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Bill Analysis
Legislative Service Commission

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(As Introduced)

Rep. Calvert

BILL SUMMARY

- Establishes the Science, Technology, Engineering, and Mathematics (STEM) School System of public schools.
- Vests the governance of the STEM School System in the Ohio STEM Education Authority and a chief executive officer appointed by the Authority.
- Requires the STEM Education Authority to establish four or five pilot STEM schools to open in the 2007-2008 and 2008-2009 school years.
- Directs the STEM Education Authority to evaluate the first year of operation of the pilot schools and submit its findings and a plan for opening additional STEM schools to the General Assembly by December 31, 2008.
- Allows individuals who do not hold an educator license but have at least a bachelor's degree or five years of work experience in the subject being taught to teach in a STEM school for up to 40 hours per week, rather than 12 hours as otherwise required in school districts and community schools.
- Specifies that teaching and nonteaching employees of STEM schools retain their collective bargaining rights.
- Exempts the STEM School System and each STEM school from many state education laws, except for requirements related to achievement testing, special education, awarding of diplomas, certain disciplinary proceedings, data reporting, and other specified provisions.

- Prohibits STEM schools from enrolling students who are not Ohio residents or establishing admission standards based on ability or achievement.
- Prohibits the STEM School System from charging tuition for any STEM school, except at a residential school.
- Authorizes the STEM Education Authority to establish one residential STEM school with select admissions standards.
- Requires the Department of Education to issue annual report cards for each STEM school in the same manner as other public schools.
- Specifies that the STEM School System may not levy taxes or issue bonds backed by tax revenues.
- Qualifies STEM schools for many of the state operating subsidies that school districts and community schools receive, without deducting money from the state aid accounts of school districts.
- Requires school districts to transport STEM school students in the same manner required by law for private school students.
- Allows STEM school students to participate in extracurricular activities offered by the schools of their resident school districts.
- Requires the STEM Education Authority to propose a plan to operate a college of education to improve teaching in the STEM fields.

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CONTENT AND OPERATION

Creation of STEM School System

(R.C. 3326.02, 3326.03, and 3326.06; Section 4)

The bill creates the Science, Technology, Engineering, and Mathematics (STEM) School System, which consists of public schools throughout the state and is part of the state's program of education. The STEM School System is governed by the Ohio STEM Education Authority (see "Ohio STEM Education Authority" below).

Initial pilot project

(Section 4)

Under the bill, the STEM Education Authority must establish four or five pilot STEM schools to open in the 2007-2008 and 2008-2009 school years. It must issue a request for proposals for development of the pilot schools. Proposals to develop one or more of the schools may be submitted by consortiums of business organizations, institutions of higher education, school districts, or nonprofit entities. The Authority must accept proposals based on criteria that address at least (1) curriculum offerings, (2) the respondent's plan for adapting the school's facilities to provide a high-quality STEM education, and (3) the respondent's ability to form partnerships with the private sector to generate additional funding for the school and to enhance students' educational opportunities.

The STEM Education Authority must evaluate the pilot schools' first year of operation and submit its findings and a plan for opening additional STEM schools to the General Assembly by December 31, 2008. Subject to appropriations, the Authority may begin opening additional STEM schools in the 2009-2010 school year.

Findings and purpose statements

(R.C. 3326.02 and 3326.06)

The bill states that, since Ohio's economic prosperity depends on a solid knowledge base and outstanding talent in the STEM disciplines, it is the General Assembly's intent that Ohio be recognized as a global leader in producing the next generation of skilled scientists, engineers, and other professionals needed to create tomorrow's innovations. Furthermore, the goal of all Ohio schools is to graduate students who possess the knowledge and skills to work and live in the 21st century global environment, are academically prepared for college and work, and are proficient thinkers and problem solvers aware of world events and cultures. The bill also states that the General Assembly appreciates the need to make Ohio a competitive force in the 21st century economy and, therefore, recognizes the need to cultivate a strong intellectual, entrepreneurial, and technical talent base within the state.

As stated in the bill, the purpose of the STEM School System is to encourage and support the creation of public-private partnerships to (1) increase the number of Ohio students studying or pursuing STEM degrees, (2) improve educational programs that prepare students for STEM fields, and (3) increase the number and percentages of Ohio students who successfully graduate from college and are employed in STEM fields. Each STEM school must be designed to provide students with a strong foundation for post-secondary education or a career through a rigorous, project-based curriculum emphasizing the importance of STEM fields in promoting innovation and through partnerships with the private sector that offer students diverse learning opportunities.

