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OHIO LEGISLATIVE SERVICE COMMISSION

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Legislative Budget
Office

S.B. 168
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 168's Bill Analysis](#)

Version: As Passed by the Senate

Primary Sponsor: Sen. Reynolds

Local Impact Statement Procedure Required: No

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Highlights

- The bill may provide school districts and other public schools with a greater pool of individuals to meet staffing needs by easing the educational criteria to qualify for certain educator and administrator licenses, and by permitting schools to hire an unlicensed individual as a teacher under certain conditions.
- The bill may increase administrative costs paid from the State Board of Education Licensure Fund (Fund 4L20) to process any additional license applications as a result. These costs will be more or less offset by a gain in license fee revenue paid by applicants.
- The annual cost of performing the Bureau of Criminal Investigation's background check activities and services may increase or decrease to some degree. These costs will be more or less offset by gains or losses in revenue from fees charged to conduct a background check.
- The bill permits school districts to develop and use an alternative framework for teacher evaluations. Any fiscal effects associated with this provision on school districts are permissive and will depend on district implementation decisions.
- Various other provisions may decrease professional development, administrative, or other operating costs for school districts and other public schools.

Detailed Analysis

The bill makes changes to a variety of education laws related to teacher evaluations, licensure and professional development, public hearings, state testing procedures, student transportation, community schools, and district exemptions from certain requirements. In general, these provisions provide districts and schools with additional flexibility to meet staffing

needs, perform teacher evaluations, and carry out various operational tasks. Other provisions eliminate internet- or computer-based community school (e-school) enrollment limits and permit “exemplary” community school sponsors to sponsor more schools in certain cases. The bill also removes various obsolete provisions from current law. Provisions with notable fiscal effects are discussed below.

Educator licenses and qualifications

The bill may provide school districts and other public schools a greater pool of individuals to fill certain teaching and administrative positions, as the bill imposes less stringent education requirements than the current requirements on certain educator licenses as detailed below. The bill also codifies an existing administrative rule that permits the State Board to issue a one-year nonrenewable out-of-state educator license to a qualified applicant. The bill may lead to an increase in the State Board of Education’s administrative costs to process additional license applications. However, any additional costs will be more or less offset by a gain in license fee revenue paid by applicants. Educator license fees are deposited into the State Board of Education Licensure Fund (Fund 4L20). These fees cover the costs of processing applications, technical assistance related to licensure, administering the educator disciplinary process, as well as other operating costs of the State Board.

Specifically, the bill modifies the minimum education requirement for a senior professional educator, lead professional educator, professional administrator, and alternative superintendent license to allow an individual who holds at least a bachelor’s degree, rather than at least a master’s degree as under current law, to obtain such a license. Senior and lead professional educator licenses are the third and fourth steps, respectively, in a ladder of credentials available to educators as they progress through their careers. Professional administrator licenses encompass credentials for superintendents, principals, or administrative specialists. Again, the applicant must still meet the other criteria for each respective license. The licensure fees for these vary from \$80 for an alternative superintendent license to \$200 for the remaining senior professional educator, lead professional educator, and professional administrator licenses. All of these licenses are valid for five years before renewal, with the exception of the alternative superintendent license that is only valid for two years. Currently, there are approximately 830 individuals with active senior professional educator licenses, 370 with active lead professional educator licenses, 19,100 with active professional administrator licenses, and 40 with active alternative superintendent licenses as of December 12, 2023.

The bill also permits public schools and districts to employ an unlicensed teacher who holds a master’s degree, provided the individual successfully completes an examination prescribed by the State Board for the subject area they are to teach. The bill requires an individual employed in this way to (1) undergo a criminal records check, (2) enroll in the Retained Applicant Fingerprint Database (RAPBACK), and (3) complete 15 hours of coursework every five years that is approved by the local professional development committee. RAPBACK is a continuous criminal record monitoring service operated by the Bureau of Criminal Investigation (BCI) within the Attorney General’s Office (AGO). RAPBACK provides participating entities notice that an individual they have enrolled in the database has been arrested or convicted of a criminal offense.

