

Summary of the Mid-Biennial Review (MBR) March 30, 2012

MBR Management Efficiency - H.B. 487

- **Appropriations**
 - The Auditor of State's set-aside in GRF line item 200422, School Management Assistance, is reduced from \$1.3 million to \$1.0 million for FY 2013. This subsequently increases the remaining appropriation for ODE to provide fiscal technical assistance to school district management personnel by \$300,000.
 - Increased flexibility is granted to use the \$12.5 million set-aside in GRF line item 200550, Foundation Funding, for "school choice programs" rather than "the Cleveland school choice program."
 - GRF line items 200100, Personal Services, 200320, Maintenance and Equipment, and 200416, Career-Technical Education Match, are consolidated into 200321, Operating Expenses, for FY 2013. The new line item's total appropriation for FY 2013 is \$500,000 less than the combined total was for 200100, 200320, and 200416. The new line item is required to support the same activities as the line items being consolidated, including the career-technical education state match.
 - Appropriation is reduced for various non-GRF line items to better align expected revenue with authorized spending levels.

- **Early Childhood Education**
 - Early childhood education programs funded through GRF line item 200408, Early Childhood Education, and school districts, educational service centers (ESCs), and county boards of developmental disabilities (CBDDs) serving preschool special education children, are required to participate in the Ohio Department of Job and Family Service's (ODJFS's) tiered quality rating and improvement system (Step Up to Quality). Programs must be rated respectively by July 1, 2016 and July 1, 2018. (This relates to ODE's work for the Race to the Top – Early Learning Challenge grant.)

- **Medicaid eligibility transformation**
 - The Governor's Office of Health Transformation is statutorily created. The Office is to support agency collaboration for health transformation purposes, including modernization of Medicaid, streamlining health and human services programs, and improving health care systems' quality, continuity, and efficiency.
 - ODE is considered a participating agency. The bill allows state agencies to exchange protected health information relating to eligibility and enrollment in government programs providing public benefits in certain circumstances and for health transformation initiatives.
 - ODE is required to collaborate with ODJFS, and the Departments of Aging, Alcohol and Drug Addiction Services, Development, Developmental Disabilities, and Health to revise eligibility standards and eligibility determination procedures of Medicaid programs they administer to make them more uniform across agencies.

- **Taxation**
 - Corrective changes are made to the formulae for the reimbursement of fixed-rate levy losses on public utility and general business tangible personal property taxes for school districts. There is no effect on payments to school districts because the Department of Taxation is currently calculating the payments using the formulae as corrected in the bill.
 - The revaluation of real property is authorized to be extended by not more than one year beginning in 2014 and continuing for five years. The change allows a shift to a reappraisal schedule in which the number of counties per reappraisal cycle is grouped more evenly and regionally.

- The Tax Commissioner is excused from certifying certain property tax information to ODE and OBM relating to property valuation adjustments. These certifications are unnecessary presently with the Bridge funding formula.
- **Other**
 - The Ohio Digital Learning Task Force, which under H.B. 153 was to issue its report by March 1, 2012 and then cease to exist, is extended until June 30, 2013. The Task Force is required to monitor the implementation of its recommendations and by June 30, 2013 issue a report as to whether digital learning is advancing Ohio's schools and submit recommendations for further enhancing digital learning.
 - A school district declared to be in fiscal watch must include in its financial plan to eliminate a current operating deficit, and a financial planning and supervision commission of a district declared to be in fiscal emergency must include in its financial recovery plan, actions to enter into shared services agreements with other political subdivisions.
 - The filing fees associated with financial disclosure statements required of certain state employees and all State Board of Education members is increased respectively from \$40 to \$60, and from \$25 to \$35.
 - The Board of Regents is required to report value-added data associated with teacher preparation programs. ODE is required to share necessary data for the report.
 - The Board of Regents is required to report and post on their web site descriptions of dual enrollment programs offered by school districts, community schools, STEM schools, college-preparatory boarding schools, and chartered nonpublic high schools.