Ohio STEM Education Authority

Membership

(R.C. 3326.04)

Governance of the STEM School System is vested in the 12-member Ohio STEM Education Authority, which is an instrumentality of the state for the purpose of overseeing the System. The Superintendent of Public Instruction, the Chancellor of the Ohio Board of Regents, and the Director of Development, or their designees, are ex officio, nonvoting members of the Authority. The nine voting members are appointed by the Governor based on slates of nominees submitted by the State Board of Education, the Board of Regents, and a nonpartisan organization of the chief executive officers of Ohio's major business enterprises. Within 30 days after the bill's effective date, each of these entities must submit a slate of six nominees to the Governor, the Speaker and Minority

Leader of the House of Representatives, and the President and Minority Leader of the Senate. Nominations must be based on the candidates' global perspective and expertise in business, STEM fields, or education. Each of the four legislators must recommend three nominees from each slate to the Governor. The Governor must appoint three nominees from each slate to the Authority. The Governor may make the appointments only after receiving the legislative recommendations, but the bill does not require the Governor to select any nominee recommended by a legislator.

When a vacancy occurs on the Authority, the entity that nominated the predecessor must submit a slate of two nominees to the Governor and the four legislative leaders. Each legislator must recommend one of the nominees to the Governor, who must select one of the two nominees after receiving the legislative recommendations. Members of the Authority may be reappointed if renominated.

Initial members of the Authority serve staggered terms. All terms of office after the initial terms are three years, beginning July 1 and ending June 30 to coincide with the school year. The Governor must select one of the initial members to chair the Authority for a two-year term. Every two years thereafter, the Authority's members choose their own chairperson. Members are not compensated beyond necessary expenses. The Authority may adopt bylaws for the conduct of its business and an official seal. Both the Authority and the STEM School System are exempt from the Sunset Law.

Chief executive officer

(R.C. 3326.05)

Under the bill, the STEM Education Authority must appoint a chief executive officer (CEO). The Authority determines the CEO's salary and may remove the CEO from office. The CEO is responsible for the following:

- (1) Procuring facilities for the STEM schools;
- (2) Overseeing the management of the finances and operations of the STEM schools and the STEM School System as a whole; and
- (3) Hiring and managing staff, including a chief operating officer, a chief academic officer, and administrators and teachers for each of the STEM schools. The chief operating officer is in charge of admissions, finance and fundraising, facilities, technology, and communications. The chief academic officer handles curriculum design, community partnerships, research and development, principal and teacher recruitment, and professional development.

Powers

(R.C. 3326.07 and 3326.19)

The STEM Education Authority may carry out any act necessary to govern the STEM School System, including (1) acquiring property, (2) maintaining, leasing, or disposing of property as it considers appropriate, (3) entering into contracts and executing all instruments relating to STEM schools, (4) applying to foundations or other public or private entities for funding, and (5) preparing or approving plans for the STEM School System and engaging in land acquisition and development in accordance with those plans. In addition, the Authority may lease, grant, or convey property to another governmental agency or entity or may receive from the agency or entity, including public roads, community facilities, or other property already devoted to public use.

Employment of teachers and other school employees

(R.C. 3319.301, 3326.11, 3326.12, and 3326.13)

The STEM Education Authority may employ teachers and nonteaching employees as necessary to carry out its mission. Although the bill does not specifically require classroom teachers to be licensed by the State Board of Education, the federal No Child Left Behind Act mandates that all teachers of core academic subjects be "highly qualified," which includes having a bachelor's degree and full state certification and demonstrating competency in the subject areas taught.¹ Therefore, under federal law, the Authority cannot hire an individual who does not meet these criteria to teach core subjects. With respect to nonteaching employees, the bill exempts the Authority from the requirements of the Civil Service Law.²

Teaching permit for individuals without an educator license

(R.C. 3319.301)

Current law requires the State Board of Education to issue a teaching permit to individuals who do not hold an educator license but are otherwise qualified to teach. Under the State Board's licensure rules, applicants for the permit must have at least a bachelor's degree or five years of recent work

¹ See 20 U.S.C. 6301 et seq. and 34 Code of Federal Regulations § 200.55. Core academic subjects include English, reading or language arts, math, science, foreign languages, civics and government, economics, arts, history, and geography.

² See R.C. Chapter 124., not in the bill.

experience in the subject area to be taught.³ The permit is valid for one year and allows an individual to teach classes for up to 12 hours a week.⁴ School districts and community schools may employ a permit holder on a volunteer basis or under contract, provided the employment does not displace an employee with an educator license. Also, a permit holder must be supervised by another employee with an educator license until the permit holder has sufficient understanding of effective teaching methods to teach without supervision. Permit holders do not have collective bargaining rights, are not subject to the state minimum salary schedule for teachers, and are not eligible to participate in the State Teachers Retirement System or the School Employees Retirement System.

The bill authorizes the STEM Education Authority to employ permit holders under the same conditions as school districts and community schools, except that an individual teaching in a STEM school under a permit may teach up to 40 hours per week instead of 12.

