (Note: the Senate modified the bill to include teachers and paraprofessionals in traditional school districts and STEM schools, but those provisions were subject to gubernatorial veto).

The new law permits districts and schools — for the 2019-2020 and 2020-2021 school years — to allow an individual who holds 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 PD program approved by the district superintendent or school principal (who must approve any PD endorsed by the organization that creates and administers the national Advanced Placement exams) that provides content knowledge specific to the course the individual will teach.

GRADUATION REQUIREMENTS

H.B. 166 establishes new high school graduation requirements beginning with the Class of 2023 (and makes them optional for students in the classes of 2018, 2019, 2020, 2021 and 2022). The legislation stipulates that, in order to qualify for a high school diploma, a student must meet curriculum requirements, as

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GRADUATION REQUIREMENTS — continued
under continuing law, and do both of the following: 1) attain a “competency score” on both the algebra I and English language arts II end-of-course exams (or use an alternative demonstration of competency) and 2) attain at least two state diploma seals, at least one of which must be the existing biliteracy seal, the existing OhioMeansJobs-readiness seal, or one of the new seals—industry recognized credential; college-ready; military enlistment; citizenship; science; honors diploma; technology; community service; fine and performing arts; and, student engagement—for which the State Board of Education must establish requirements.

Schools and districts must adopt policies (by June 30, 2020) regarding students who are at risk of not qualifying for a high school diploma.

The legislation also requires ODE—in consultation with the Chancellor of Higher Education and the Governor’s Office of Workforce Transformation—to determine a “competency score” for the algebra I and English language arts II end-of-course exams. Districts and schools are required to offer remedial support to students who fail, and additional options for demonstrating competency are available for students who fail test retakes.

DOPR SCHOOL REPORT CARDS & CLOSURE
The bill modifies the dropout prevention and recovery charter school report card’s state test passage rate indicator to measure the percentage of students who have attained the cumulative performance score (18) on end-of-course exams (or “passed” the Ohio Graduation Test—OGT) instead of the percentage of students who have attained the designated passing score (21) on all of the applicable state high school achievement assessments. ODE is required to recalculate the 2017-2018 school year report card ratings for DOPR charter schools and to calculate the 2018-2019 ratings using the new state test passage rate measure. The bill prohibits the closure of a DOPR charter school—beginning in the 2019-2020 school year—based on the report card issued for that school for the 2017-2018 and 2018-2019 school years if the overall ratings issued for those years using the new state test passage rate measure results in an overall rating of “meets standards” or “exceeds standards.”

H.B. 166 also requires the State Board of Education to coordinate a committee comprising appointees from the Ohio Senate, House and Governor’s office (and the State Board) to conduct a study of DOPR charter schools that offer two or more of the following models: 1) blended learning; 2) portfolio learning; and, 3) credit flexibility. The committee’s recommendations must be submitted to the General Assembly within six months after the bill’s effective date.

BEHAVIORAL PREVENTION INITIATIVES
Beginning in the 2019-2020 school year, the bill requires districts and schools to annually report to ODE on the types of behavioral prevention programs, services and supports being used to promote healthy behavior and decision-making by students.

BREAKFAST PROGRAMS
Under the new law, ODE is required to establish a program under which higher-poverty public schools must offer breakfast to all enrolled students before or during the school day, with a three-year phase-in. In the first school year after the bill’s effective date, any public school in which at least 70 percent of students are eligible for free or reduced-price meals in the prior school year must participate in the program. The participation rate is reduced to 60 percent in the second school year, and to 50 percent in the third and following years.

ENGLISH LEARNERS
The bill changes references of “limited English proficient student” to “English learner” to align with federal law.

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**END-OF-COURSE EXAMS**

H.B. 166 seeks to eliminate the **geometry and English language arts I** end-of-course exams (for students in the Class of 2023) and requires ODE to seek a federal waiver from the U.S. Secretary of Education in order to make the algebra I end-of-course exam the primary high school math assessment (instead of seeking a federal waiver to eliminate the geometry end-of-course exam).

The bill also requires the superintendent of public instruction (or designee) to conduct a public presentation before the House and Senate education committees that consider primary and secondary education legislation regarding the range of scores on the end-of-course exams designated by the State Board of Education.

**REPORT CARD STUDY COMMITTEE**

H.B. 166 establishes a committee to study the calculation and weighting of performance measures, components and overall letter grades, and requires the committee to consider the report card’s design principles, primary audience and the manner in which it addresses student academic achievement. The committee must submit a report to the General Assembly by Dec. 15, 2019, that includes recommendations on at least certain topics concerning the calculation of report cards.

**ECONOMICALLY DISADVANTAGED STUDENT STUDY**

The bill requires ODE to conduct a study that: 1) reviews and determines the effectiveness of the criteria used in the current school funding formula to define economically disadvantaged students; and, 2) researches how other states define economically disadvantaged students and address them in their school funding formulas. ODE must submit a report of its findings by Dec. 31, 2020.

**SCHOOL FACILITIES**

Under the new law, school districts will be required to offer to sell or lease facilities that were once used for school operations but have not been used for those purposes for one (rather than two years) to charter schools (as well as STEM schools and college-preparatory board schools).

**eSCHOOLS**

The budget bill requires ODE to **study and make recommendations** on the feasibility of a new funding system for e-schools by Dec. 31, 2019. ODE must consider models that are: based on competency and course completion; and, used in other states (including Florida and New Hampshire).

Under the new law, internet- or computer-based charter schools must prepare and submit to ODE (in a time and manner prescribed by ODE), a report that contains information on the following: 1) classroom size; 2) student-teacher ratio per classroom; 3) the number of student-teacher meetings conducted in person or by video conference; and, 4) any other information determined necessary by ODE. ODE must annually prepare and submit to the State Board of Education a report that contains the e-school reporting information.

**SPONSORS**

H.B. 166 changes the frequency of **sponsor evaluations** through a provision that requires ODE to conduct the assessment (of quality practices, compliance and school academic performance) once every three years (rather than annually) for sponsors with overall ratings of “effective” or “exemplary” for at least three consecutive years. The bill also requires ODE to allow sponsors to review the information used to determine academic performance component scores prior to publication of ratings (as is the case for the quality practices and compliance components). In light of changes to the state’s charter school automatic closure laws, ODE is required to recalculate sponsor ratings for the 2017-2018 school year based on the results of any dropout prevention and recovery school report card recalculations.

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SPONSORS — continued

The bill also modifies state law by limiting sponsors’ **finding for recovery verifications** to only individuals with responsibility for fiscal operations or authorizations to expend money on the school’s behalf (eliminating the requirement for any individual who proposes to create a charter school or any member of the governing authority, operators or employee of each charter school).

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