MBR Education and Workforce Development – S.B. 316

- **Academic Standards, Assessments, and Accountability**
 - The State Board is required to adopt model curricula for grades kindergarten through 12 that embed career connection learning strategies into regular classroom instruction no later than June 30, 2013.
 - Forty-five days prior to the adoption of updated standards or curricula by the State Board, the State Superintendent must present the updated standards or curricula to the education committees of the House of Representatives and the Senate.
 - ODE is required to provide information on the use of blended or digital learning in the delivery of academic standards or model curricula whenever the State Board adopts new standards or curricula. The bill also defines both “blended learning” and “digital learning.”
 - The State Board's requirement in H.B. 153 to review its previous legislative recommendations on dropout community school performance standards is replaced with a requirement to adopt performance indicators measuring specific areas for dropout prevention and recovery schools and dropout prevention and recovery programs within schools for report card purposes no later than March 31, 2013. Subsequently, drop-out community schools are now subject to community school closure provisions in current statute.
 - Effective beginning with the 2011-2012 school year, the current report card system is replaced with an A-F grading system. Grades will be determined using four equally weighted measures: 1) performance indicators, 2) performance index, 3) AYP, and 4) value-added progress dimension.
 - The State Board, in consultation with the Chancellor of the Board of Regents and any office with Office of the Governor concerning workforce development, is required to approve a report card for joint vocational school districts (JVSDs) no later than December 31, 2012. The details of the report card must also be submitted to the Governor, the Speaker of the House of Representatives, the President of the Senate, and the chairperson of the House and Senate Education committees. ODE is required to issue report cards for JVSDs annually beginning with the 2012-2013 school year, no later than September 1, 2013. Also, JVSDs are completely removed from the ranking system.

- **Blended Learning**
 - The State Board is required to adopt standards for the operation of blended learning classrooms. No deadline is specified.
 - Any local, city, exempted village, or joint vocational school district, community school, STEM school, or college-preparatory boarding school is granted the ability to operate all or part of a school using a blended learning model.
 - Any school choosing to do so must notify ODE no later than July 1st of the school year in which it is effective.

- **Early Childhood Education**
 - State agencies that administer publicly funded programs providing services to children younger than compulsory school age, including the Departments of Health, Job and Family Services, Mental Health, and Development Disabilities, are required to obtain a statewide student identifier (SSID) for children receiving such services. (This relates to ODE’s work for the Race to the Top – Early Learning Challenge grant.)
 - Student level data records collected for early childhood programs will be included in the combined data repository and any state agency that administers an early childhood program may use the data for research and analysis to evaluate the program.
 - A continuous license for preschool programs licensed by ODE replaces licenses valid for two years, and an initial provisional license of one year replaces a provisional license of six months. ODE is required to inspect each program annually; under current law inspection is required with license renewal every two years.
 - A student who has already been admitted to a kindergarten in one school district or chartered nonpublic school, when transferring to another school district, cannot be denied admission to another school district’s kindergarten based on age.

- **Educational Service Centers (ESCs)**
 - Language requiring a copy of a supplemental agreement between a school district and an ESC to be filed with ODE by the first day of the school year is removed.
 - Language relating to the Board of County Commissioners providing and equipping offices for ESCs is removed. This cleans up outdated language that is no longer required.

- **Expenditure Standards**
 - The development of expenditure standards by ODE is delayed by one year. The standards are to be presented to the State Board no later than January 1, 2013, and the Board must adopt standards by July 1, 2013.
 - ODE must also align the expenditure categories under the standards with the categories required for reporting to the US Department of Education.
 - The requirement to complete certain data computations for fiscal years 2008 through 2012 is eliminated, and rather they are just required annually once adopted.
 - Various sections of law are aligned to refer to “classroom instructional” expenditures and “nonclassroom” expenditures, rather than “administrative” expenditures.

- **School Choice**
 - The bill adds a mechanism to pay for the scholarships of students who the courts have given permanent or legal custody to someone other than the child’s parent but currently live a district other than where the parent resides.
 - The requirement to disaggregate data for students participating in the Educational Choice Scholarship program or the Cleveland Scholarship and Tutoring program by “age” is replaced with the requirement that it be disaggregated by “grade level”.

