

Legislative/Systems Improvement Committee

Zoom Meeting for all members

Friday, January 27, 2023

10:00 A.M.

MEETING SUMMARY

In attendance on video conference: Tony Podojil, legislative consultant William Schwartz and member representatives from 35 school districts.

Tony Podojil convened the meeting at 10:00 a.m. The primary focus of the meeting was to update Alliance members regarding the most recent legislative activity listed below.

I. Recently Introduced Bills:

1. Senate Bill (SB) 1 (Reineke) – Reform function, responsibilities, accountability of state education office to emphasize education, workforce development

Senate Bill (SB) 1 received a first hearing this week with testimony from sponsor Sen. Bill Reineke. A second hearing on the bill will take place on Feb. 7, with an expected committee vote in late February or early March. Tony and Will are invited to a private, stakeholder meeting on Feb. 6 to discuss modifications to the bill with Sen. Andrew Brenner and Reineke.

Key additions to SB 1 from last session's SB 178 include:

- an authorization for the legislature to rescind or invalidate any administrative rule adopted by the Department of Education and Workforce (DEW).
- a prohibition on the DEW director and deputy directors from holding office for more than 45 days without being confirmed by the Ohio Senate.

Senate Republicans will attend their legislative retreat next week (Jan. 24-25) in Northeast Ohio and will return the following week to resume legislative activity.

2. SB 2 (Schuring) - Property tax exemption for certain residential areas

Sponsored by Sen. Kirk Schuring, Senate Bill 2 allows cities and townships to designate neighborhood development areas (NDA) within which certain residential property can be wholly or partially exempted from property taxation. The percentage of property value exempted from tax cannot exceed 75% without school district approval. The purpose of the exemption is to encourage development of adequate affordable housing, workforce housing, or housing addressing a housing shortage in the city or township. Property already exempted under a TIF or CRA is ineligible.

Cities and townships must notify affected school districts of the proposed NDA and that it will hold three public hearings on the matter. They also must explain the NDA to affected districts and attempt to obtain the board's consent for the NDA exemption, but if consent is not attainable, the exemption cannot exceed 75%.

This is a reintroduction of SB 329 (134th GA) and SB 212 (133rd GA). This bill is likely expected to pass, since it passed the full Senate and, later, a House committee in 2020, needing only a full House vote and a Senate concurrence vote to reach Gov. DeWine's desk.

3. SB 11 (O'Brien) - Parent Educational Freedom Act – Expand eligibility of Ed Choice scholarships

This is a universal voucher program from Sen. Sandra O'Brien. It would qualify all K-12 students and incoming kindergartners for an EdChoice voucher regardless of their income or residence. It also increases the amount of homeschooling expenses that a taxpayer can claim as an income tax credit each year, from \$250 to \$2,000. The nonpartisan Legislative Service Commission estimates the cost of universal vouchers at \$536.4 million annually and each year thereafter. With public school students transferring to a private school under a voucher, there may be a state savings effect, leaving the projected net annual expenditure at \$527.6 million. The tax credit changes will reduce state revenues by roughly \$40 million annually. The bill will receive a first hearing on Feb. 7.

4. SB 14 (Hoagland) - Expand eligibility for military veterans to be employed as teachers without licenses

SB 14 is a reintroduction of SB 361 from last legislative session, which would permit eligible military veterans to be employed as teachers without following the standard licensure requirements. The bill will receive a first hearing on Feb. 7.

5. SB 17 (Wilson) - Incorporate free market capitalism into state standards and model curriculum

SB 17 is another reintroduction of a bill from last legislative session and requires the State Board of Education to incorporate academic concepts of free market capitalism into the standards and model curriculum for financial literacy and entrepreneurship for grades 9 through 12. It would also require specific concepts of free market capitalism be included in the newly developed standards and curriculum, including that the free market positively correlates with entrepreneurship and innovation and free-market societies often embrace political and personal freedom.

II. Bills Signed into Law:

1. House Bill (HB) 45 – Education omnibus

HB 45 includes a \$112 million appropriation for a third-round of school safety grants; an increase to 33% from 14% for the phase-in of the disadvantaged pupil impact aid (DPIA) component of the school-funding formula; a modification to the transportation formula regarding weighted funding for community and chartered nonpublic school bus riders; a \$1.75 billion appropriation to fulfill the penultimate federal disbursement of ARPA ESSER dollars; an increase in eligibility and the per-pupil payments to \$1,000 from \$500 for the Afterschool Child Enrichment account program; an elimination of the requirement to construct storm shelters in school buildings undergoing or about to undergo construction, alteration, repair, or maintenance; the restoration of schools' ability to conduct raffles.

