

Legislative/System Improvements Committee

Zoom Meeting Summary

Friday, March 24, 2023

10:00 a.m.

In attendance on video conference: Tony Podojil, legislative consultant William Schwartz and member representatives from 41 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. Major Bills Under Consideration:

a. HB 1 (Mathews) - Revisions to property taxation and income tax rates

- Repeals the graduated income tax rates that apply to nonbusiness income (currently ranging from 2.765% to 3.99%), and instead levies a flat income tax rate of \$360.69 plus 2.75% on all income over \$26,050.
- Decreases the assessment rate, from 35% to 31.5%, and indexes the 31.5% rate so that it decreases in proportion to the increase in inflation.
- Repeals the 10% tax rollback on nonbusiness property.
- Modifies the 2.5% homestead tax rollback to equal a flat \$125 property tax credit for all owner-occupied homes.
- Establishes an enhanced homestead exemption for certain long-term homeowners who qualify for the general homestead exemption, and indexes for all homestead exemptions, the amount of the exemption so that the exemption, and resulting tax savings, increases in proportion to the increase in inflation.

b. HB 6 (Powell) Require schools, colleges, and universities to designate separate single-sex teams and sports for each sex (Save Women Sports Act)

- Requires the designation of separate athletic teams for participants of the female sex and male sex.
- Explicitly prohibits male participants from participating on teams or in competitions designated only for participants of the female sex.
- Does not include previous versions' provisions regarding gender exams.
- Applies the bill's provisions to K-12 and higher education.

c. HB 8 (Swearingen/Carruthers) Requires public schools to adopt a policy on parental notification on student health and well-being and instructional materials with sexually explicit content (Parent's Bill of Rights)

- Prohibits school personnel from encouraging a student to withhold from a parent information concerning the student's health or well-being, unless that disclosure would result in abuse, abandonment, or neglect.
- Establishes a process under which the district or school must resolve written concerns submitted by parents about topics addressed in the bill.
- Requires a notice to parents about sexually explicit instructional materials, an opportunity to review them, and an opportunity to request alternative instruction.
- Requires a notice to parents about school-provided healthcare services and requires districts to create a healthcare plan for students.
- Requires a notice to parents about changes to the health services that provide a safe learning environment; and
- Titles the bill the Parents' Bill of Rights.

d. HB 11 (McClain/John) Creates the Backpack Scholarship Program (the Backpack Bill)

- House Bill 11 A third hearing on this bill is not yet scheduled. Tony expects to testify on HB11 focusing on fiscal accountability, academic accountability and accessibility and opportunity for students.
- Qualifies for a Backpack voucher every Ohio student, including existing non-voucher students already attending chartered nonpublic (private) schools and incoming kindergartners.
- Provides a state-paid voucher of \$5,500 or \$7,500 for private school tuition or for specified "educational goods and services" at non-chartered non-public schools and for homeschoolers.
- Reduces frequency of state test administration for grades 1-8 by requiring testing every other year on a school-selected test that is a nationally recognized measure of achievement; applies current high school testing and graduation requirements; and
- LSC estimates it will cost the state \$1.13 billion immediately and annually thereafter to pay for existing non-voucher private school students, homeschool students, and non-chartered non-public school students.

e. HB 12 (Jones/Dobos) Reform function, responsibilities, accountability of state education office to emphasize education, workforce development.

The House companion bill to Senate Bill 1.

f. HB 33 (Edwards) Main Operating Budget (Budget Bill)

House Bill 33, the biennial budget bill, has future hearing dates available for public testimony scheduled for March 7, 9, 14, 16, 21, 22, and 23. Contact Will if you are interested in testifying.

g. SB11 (O'Brien) Universal eligibility of Ed Choice Scholarships (Parent Educational Freedom Act)

This is a universal voucher program sponsored by 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 depending upon the level of state funding that district receives, 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 received a first hearing on Feb. 7.

II. Recently Introduced Bills:

- a. HB 70 (Fowler Arthur/Gross) - Require school districts to adopt a policy on the authority of administering over-the-counter drugs to students.**
- b. HB 82 (Loychik/Pavliga) Require school athletic coaches to complete mental health training and modify frequency of pupil-activity permit trainings.**
- c. SB 30 (Schaffer) Allow individuals under age 16 to be employed after 7 p.m. during the school year.**
- d. SB 66 (Ingram) Require public and private schools to transmit a transferred student's records within five school days.**

III. Legislative – Alliance Positions

1. Budget Bill – Minimum Funding Level

Tony provided proponent testimony last week to the House Finance Subcommittee on Primary and Secondary Education. The testimony focused on the school-funding formula, including increasing the minimum floor and updating the guarantee years, literacy, and expanded access to school facilities funding. House leadership will review thousands of budget amendments the first two weeks of April and will return the week of April 17 to adopt a substitute version of the bill.

Meanwhile, Tony and Will have been making the rounds with lawmakers on increasing the minimum state share percentage to 10%. Rep. Gayle Manning is the intended carrier of the budget amendment. The goal is to insert the amendment into the House version of the bill.

2. HB 1 – 920 Impacts, Impact of lowering assessed value to 31.5%, impact to funding formula.

HB 1 will receive opposition testimony next week. The education organizations are going to testify as opponents. We will review the hearing to identify whether we will weigh in through the committee process. Meetings with legislators on the impact of the bill continue to occur.

3. Choice – Accountability issues (Academic, Fiscal, and Accessibility)

The Alliance budget testimony featured answers from Tony on vouchers, which allowed Tony to outline the association's positions on academic accountability, fiscal accountability, and accessibility. The response was favorable from committee members and other key state government officials.

IV. ODE/STATE BOARD OF EDUCATION

1. Ohio's Comprehensive Literacy Strategy – 3/23/23 Literacy Event

Tony continues to be involved in strategic discussions with several stakeholder groups addressing a comprehensive approach to K-3 literacy. We anticipate the governor's budget proposal to include reforms in this space with funding to assist schools with implementation. Will and Tony will send a proposal to the Executive Committee and then members for their review and discussion following the March 22 Executive Committee meeting. It is also a State School Board and ODE priority.

V. NEXT STEPS

1. Lawmaker outreach – House and Senate

Ensure you are meeting with your lawmakers on the budget bill, the minimum floor amendment, and other legislative issues.

VI. NEXT MEETING

The next meeting will be April 28, 2023.

The meeting adjourned at 11:15 a.m.