Collective bargaining rights

(R.C. 3326.12)

Teachers and nonteaching employees in STEM schools retain the right to collectively bargain under the bill. For this purpose, the State Employment Relations Board must recognize a bargaining unit that contains both teaching and nonteaching employees. If a STEM school is established as a new school, rather than by converting an existing public school to a STEM school, employees of the school who choose to collectively bargain must enter into a collective bargaining agreement with the STEM Education Authority as their public employer.

Employees in a conversion STEM school, however, remain part of any collective bargaining unit they were in prior to the conversion and are subject to any collective bargaining agreement for that unit in effect when the STEM school begins operating. New employees hired after the school's conversion also become part of the existing bargaining units. Conversion STEM school employees in a particular bargaining unit must continue to negotiate with the school district that was the employer prior to conversion, unless a majority of those employees

³ *Ohio Administrative Code 3301-23-41.*

⁴ *As noted above (see "**Employment of teachers and other school employees**"), teachers of core subject areas must hold a bachelor's degree and full state certification and demonstrate subject matter competency to be considered highly qualified under the No Child Left Behind Act. It is not clear whether a permit holder meets these criteria. Therefore, permit holders working in public schools might not be allowed to teach core academic subjects under the federal law.*

petition the State Employment Relations Board to have the STEM Education Authority considered their public employer. In that case, the employees may petition to be non-unionized or to remain unionized but be assigned to a separate bargaining unit. The State Employment Relations Board must accept any petition that contains the required number of employee signatures. The changes requested in the petition take effect on the first day of the month following the Board's certification of the signatures.⁵

Compliance with state education laws

(R.C. 3326.09)

The bill exempts the STEM School System and each STEM school from many state education laws. However, it specifically requires compliance with the following laws in the same manner as school districts:

- (1) State achievement testing;
- (2) Reporting requirements for the Education Management Information System (EMIS), which is a database of fiscal, personnel, enrollment, and academic performance information about school districts and schools;
- (3) Sanctions for schools that consistently fail to meet the federal standard of "adequate yearly progress" mandated by the No Child Left Behind Act;
- (4) High school curriculum requirements;
- (5) Diploma requirements;
- (6) Disciplinary procedures for suspending, expelling, or permanently excluding students;
- (7) The provision of vocational education;
- (8) Provisions regarding confidentiality of student information;
- (9) Criminal records checks of applicants for positions involving the care, custody, or control of a child;

⁵ *Employees from different conversion STEM schools may be part of the same bargaining unit if they were part of the same unit prior to conversion and they elect to have the school district that employed them prior to conversion remain their public employer. Otherwise, under the bill, employees from multiple STEM schools cannot be part of the same bargaining unit. (R.C. 4117.06(D)(7).)*

(10) Requirements related to special education, including standards and procedures for identifying students with disabilities and development of individualized education programs (IEPs);⁶

(11) Identification of gifted students and development of service plans; and

(12) Participation in the Post-Secondary Enrollment Options Program.

Admission procedures

(R.C. 3326.08)

The bill requires the STEM Education Authority to adopt admission procedures for all STEM schools. Those procedures must specify that:

(1) Admission is limited to students who are Ohio residents;

(2) The STEM School System will not discriminate in admissions based on race, creed, color, handicapping condition, or sex;

(3) The System will comply with all federal and state laws regarding the education of students with disabilities;

(4) Admissions will not be limited based on intellectual ability, measures of achievement or aptitude, or athletic or artistic ability; and

(5) The System will endeavor to attract a diverse student body that reflects the community and will recruit students from disadvantaged and underrepresented groups.

No tuition

(R.C. 3326.50)

The bill prohibits the STEM School System from charging tuition for any student enrolled in a STEM school, except for students enrolled in a residential STEM academy, if one is established (see below).

⁶ *The federal Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) entitles special education students to a free appropriate public education. The bill specifically states the school district in which a special education student is entitled to attend school and the student's resident district, if different, are not obligated to provide the student with a free appropriate public education while the student is enrolled in a STEM school.*

Residential STEM academy

(R.C. 3326.21)

Under the bill, the STEM Education Authority may establish one STEM school as a residential academy. Unlike the other STEM schools, the academy may have admission standards that include criteria of academic ability, achievement, or performance. Also, unlike the other STEM schools, academy students may be charged tuition and fees for room and board to supplement the state funding received by the school.

Annual report cards

(R.C. 3326.10)

Continuing law requires the Department of Education to issue annual report cards for each school district and public school based on student performance on the state achievement tests and other academic measures. In addition, the Department assigns each district or school a performance rating, which appears on the individual report cards.⁷

The bill requires the Department to issue annual report cards for each STEM school in the same manner as it does for other public schools. For each student enrolled in a STEM school, the Department must combine that student's performance data with comparable data from the school district in which the student is entitled to attend school for the purpose of calculating the district's performance on the report card. The Department is not required to issue a report card for the STEM School System as a whole.

