



AM. SUB. HOUSE BILL 33 BUDGET UPDATE

JULY 28, 2023

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SCHOOL-FUNDING FORMULA

- Uses fiscal year (FY) 2022 inputs for the base cost components; continues the phase-in percentages of the formula to be 50% in FY24 and 66.67% in FY25
- Increases the formula's minimum state share percentage for traditional school districts and joint vocational school districts from 5% to 10% in FY24 and FY25
- Increases the transportation state share percentages to 37.5% in FY24 and 41.67% in FY25
- Maintains the three existing guarantees and the separate transportation guarantee
- Provides funding for an economically disadvantaged cost study
- Compared to the FY23, increases spending on traditional school districts by \$1.54 billion over the biennium, a 12.1% increase

EDCHOICE VOUCHER PROGRAM

- Establishes universal eligibility
- Full voucher amount for students at or below 450% of the federal poverty level (FPL) - \$135,000 for a family of four (more than 70% of Ohio families)
- Prorates the voucher amounts on a sliding scale for students above 450% FPL, with a base minimum amount of 10% of the maximum voucher amount
- Increases the maximum voucher amount by 12% to \$6,165 for grades K-8 and \$8,407 for grades 9-12
- Compared to FY 2023, increases total private school voucher spending by \$826 million over the biennium – a 77% increase
- Total spending across all five voucher programs will be \$964 million in FY24 and \$1.04 billion in FY25
- Across all K-12 spending in the formula and vouchers, the increase in private school vouchers represents 29.4% of the total increase

DEPARTMENT OF EDUCATION AND WORKFORCE

- Includes the provisions of Senate Bill 1, which creates the Department of Education and Workforce (DEW) and transfers most of the duties and responsibilities of the State Board of Education to DEW
- During the first week in October, the Department of Education will be renamed the Department of Education and Workforce and will become a cabinet-level agency reporting to the Governor of Ohio
- Most of the transition will occur by first week in October, but the law affords an additional 90 days to complete the transfer of powers
- "Also, during this transition time, it is anticipated the director and deputy directors of the Department of Education and Workforce will be appointed and confirmed and a new superintendent of public instruction will be hired."
- Proposed deadline of hiring a new superintendent is Nov. 15, 2023
- <https://education.ohio.gov/Media/Ed-Connection/July-24-2023/Upcoming-Changes-to-the-Ohio-Department-of-Educational-Administration>

THIRD GRADE READING GUARANTEE AND LITERACY

- Maintains the Third Grade Reading Guarantee and its retention requirement, but provides an exemption from retention if: (1) if the student's parent, in consultation with the reading teacher and principal, requests that the student be promoted, and (2) the student continues to receiving reading intervention services until they read at grade level
- Requires districts to provide students reading intervention services to students reading below grade level until they read at grade level
- Requires the intervention services to include high-dosage tutoring opportunities aligned to the Science of Reading
- Requires districts to notify parents about the details of the connection between reading proficiency and long-term outcomes of success (as part of the current notification when students are reading below grade level)
- Provides \$174 million in funding to support curriculum, instructional materials, and professional development aligned to the Science of Reading
- Begins implementation of requirements related to the Science of Reading in the 2024-25 school year (prohibiting three-cueing, training and purchase of materials, and EMIS reporting of current curriculum and materials, e.g.)

PUPIL TRANSPORTATION

- Modifies the Transportation Compliance Monitoring System, under which school districts are assessed financial penalties for noncompliance with transportation laws
- Revises the definition of noncompliance to be five consecutive school days or 10 school days within a school year, rather than 10 consecutive days or 10 cumulative days in a semester under prior law
- Maintains the financial penalty system by withholding the district's total daily payment for student transportation
- Requires noncompliant districts to submit a corrective action plan to DEW when it is initially found to be noncompliant
- Establishes a pilot program under which the ESC of Central Ohio and the Montgomery County ESC will provide transportation to private school and community school students

PUPIL TRANSPORTATION

- Creates the Bus Driver Flex Career Path Model for bus drivers to work as educational aides or student monitors at districts and schools and work an eight-to-ten-hour shift on a morning or afternoon bus route
- Authorizes the use of 9-passenger vans to transport private school and community school students
- Requires districts to provide transportation as a related service to students with disabilities who live in the district but attend a private school if the district is provided with supporting documentation in the student's individualized education program or individual service plan