Background checks

An applicant for any of these licenses described above and any unlicensed teachers employed under the bill will need to have current state and federal background checks on file with the State Board. According to the State Board, the checks can be no older than one year at the time the State Board issues the credential. Background checks filed with the State Board are valid for five years. However, the bill limits the background check and RAPBACK enrollment requirements for nonlicensed individuals to school employees and contracted individuals who may routinely interact with children. Under current law, all school employees or contracted individuals not required to hold a license issued by the State Board must undergo a criminal records check and be enrolled in RAPBACK.

The bill may affect the workload of the Attorney General's Bureau of Criminal Investigation (BCI) if the number of background checks requested each year increases or decreases as a result of the bill. Any associated change in BCI's annual operating expenses will be more or less offset by the change in the revenue from fees charged to conduct a check. BCI performs state-only background checks by comparing an individual's fingerprints against a database of criminal fingerprints to determine if there is a criminal record. BCI also administers federal background checks through the Federal Bureau of Investigation (FBI), which uses a national database to search for criminal history records. The base fees of the state-only and FBI background checks are \$22 and \$25.25, respectively. All of the fees are credited to the General Reimbursement Fund (Fund 1060),¹ with \$23.25 of the FBI background check fee subsequently disbursed to the FBI. BCI also charges participating agencies an initial fee for each individual entered in RAPBACK and an ongoing annual fee per individual, both of which are \$5 and deposited into Fund 1060. Accordingly, the State Board's costs for RAPBACK enrollment may increase or decrease. The State Board's budget is funded by license and related fees paid by teachers and school or district staff that are deposited into Fund 4L20.

Teacher evaluations

Current law requires a school district to develop and adopt standards-based teacher evaluation procedures according to a framework developed by the State Board of Education. The bill permits schools to develop and use their own frameworks for teacher evaluations as an alternative to the framework prescribed by the State Board. The bill maintains current law requirements for evaluation procedures to include at least formal observations and classroom walk-throughs, which may be announced or unannounced; examinations of samples of work, such as lesson plans or assessments designed by a teacher; and multiple measures of student academic growth. Any fiscal effects associated with this provision on school districts are permissive and will depend on district implementation decisions.

The Department of Education and Workforce (DEW) provides an online educator evaluation system, the Ohio Evaluation System (OhioES), for districts and schools to report educator evaluations. Districts or schools have two options to submit teacher evaluations: (1) a combination of electronic forms and uploaded attachments or (2) manually enter performance ratings to determine the Final Holistic Rating of Teacher Effectiveness. According to DEW, the

¹ The Attorney General uses the money credited to Fund 1060 to pay for operating expenses incurred in the provision of law enforcement services, legal representation, and overall office administration.

first option may or may not be viable depending on the alternative framework, while districts could use the second option by uploading a copy of the alternative framework and entering the Final Holistic Rating. Therefore, this provision appears to have no fiscal effect on DEW.

Dyslexia professional development

Under continuing law, teachers in school districts, community schools, and science, technology, engineering, and mathematics (STEM) schools must complete professional development in identifying characteristics of dyslexia and understanding the pedagogy for instructing students with dyslexia. Current law requires the Ohio Dyslexia Committee to prescribe the number of clock hours of instruction that teachers must complete, provided that instruction must be between six and 18 clock hours. The Committee currently prescribes 18 clock hours. The bill permits districts and schools to determine the number of clock hours, which must be between six and 18, that a teacher must complete to satisfy the professional development requirement. As a result, this provision may lower professional development costs if districts choose to require a smaller number of hours.

Student transportation – afterschool time

The bill creates an exception to the 30-minute timeframe within which students must be picked up following the end of the school day to remain in compliance with student transportation requirements. Specifically, the bill requires that if students are provided academic services immediately after school that are supervised by a school employee, the end of the day is considered to begin 30 minutes after the commencement of those services. This provision provides flexibility for school districts to align transportation services with any afterschool programs the district may offer. In turn, it may limit the circumstances in which a district could be considered out of compliance with transportation requirements. Continuing law penalizes school districts for transportation noncompliance through a series of escalating sanctions, starting with notification and creation of a corrective action plan and, if noncompliance persists, progressing to withholding of state transportation funds.