No taxing or bonding authority

(R.C. 3326.49)

The bill states that the STEM School System may not levy taxes or issue bonds secured by tax revenues.

State operating funding for STEM schools

(R.C. 3326.31 to 3326.38)

The bill qualifies each STEM school for many of the state subsidies that school districts and community schools receive. But because the bill prohibits the

⁷ R.C. 3302.03, not in the bill.

STEM School System from levying taxes, STEM schools qualify for 100% of each subsidy, with no "charge-off" or "local share." Unlike community schools, which are financed by counting students in the enrollments of their resident school districts and then deducting subsidies from the districts, STEM schools are paid directly by the Department of Education. The subsidies for which STEM schools qualify are the following:

- (1) Base-cost funding;
- (2) Special education additional weighted funding;
- (3) Reimbursement for special education costs that exceed a threshold "catastrophic" amount;
- (4) Vocational education additional weighted funding;
- (5) Poverty-based assistance for each student who qualifies and whose resident school district receives the subsidy (although there is no deduction from the resident school district); and
- (6) Parity aid for each student whose resident school district receives this subsidy (although there is no deduction from the resident school district).

In addition, the STEM School System and each STEM school may apply for state gifted education unit funding, any federal or state grants for which a school district may apply, and private grants.

Each STEM school must report enrollment in the form and manner required by the Department. As stipulated in current law for school districts and community schools, a STEM school may not receive payment for any student who either (a) has already graduated high school, (b) is not an Ohio resident, (c) was enrolled in a STEM school the previous year but did not take one or more required state achievement tests and was not excused by the Superintendent of Public Instruction, or (d) is age 22 or older, unless the student is a recent veteran of the armed services whose education was interrupted by military duty. Also, the Department must adjust payments for any student enrolled for less than a full school year.

Transportation by school districts

(R.C. 3326.14)

The bill specifies that each school district must provide transportation to and from school for its resident students who enroll in STEM schools, in the same manner as required by law for students enrolled in private schools.

Background

Current law requires each city, local, and exempted village school district to transport students of chartered nonpublic schools in grades K through 8 who live more than two miles from school. It also allows, but does not require, transportation for those students who live closer than two miles and students in grades 9 through 12. But if a district provides transportation for students of its own schools in grades 9 through 12, it likewise must transport private school students in those grades. However, a school district is not required to transport any private school student (or offer payment in lieu of transportation) if the transportation would require more than 30 minutes of direct travel time, measured from the public school to which the student otherwise would be assigned to the private school the student attends.⁸

Moreover, where it is impractical to transport a student, a school district may pay the parent in lieu of providing transportation. To do so, the district must comply with a procedure that includes considering several factors and offering the parent the right to reject the offer and request the Department of Education to mediate the matter. If the parent accepts the offer, the payment must be at least a minimum amount determined by the Department, but no more than the average cost of student transportation for the previous school year.⁹

Participation in district extracurricular activities

(R.C. 3313.537)

The bill requires a school district to afford any of its resident students enrolled in a STEM school the opportunity to participate in extracurricular activities offered by the traditional public school to which the student otherwise would be assigned. As defined in current law, an "extracurricular activity" is a student activity program that a school or school district operates that is not included in the graded course of study. It also includes an interscholastic extracurricular activity that a school or district sponsors or participates in and that has participants from more than one school or district.

To take advantage of this provision, the student must fulfill the same academic, nonacademic, and financial requirements as any other participant in the extracurricular activity.¹⁰ A school or district may not impose fees for a STEM

⁸ R.C. 3327.01, not in the bill.

⁹ R.C. 3327.02, not in the bill.

¹⁰ Under continuing law, school district boards must adopt rules requiring students in grades 7 to 12 to attain a minimum grade point average (established by the board) as a

school student to participate in extracurricular activities that exceed any fees charged to other students for the same activities. No school district, interscholastic conference, or organization that regulates interscholastic conferences or events may impose eligibility requirements that conflict with the bill's provisions.

Plan for operation of college of education

(R.C. 3326.25)

The bill requires the STEM Education Authority to propose a plan to establish and operate a college of education to train teachers for Ohio's public and nonpublic schools and to enhance the quality of teaching in the STEM fields.

HISTORY

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condition of the students' participation in interscholastic extracurricular activities. District boards also must adopt policies either prohibiting students from participating in interscholastic extracurricular activities, or allowing students to participate, if the students receive failing grades in any class in the school districts' graded course of study during the previous grading period. Finally, district boards may adopt rules that include additional standards for determining the eligibility of students to participate in interscholastic extracurricular activities and exemptions for students with disabilities. (R.C. 3313.535, not in the bill.)

