

Legislative Update

To: State Board of Education

Re: Legislative Update
Date: April 12, 2013

State Activity

Senate Activity

The Senate passed <u>Senate Bill 42</u> (Manning, R-North Ridgeville), to authorize school districts to levy a property tax exclusively for school safety and security purposes by a vote of 31-2.

This Week's Committees

House Finance and Appropriations Committee

The House Finance and Appropriations Committee met on Tuesday and accepted a substitute version of House Bill 59 (Amstutz, R- Wooster), the biennial budget. You can find a document comparing the as introduced and substitute versions of the bill here. The education related changes to the bill are as follows:

- Replaces the calculation for the Core Opportunity Grant with a base number of \$5,732 with state share calculated using a three year average valuation and in some cases a median income component.
- Funds the six special education weights at ninety percent and applies the state share index.
 Provides for catastrophic costs through a separate earmark without a transfer of the special education allocation.
- Maintains the new categories of career-technical education but uses weights to determine total funding and applies the state share index.
- Uses the Executive categories for limited-English proficiency except removes funding for category four. Increases FY15 amount by one percent.
- Moves transportation funding back within the formula. Changes the current formula in law to
 the greater of per rider or per mile cost with a state share index or sixty percent applied.
 Provides \$413.4 million in FY14 and \$434.1 million in FY15, and also supplements low
 wealth/density districts with an additional \$25.3 million in FY14 and \$23.1 million in FY15.
- Provides gifted identification funding at \$5.00 in FY14 and \$5.05 in FY15 per ADM. Also funds gifted unit funding at a cost of \$37,000 in FY14 and \$37,370 in FY15. Provides one coordinator unit per 3,300 ADM (minimum 0.5/maximum 8) and one gifted intervention specialist unit per 1,100 ADM with a minimum of .3.
- Provides a one hundred percent guarantee of FY13 funding for both years. Caps increases at six percent in both years.
- Increases funding to ESC's by \$22.5 million in FY14 and \$30 million in FY15, allows an ESC to apply for grants and clarifies the payment of outstanding obligations.
- Removes the proposed changes to governance relationships between a school district and an FSC.
- Provides \$375,000 per year in funding for Get Ready for Kindergarten, and creates the New Leaders for Ohio Schools pilot project providing \$500,000 in FY14 and \$3 million in FY15.
- Increases Career Technical Education, 200545, by \$108,100 per year to support the Ohio Prostart program.

- Removes the expansion of the parent trigger reforms pilot.
- Specifies a suspended community schools contract is void if they fail to propose remedies by September 30 of the following school year.
- Clarifies the priorities of the Straight A Fund and requires Controlling Board approval for grants. Reduces the Straight A Fund line item 50% from what was proposed in the Executive version.
- Maintains the current ratio for school psychologists and speech pathologists.
- Prohibits requiring a student to repeat kindergarten solely because of their age.
- Permits the board of education of a school district or ESC to designate an individual to perform the task of nominating for employment anyone who is related to the superintendent.
- Increases the amount of the Cleveland Scholarship to \$5,700 per year.
- Eliminates College Credit Plus language.
- Modifies policy for participation in the school facilities assistance program to provide that when
 a district participates in an expedited program and then becomes eligible if the districts TPP
 makes up more than 18% of the personal property valuation the districts share will be the lesser
 of the percentage locked in when the expedited agreement was signed or the percentage using
 the current wealth percentile rank.
- Creates the Electronic Textbook Pilot Program and earmarks \$3 million per year for this purpose.
- Moves the ADM count from once a year to monthly.
- Prohibits the use of public transportation for children in kindergarten through 5th grade.
- Broadens the technology available to be purchased through school security grants.
- Earmarks \$500,000 per year for the Jobs for Ohio Graduates program.
- Allows homeschooled and non-public students the opportunity to participate in extracurricular activities in their home district if their school does not offer them.
- Modifies the language in the bill relating to the minimum school year to reflect legislation passed by the House in the 129th General Assembly.
- Establishes the Preparing Students for Education Success Program.
- Allows a chartered non-public school to charge a fee not greater than the actual cost accrued for transportation if no public money was used in the purchase of the vehicle.
- Simplifies how County DD boards are reimbursed for services related to preschool students.
- Eliminates the ability for a school district to offer a payment in lieu of transportation and instead sends the district's per pupil transportation amount directly to the student's parent.
- Revises the current physical activity pilot to allow for individual building instead of districts to participate and changes the time requirement from a daily to weekly requirement.
- Clarifies that schools and districts must account for the expenditure of funds related to certain subgroups of students.
- Reduces funding for the Educator Preparation, 200-448.
- Prohibits a school district, STEM or community school from categorically exempting a student from its reported number of economically disadvantaged students for anything other than family income.
- Conforms statute to an existing State Board of Education rule for CTE spending by school districts that are part of a career-technical planning district without a JVSD as its lead.
- Permits a student in a juvenile detention facility who attended an e-school before incarceration to continue to attend the same school if the facility has the necessary equipment.
- Revises current law regarding the Jon Peterson Scholarship Program to eliminate the use of both qualitative and quantitative analysis, the assessment of student satisfaction, the fiscal impact and the requirement to contract with researchers to study the program.
- Retains the current earmark of \$675,000 for the distance learning clearing house provided in FY14 for FY15.