Exemption from statutory requirements

The bill permits a school district to renew an exemption from certain statutory requirements related to teacher licensure and other topics every three school years as long as it meets certain performance criteria (see the [LSC bill analysis](#) for details). Current law does not address renewal of the exemption past an initial three-year term. According to DEW guidance, the Department resets the three-year period each school year that a district meets the requirements for the exemption.² Thus, it appears that a school district will not be able to renew its exemption as frequently as under current practice. For the 2023-2024 school year, 175 (29%) school districts qualify for exempt status. The bill requires DEW to notify each eligible district, annually by September 30, about the exemptions and their eligibility. The cost for DEW to make

² See DEW's "[Exempt Status](#)" and its [Impact on Qualifying School Districts guidance \(PDF\)](#), which may be accessed by conducting a keyword "Exempt Status" search on DEW's website: education.ohio.gov.

such notifications for districts renewing their exemptions under the bill likely will be negligible at most. DEW posts the list of exempt districts on its website.³

Remote state assessments

The bill permits a virtual school operated by a school district, an internet- or computer-based community school (e-school), or a dropout prevention and recovery community school with an online learning model to offer remote administration of any statewide assessment, except for the Kindergarten Readiness Assessment, under certain criteria intended to ensure test security and prevent cheating. Currently, students must take state tests in person in rooms designated for test administration. E-schools in particular must provide their students a location within a 50-mile radius of the student's residence at which to complete the state tests, a requirement the bill maintains.

According to a representative from the Ohio Online Learning Coalition, e-schools carry costs associated with facilities fees, travel cost reimbursements for students and staff, and other costs associated with testing. The bill may substantially decrease these costs. However, the implementation of remote testing may increase information technology (IT) costs for both e-schools and virtual schools operated by school districts. Any increases in IT costs are expected to be less than the savings associated with testing facilities.

Implementation of remote testing may increase costs for DEW depending on specifications for test administration. According to DEW, the current testing platform supports integrated camera proctoring and is an available option under the state's current testing contract. The Department's cost in activating functionality for remote proctoring will depend on test administration requirements. For example, there will be additional testing contract costs if DEW desires for Cambium, the state's main testing vendor, to develop training for parents and conduct data analysis to look for anomalies in student performance, or if DEW chooses to establish a remote proctoring certification course. Actual costs will depend on implementation decisions that DEW will make.

Community school monthly residency reviews

The bill eliminates the requirement that community schools review the residency records of students monthly. Continuing law, unchanged by the bill, requires a community school to verify to DEW a student's resident district upon enrollment and on an annual basis. The bill's provision may decrease community school administrative costs. The current law provision dates back to the former system of school financing that funded students in the school district in which the student resided. The funding for students educated in community schools was deducted from the resident school district's state foundation aid and transferred to the educating school. Under the current system, community schools are directly funded by the state. That is, the deductions from the resident district no longer occur.

³ See DEW's [Rewards and Recognition](#), which may be accessed by conducting a keyword "Rewards" search on DEW's website: education.ohio.gov.

E-school enrollment limits

Under current law, internet- or computer-based community schools are subject to an enrollment limit based on the prior year's enrollment limit. An e-school's enrollment limit for a given year increases by 15% if the prior year's limit is 3,000 or more students and by 25% if the prior year's limit is less than 3,000 students. New e-schools are limited to an enrollment of 1,000 students in their first year of operation. The enrollment limit of an e-school increases at the statutorily prescribed percentage, regardless of changes in actual enrollment.

The bill eliminates enrollment limits for e-schools. The provision may lead to greater enrollment growth in e-schools than under current law and thus an increase in state aid expenditures. However, no e-school is near to its enrollment limit. For reference, the e-school closest to its cap for FY 2024, the Alternative Education Academy, has enrollment equal to 63% of its limit, as of December 2023.⁴

Community school sponsors

Under current law, an entity sponsoring a community school generally may sponsor up to 100 schools. However, current law also permits a sponsor rated "exemplary" for the two most recent years that the sponsor was evaluated to sponsor an unlimited number of schools. The bill allows a sponsor rated "exemplary" on its most recent evaluation to sponsor up to 200 schools. Currently, there are 19 community school sponsors, nine of which were rated "exemplary" on their most recent sponsor rating. Of these nine, three may sponsor an unlimited number of schools (in practice, these three entities each sponsor either one or two schools in FY 2024). Of the remaining six sponsors, the one nearest the current 100 school limit is St. Aloysius Orphanage, which currently sponsors 81 schools throughout Ohio.

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⁴ See DEW's [FY 2024 E-School Enrollment Caps \(PDF\)](#), which may be accessed through DEW's website: education.ohio.gov.