

Ohio Legislative Service Commission

Office of Research and Drafting

Legislative Budget
Office

H.B. 145 136th General Assembly

Fiscal Note & Local Impact Statement

Click here for H.B. 145's Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Bird

Local Impact Statement Procedure Required: No

Jorge Valdebenito, Economist

Highlights

- The bill increases the required number of instructional hours in schools by 27 hours for part-time kindergarten and 53 hours for all-day kindergarten through grade 12.
- School districts and science, technology, engineering, and mathematics (STEM) schools that do not meet the bill's minimum number of hours will likely incur additional teacher salary and benefit costs, potentially in the tens of millions of dollars per year statewide, to account for the increase in required instruction hours. The timing of these costs is uncertain and may depend on district and school implementation decisions and district negotiations with teacher unions.

Detailed Analysis

The bill increases the required minimum instruction hours for traditional school districts and science, technology, engineering, and mathematics (STEM) schools. Specifically, the bill raises the required instruction time by 27 hours per year for schools offering part-time kindergarten (from 455 to 482 hours per school year) and by 53 hours for all-day kindergarten through grade 12 (from 910 to 963 hours for up to grade 6 and from 1,001 to 1,054 hours for grades 7-12).

According to an LBO analysis of data from the Department of Education and Workforce (DEW), 316 traditional school districts (51.9%) have at least one building or grade level that does not meet the bill's requirements as of the 2024-2025 school year. Of 3,022 traditional public schools and STEM schools operating during the same school year, 2,185 (72.3%) met the instructional hour requirements of the bill for all grade levels in the building. The remaining 837 school buildings (30.2%) do not meet the bill's requirements for at least one grade level. Roughly 93% of schools serving grades K-6 currently meet the bill's requirements, compared to

approximately 63% of schools serving grades 7-12. On average, the schools that are below the required instruction hours would need to increase instruction time by roughly 24 hours per school year for grades K-6, and by approximately 30 hours for grades 7-12. This represents an increase of roughly 2.6% in instructional hours for those schools that do not meet the bill's requirements for grades K-6, and an increase of about 2.9% for schools that do not meet the bill's requirements for grades 7-12.

School districts and STEM schools not meeting the bill's requirements will likely incur additional teacher salary and benefit costs over time due to additional teaching hours. The bill will also lead to increased employer retirement and Medicare contributions for districts and schools whose teacher salaries increase, since these benefit costs are calculated according to certain percentages of an employee's salary. Employers contribute 14% of a teacher's salary for retirement and 1.45% for Medicare, for a total that equals 15.45% of their salary. These additional costs may run into the tens of millions of dollars annually statewide depending on the extent to which districts and STEM schools must add instructional hours and districts incorporate them into teacher pay agreements.

The timing of any increases in teacher payroll costs is uncertain. Unless otherwise specified in law, all matters related to wages, hours, or terms and other conditions of public employment are subject to collective bargaining between a public employer and the "employee organization" (essentially, a union) that represents the employer's public employees. However, continuing law specifies that minimum educational requirements pertaining to public education in the Revised Code prevail over conflicting provisions in collective bargaining agreements. In addition, under continuing law, DEW generally is not authorized to make school foundation payments to a school district in a fiscal year if the district failed to have its schools open for instruction with students in attendance for the required number of hours of instruction. Taken together, it appears that a district or STEM school may be required to implement the increase in minimum hours when the bill becomes law if the district or school currently does not meet the bill's requirements. Ultimately, the bill's effects on teacher payroll costs will depend on district implementation decisions and negotiations with the teachers unions. It is possible that the districts that currently do not meet the bill's requirements may not begin to incur new costs until existing collective bargaining agreements expire and new agreements are reached to reflect the addition of contract hours or days necessary to meet them.

FNHB0145IN-136/zg

P a g e | 2 H.B. 145, Fiscal Note