- School districts are permitted to lease or sell unused facilities to community school governing authorities 1) with plans to relocate to the district or add facilities in the district, and 2) to those with valid preliminary agreements proposing the establishment of a community school within the district. Such schools would be added to the community schools located within the district's territory that are already given the right of first refusal of such property under current law.
 - The responsibility for temporary sponsorship of community schools if approval of a school's sponsor is revoked is transferred from ODE's Office of Community Schools to ODE's Office of School Sponsorship. The bill specifies that these schools do not count toward this office's school limit.
 - Conversion community schools and start-up community schools are separated for the purposes of rankings according to performance index score. The sponsors of those schools ranking in the lowest 20 percent under each of the two categories are ineligible to sponsor additional schools. ODE is required to publish rankings annually between October 1st and October 15th.
 - Community schools are required to adopt a grade promotion and retention policy in accordance with specified requirements.
- **School Restructuring**
 - To clarify what happens when a school is required to restructure under both Ohio law and federal law, the stipulation is added that if anything in state law conflicts with federal requirements, federal law prevails.
 - If a school is restructured under any state law or federal law, the school will not be required to restructure again under state law for three consecutive years.
 - If a building is subject to both restructuring provisions outlined in HB 153, clarification is made that the parent trigger provision takes precedent.
- **Teacher Provisions**
 - The Chancellor of the Ohio Board of Regents (OBR) is required by December 31, 2012, and annually thereafter, to report for each teacher preparation program the number and percentage of all graduates who were rated as accomplished, proficient, developing, and ineffective in the previous year.
 - The bill clarifies that the evaluation for assistant principals is required, like that of principals, to be based on principles comparable to the teacher evaluation policy.
 - Teacher performance-based evaluations:
 - Teachers for whom evaluations are required are defined as any person employed under a teacher license, or under the formerly issued professional or permanent teacher's certificate, and who spends at least 50% of the time employed providing student instruction.
 - Evaluators are required to be credentialed by ODE.
 - Third party evaluators are included in the list of allowed evaluators.
 - For teachers rated as "accomplished" on their most recent evaluation, a board of education may elect to accept a project demonstrating the teacher's continued growth and practice in lieu of a second formal observation.
 - Each board of education is required to submit the names of teachers and their respective ratings to ODE for the purposes of the OBR report described above.
 - Teacher evaluation requirements prevail over any conflicting provisions of a collective bargaining agreement entered into on or after September 29, 2011.
 - It is clarified that the State Board may periodically update the standards-based state framework for the evaluation of teachers.
 - The State Board is required by June 30, 2012, in consultation with state agencies that employ teachers, to develop a standards-based framework for the evaluation of teachers employed by those agencies.

- Teacher retesting:
 - For traditional school districts, re-testing is required of teachers of core subjects who receive an evaluation rating of ineffective for two of the three most recent school years. All core teachers in community schools and STEM schools would continue to be subject to re-testing in buildings ranked in the lowest 10% of all public school buildings according to performance index score.
 - Teachers to be re-tested must take examinations of content knowledge selected by ODE as appropriate to determine expertise (current law requires content knowledge and pedagogy examinations prescribed by the State Board for licensure).
- **Third Grade Reading Guarantee**
 - The third grade reading guarantee in current law is strengthened to require the development of a reading improvement and monitoring plan for students who are not proficient in reading in kindergarten through the second grade.
 - Students reading below grade level at the end of second grade must be provided with intense remediation services during the summer before third grade.
 - Students who have had a reading improvement and monitoring plan for at least two years will be retained if not proficient in reading by the end of third grade, with exceptions made for certain limited English proficient and special education students.
- **Other**
 - Language is removed that indirectly restricts the sale or marketing of fluid milk, which is prohibited by federal law.
 - School districts and community schools are granted the ability to use calamity days for days closed for law enforcement emergencies.
 - A school district board of education may assign the powers and duties of a business manager to one or more employees or officers of the board including the treasurer, if they do not otherwise appoint a business manager.
 - Beginning at age 14, a student's individualized education program (IEP) must include appropriate measurable post-secondary goals based on age-appropriate transition assessments related to employment in a competitive environment in which workers are integrated regardless of disability.
 - ODE is required to conduct a study of the licensure requirements for educational staff responsible for the development of informational sources for the support of curriculum and literacy development in schools (media specialists) by June 20, 2013. ODE and the State Board must use the study to make updates to the licensure requirements for those staff.
 - The requirement for body mass index (BMI) screenings by school districts, community schools, and STEM schools continues as it existed prior to H.B. 153. The screening requirement was removed from statute in H.B. 153, but the intent of the Governor's Veto Item #7 was to reinstate the requirement. The boxed text of the veto was incomplete but this bill clarifies the intent of the veto and aligns the law with the intent.
 - The definition of "state education aid" in tax law is updated to include supplemental school district funding (the supplemental guarantee) and the subsidy for high performing school districts, which are both considered part of the Bridge formula funding for FY 2012-FY 2013. This will have no impact on district funding.