EDUCATORS

- Modifies the teacher licensure grade bands to become preK-8 and 6-12, rather than preK-5, 4-9, and 7-12 as under prior law
- Makes permanent that temporarily permits districts to hire substitute teachers without a post-secondary degree, provided they meet certain conditions, and establishes a one-year temporary substitute teaching license
- Increases the minimum teacher salary from \$30,000 to \$35,000 and increases all other salary schedule elements by 16.67%
- Establishes the Grow Your Own Teacher Program to provide scholarships of \$7,500 annually to eligible educators in qualifying school districts

EDUCATORS

- Establishes a three-year Pre-Service Teacher Permit to allow students enrolled in higher education programs to student teach, participate in other training experiences, and serve as substitute teachers and receive compensation for their service
- Reduces the alternative resident educator license from four years to two years
- Removes the requirement that participation in the Ohio Teacher Residency Program is necessary to hold an alternative educator license; individuals must complete professional development provided by a teacher preparation program and take an assessment of professional knowledge in the second year to continue to hold the license
- Establishes an alternative military educator license and ensures eligible military members may obtain a license on an expedited timeline
- Requires coaches of athletic activities at public and private schools to complete a state-approved student mental health training course and modifies the frequency of frequency of the required sudden cardiac arrest training and youth concussion training

SCHOOL MEALS

- Requires DEW to reimburse public and private schools participating in the federal meal programs an amount equal to the difference between the federal free meal reimbursement rate and the federal reimbursement for a reduced-price meal for each student eligible for a reduced-price meal and receiving a meal
- Requires public and private schools to provide a meal at no cost to a student who is eligible for a reduced-price meal

MISCELLANEOUS

- Eliminates the law regarding blizzard bag and online lesson plans and replaces them with a process by which school closures are made up through a virtual education delivery model, up to the equivalent of three days
- Provides \$20 million to award individual merit-based scholarships of \$5,000 per academic year to eligible students determined to be in the top 5% of their public or private high school's graduating class
- Eliminates the State Report Card Review Committee, which was required to be established on July 1, 2023, and issue a report on the state report card no later than June 30, 2024
- Requires public and private schools to provide by June 30 annually a student's parents with the student's score on any state assessment administered to the student in that year and requires a district or school to mail or email the scores to the student's parent or post them in an accessible, secure portal on the district's or school's website
- Requires public and private schools to transmit a transferred student's records within five school days after receiving a request from the school or district that the student is attending, except for instances where a student has a debt of \$2,500 or more

MISCELLANEOUS

- Requires each district to report in EMIS the number of students attending a school within the district other than the one normally assigned, and requires districts with an enrollment lottery for intradistrict enrollment to conduct the lottery on the second Monday of June in the school year prior to the school year for which the student is seeking enrollment
- Requires public and private schools to create an individualized seizure action plan for each student who is diagnosed with a seizure disorder, and requires a school nurse, or other district employee, to coordinate seizure care at the school and ensure that all staff receive training every two years in the care of students with epilepsy and seizure disorders
- Requires public and private schools with students in grades 6-12 to provide free feminine hygiene products to those students for use on school premises, requires each district or school to determine where such products are kept in the school, and provides \$5 million in FY24 for these efforts
- Requires districts to allow individuals to pay cash for tickets to athletic events, plays, musicals, or any other school-related events and establishes regulations to implement this policy

MISCELLANEOUS

- Requires school districts to develop an education plan for a child who is eligible for the Autism Scholarship Program based on an autism diagnosis but who does not have an individualized education program
- Prohibits school districts from denying a nonpublic school's request for personnel to provide auxiliary services who are properly licensed by a state board or agency
- Creates the “One Time Strategic Community Investments Fund,” which will utilize \$700 million in surplus revenue funding to support one-time expenses for various capital improvement and other projects

TAXES

- Reduces the four personal income tax brackets to two and establishes income tax rates of 3.5% and 2.75%, effective in tax year 2024
- Increases the sports gaming receipts tax rate from 10% to 20%
- Eliminates the law's earmark that requires one-half of the sports gaming revenue to be allocated to schools to reduce or eliminate pay-to-play and extracurricular activity fees and instead allocates all revenue to support the school-funding formula and voucher program
- Creates the Joint Committee on Property Tax Review and Reform
- Indexes the homestead exemption to inflation
- Establishes an eight-year property tax exemption on unimproved land subdivided for residential development

QUESTIONS AND ANSWERS

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