2. HB 66 – Property tax levy change, local property tax exemptions in state report

HB 66 allows school districts to propose to renew an emergency property tax levy and a combination income and property tax levy in a single ballot question; provides a temporary period for Olentangy Local Schools to apply for abatement and remission of paid taxes, penalties, and interest for that tax year, payable to the person that paid them; and requires the state Tax Commissioner's biennial report on state tax expenditures to include information on local property tax exemptions.

3. HB 458 – Elimination of August special election

HB 458 eliminates the August special election and establishes photo ID voting requirements, among other provisions.

4. HB 554 – Licensure changes and CCP changes for military families

HB 554 issues two-year temporary educator licenses to individuals with expired licenses and requires high schools to offer College Credit Plus students in military families who withdraw due to their parents' stationing orders the option to complete the coursework or withdraw without academic or financial penalty, among others.

5. SB 33 – Community reinvestment areas

SB 33, which included the provisions of HB 123 that modifies community reinvestment areas (CRA) by increasing to 75% from 50% the threshold of CRA exemption that requires obtaining school district permission and increases the employee payroll threshold applicable to CRA commercial and industrial projects to \$2 million from \$1 million. It also expands the income tax deduction allowed for contributions to Ohio's 529 education savings program to include contributions to 529 programs established by other states.

6. SB 288 – Age-appropriate sex abuse education and sexual violence prevention education

SB 288 was amended on the House floor to include a requirement for public schools to annually provide age-appropriate sex abuse prevention education to K-6 students and sexual violence prevention education for grades 7-12. Lawmakers also included a provision prohibiting the K-6 instruction from being provided by organizations that provide abortion services.

III. Legislative Update

1. Speaker's election and dynamics in the House

The House remains divided after Speaker Jason Stephens defeated Rep. Derek Merrin to secure the speaker's position with House Democratic support and only one-third of his Republican caucus. Public disputes continue to occur with Stephens and Merrin disagreeing on who controls the caucus' multi-million-dollar campaign account. Stephens turned at least eight Merrin supporters to his side after doling out committee chair and leadership positions but is still short of controlling a majority of the House GOP. House Republicans attended their retreat on Jan. 31 and Feb. 1.

2. School Funding - Floor, guarantees, transportation funding

Discussions with lawmakers and stakeholders are ongoing on continuing the Fair School Funding Plan and ensuring a minimum funding floor for AHQE members are in place. Additional conversations surround guarantees and transportation funding, which are important topics for Alliance members.

3. Transportation

Tony has been working with the Ohio 8 and other education groups, including the Fordham Institute and School Choice Ohio on solutions to Ohio's transportation system. Specifically, revising transportation deadlines and creating a list of information community and nonpublic schools must provide to public school districts to better improve scheduling and routing. One other detail surrounds the creation of an appeals process when a district is alleged to be noncompliant under the new Transportation Monitoring and Compliance system.

4. "Deregulation" - Feedback needed

Sen. Andrew Brenner is keen on legislation that removes unnecessary burdens on school districts and provides flexibility for schools to be more effective and efficient. Alliance members are encouraged to think of ideas and share with Tony.

5. Session Schedule – Key dates from prior session

The House is expected to announce its updated session schedule and budget cycle schedule in the coming days. Generally, the House is expected to pass the budget in April, and the Senate in early June or late May. The Conference Committee then takes several weeks in June to modify the bill before sending it back to the legislature for final approval and then to Gov. DeWine for his signature.

IV. ODE/State Board of Education

1. Literacy

Tony continues to be involved in strategic discussions with Ohio Excels, the Ohio Department of Education and other education partners on improving literacy achievement for Ohio students. We anticipate the governor's budget proposal to include reforms in this space with funding to assist schools with implementation.

2. Transportation

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V. Next Steps

1. Regional meetings, lawmaker assignments and outreach

VI. Next Meeting

The next meeting will be February 24, 2023

The meeting adjourned at 11:05 a.m.