- Directs the State Board of Education to review and revise academic grade card benchmarks at least every three years.
- Removes the date in relation to the ability to operate a community school in multiple locations.
- Allows a community school to accept responsibility for the transportation of its students before its first year of operation.
- Provides funding for a SEED school as directed by statute.
- Modifies the proposal to shift responsibility of defining failure to show consistent progress for subgroups from the Department to the State Board of Education.
- Clarifies eligibility for the EdChoice Scholarship Program if a student is eligible under both instances where a scholarship is offered.
- Permits appeal of a lead district's ruling on a Career-Technical Education program by the Department of Education.
- Eliminates a report required of districts on the number of children placed with county DD boards in FY98.
- Modifies current law to require that a dropout prevention and recovery school shall be rated at least as meeting standards if the school's graduation rate and the percentage of students in twelfth grade who have attained a passing score on all state achievement tests increases by at least ten percent for two consecutive years.
- Changes the name of the Miscellaneous Education Services line to Fees and Refunds.
- Requires data used for the transportation formula be reported in EMIS.

The committee also met on Wednesday, Thursday and Friday and heard public testimony on the bill. The following individuals offered testimony on the K-12 education portions of the budget:

- Barbara Shaner, Ohio Association of School Business Officials
- Damon Asbury, Ohio School Boards Association
- Tom Ash, Buckeye Association of School Administrators
- Stephanie Jorgenson, Ohio Student Association
- Lauren White, Ohio Student Association
- Megan Kreaps, Ohio Student Association
- Lainie Rini, Ohio Student Association
- Ilhan Dahir, Ohio Student Association
- Stuart McIntyre, Ohio Student Association
- Bill Sims, Ohio Alliance for Public Charter Schools
- Wade Lucas, Olentangy Local Schools
- Darold Johnson, Ohio Federation of Teachers

House Manufacturing and Workforce Development Committee

The House Manufacturing and Workforce Development Committee met on Tuesday and held their first hearing <u>House Concurrent Resolution 10</u> with Representative R. Adams offering sponsor testimony. This resolution would designate March 2013 as Career-Technical Education and Skilled Workforce Development Month.

House Health and Aging Committee

The House Health and Aging Committee met on Wednesday and held a hearing the following bill <u>House Bill 97</u> (Brenner, R-Powell), to designate October as "Dyslexia Awareness Month." The committee passed the bill.

Next Week's Committees

House Finance and Appropriations Committee

The House Finance and Appropriations Committee will be meeting on Tuesday at 10:00 am in Room 313 to hold a hearing on <u>House Bill 59</u>. The committee is expected to accept additional amendments and vote the bill out of committee at this time.

Senate Finance Committee

The Senate Finance Committee will be meeting on Tuesday at 11:00 am in the Finan Hearing Room to hold its first hearing on <u>House Bill 59</u>. The committee will be hearing testimony from the Office of Budget and Management, the Legislative Service Commission and the Department of Taxation.

The Senate Finance Committee will meet again on Wednesday at 9:30 am to hear testimony on the education portions of <u>House Bill 59</u>. The committee will be hearing testimony from the Governor's Office of 21st Century Education, the Department of Education and the Ohio Board of Regents.

The Senate Finance Committee will meet again on Thursday at 9:30 am to hear testimony on <u>House Bill</u> 59 from a Medicaid Panel.

Federal Activity

President Unveils Fiscal Year 2014 Budget Proposal

This week, President Obama unveiled the fiscal year (FY) 2014 budget proposal, which is typically released in February. The FY14 proposal addresses the FY13 sequester cuts by basing FY14 budget decisions from the FY12 levels. Many key discretionary programs, such as Title I, IDEA and State Assessments are level funded to the FY12 levels. The budget is reflective of the Administration's ESEA reauthorization blueprint (unveiled in 2010), which consolidates and renames many programs. The budget also creates several new programs, and interestingly, requests many of those new programs to be mandatory funded (which sets the formula and essentially bypasses the discretionary appropriation process). Most notably, the proposal calls for \$75 billion over 10 years for a new mandatory Preschool for All initiative aimed at assisting states in providing preschool for 4-year olds from low-income families. States would need to provide a yet-to-be determined match to receive funding. It also creates a discretionary \$750 million grant to assist states with development of preschool programs. The proposal also creates a (mandatory) \$14.5 billion teacher stabilization program to provide formula grants to states to retain educators; a \$415 million STEM program to provide competitive grants to consortia that incorporate, improve and support STEM initiatives; a \$300 million high school transformation program to provide competitive grants to educational entities that create rigorous learning experiences and other initiatives at the high school level to prepare students for college and careers; a \$1 billion Race to the Top program for higher education, known as the College Affordability and Completion Initiative, to provide competitive grants to states that reform and modernize their institutions of higher education; and a \$8 billion (mandatory) community college to career fund, which would begin in FY15 to provide funds to support and strengthen community-college based training programs. A detailed summary of the President's education budget may be found here.

Below is a chart of key programs comparing the FY14 proposed amounts to the FY12 levels:

| Program | FY12 | FY14 Proposed | Difference |
|--|-----------------|-----------------|-----------------|
| College and Career Ready (Title I)* | \$14.5 billion | \$14.5 billion | - |
| School Improvement | \$533.5 million | \$658.5 million | \$125 million |
| State Assessments | \$389 million | \$389 million | - |
| Promise Neighborhoods | \$59.9 million | \$300 million | \$240 million |
| Successful, Safe, Healthy Students* | \$195.9 million | \$280 million | \$84.1 million |
| 21 st Century Community Centers | \$1.2 billion | \$1.3 billion | \$100 million |
| Investing in Innovation | \$149.4 million | \$215 million | \$65.6 million |
| Effective teachers and Leaders* | \$2.5 billion | \$2.5 billion | - |
| English Language Learners | \$732 million | \$732 million | - |
| Teacher and Leader Innovation Fund* | \$299.4 million | \$400 million | \$100.6 million |
| IDEA, Part B | \$11.6 billion | \$11.6 billion | - |
| IDEA Preschool | \$373 million | \$373 million | - |
| Career Technical | \$1.1 billion | \$1.1 billion | - |
| State Data Systems | \$38 million | \$85 million | \$47 million |
| STEM Innovation** | \$149.7 million | \$414.7 million | \$265 million |
| RTTT (transition to IHE competition) | \$549 million | \$1 billion | \$451 million |
| High School Redesign** | -0- | \$300 million | \$300 million |
| Teacher Stabilization*** | -0- | \$12.5 billion | \$12.5 billion |
| Preschool for All*** | -0- | \$1.3 billion | \$1.3 billion |
| Preschool development** | -0- | \$750 million | \$750 million |
| RESPECT Project *** | -0- | \$5 billion | \$5 billion |
| President Teaching Fellows*** | -0- | \$190 million | \$190 million |

⁻FY14 funding levels are compared to FY12 levels. USDOE indicated that FY14 budget documents were completed before FY13 funding was finalized. The President budget in essence "repeals" the sequester cuts by budgeting from the FY12 levels.

^{*}Many programs are renamed or consolidated under the President's ESEA reauthorization blueprint proposal. The FY14 budget bases appropriation levels under the ESEA proposal.

^{**}President's proposal creates several new programs

^{***} President's proposal makes some new programs mandatory (not subject to discretionary budgeting)