



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 253 of the 128th G.A.

**Date:** October 6, 2009

**Status:** As Introduced

**Sponsor:** Reps. DeBose and Hite

**Local Impact Statement Procedure Required:** No — Possible indirect local effects

**Contents:** Pertains to leadership character ethics in public schools and public institutions of higher education

### State Fiscal Highlights

STATE FUND	FY 2010	FY 2011	FUTURE YEARS
<b>General Revenue Fund</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Minimal increase in administrative costs to support the work of the Task Force	- 0 -	- 0 -
	Potential minimal increase in administrative costs for BOR to establish and implement a model leadership character ethics policy, and compile and report a list of state institutions of higher education with leadership character ethics policies		
	- 0 -	- 0 -	Increase in costs of approximately \$20,000 per year for ODE and BOR to hold an annual summit

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- The bill creates the Ohio Education Leadership Character Ethics Task Force to recommend and report standards for the inclusion of leadership character ethics professional development for educators and teacher preparation programs. Minimal administrative costs may be incurred as a result of convening the Task Force and issuing the report.
- The bill requires the Chancellor of the Board of Regents (BOR) to adopt a leadership character ethics model and implement initiatives to promote the adoption of a similar model at state-assisted institutions of higher education, which may increase administrative expenditures for BOR.
- BOR may incur minimal costs to compile and report a list of all state institutions that adopt leadership character ethics policies.
- The bill requires ODE and the Chancellor to organize and host an annual statewide summit on leadership character ethics open to all faculty, administration, and

governing boards of elementary and secondary schools and institutions of higher education. ODE estimates related costs of approximately \$20,000 per year.

## Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2010	FY 2011	FUTURE YEARS
<b>School Districts</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	- 0 -	Potential increase in costs if districts provide professional development in leadership character ethics
	- 0 -	- 0 -	Potential increase in costs if districts compensate board members for training

Note: The school district fiscal year is July 1 through June 30.

- School districts, community schools, and STEM schools may incur the cost of providing professional development in leadership character ethics for educators, administrators, and boards of education or governing boards.
- According to the Buckeye Association of School Administrators (BASA), consulting fees for professional development may cost approximately \$500 per session; however, some training resources may be available free of charge. Statewide costs depend on the recommendations of the Task Force and how districts and schools structure the training.
- The bill does not specify the amount or type of training required for board members. According to BASA, school district board members are commonly compensated at a rate of \$60 for up to three hours of training, and \$120 for six hours or more of training. There are approximately 3,300 to 3,400 school district board members statewide.

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## **Detailed Fiscal Analysis**

The bill creates the Ohio Education Leadership Character Ethics Task Force to make recommendations regarding standards for leadership character ethics and directs the State Board of Education to adopt rules prescribing the recommendations of the Task Force. The Chancellor of BOR is required to adopt and promote a leadership character ethics model for institutions of higher education. ODE and the Chancellor are jointly charged with the organization of an annual statewide summit on leadership character ethics. These provisions are discussed in greater detail below.

### **Standards for leadership character ethics**

The Ohio Education Leadership Character Ethics Task Force, consisting of six legislators, the Superintendent of Public Instruction (or designee), the Chancellor of the Board of Regents (or designee), and the chair to be appointed by the Governor is directed, in consultation with the Educator Standards Board, to make recommendations for standards for professional development in leadership character ethics for all public school educators, administrators, and governing boards. The Task Force also must recommend methods for measuring schools' compliance with the professional development standards. Additionally, the bill requires the Task Force to recommend standards for the integration of leadership character ethics in courses of study at teacher preparation programs. The Task Force must report its recommendations no later than March 31, 2010. The state may incur minimal administrative costs to convene the task force and create a written report.

The bill requires the State Board of Education to adopt rules prescribing the recommendations of the Task Force no later than July 1, 2011. ODE is responsible for measuring compliance with the professional development standards and reporting this compliance on school report cards. The cost of adopting rules is minimal. The cost of measuring and reporting compliance, however, depends on the recommendations of the Task Force. For example, if the Task Force recommends measuring compliance through self-reporting, the cost may be minimal; however, if the Task Force recommends on-site visits the cost may be substantial due to staffing needs and travel expenses.

### **Leadership character ethics in institutions of higher education**

The bill requires the Chancellor to adopt a leadership character ethics model to be used as an example for state institutions that establish policies. The Chancellor must also implement initiatives to promote the adoption of such policies. In addition, the bill expands the annual review of higher education in Ohio, currently completed by BOR, to include a list of all state institutions with leadership character ethics policies and brief summaries of each institution's policy implementation. BOR may incur minimal administrative costs to meet these requirements.

## **Annual statewide summit on leadership character ethics**

The bill requires ODE and the Chancellor to jointly organize and host an annual statewide summit to present best practices in modeling and teaching positive character traits. Beginning in the 2011–2012 school year (FY 2012), the summit is to be open to all public and private educators, administrators, and governing board members from elementary and secondary schools and institutions of higher education. ODE estimates that it would cost approximately \$20,000 to host such a summit. For this estimate ODE assumes approximately 500 people would attend a summit spanning two days.

## **Leadership character ethics professional development**

The bill specifies that the Task Force's recommended standards for professional development in leadership character ethics for educators and administrators include, at a minimum, three contact hours per year. The bill does not specify a minimum number of hours of professional development for governing board members.

If school districts, community schools, and STEM schools provide the professional development to their employees, they may incur some costs. According to BASA, consulting fees for such a training course could be approximately \$500 per session. The ultimate cost for schools is dependent on the specificity of the standards recommended by the Task Force. For example, the cost of providing professional development could be considerably lower if the standards are such that the training for educators, administrators, and governing board members could be combined, or if multiple districts could collaborate to provide regional training. Also, depending on the standards, there may be resources available free of charge or at a minimal expense so that schools can develop training for leadership character ethics without the assistance and expense of a consultant. Organizations such as the American Center for Civic Character, Character First!, and the Josephson Institute (Character Counts!) offer an array of educational and training resources at minimal or no cost.

Currently, public school educators are required to complete an amount of professional development each year dictated by their collective bargaining agreements – usually three or four days. If the minimum three hours of leadership character ethics professional development is included within those contractual professional development days, there would be no increase in salary costs. There is not a maximum amount of professional development set contractually for public school administrators. Therefore, leadership character ethics professional development could be in addition to the professional development currently completed by administrators, thus potentially leading to additional salary costs. However, that would be a local decision.

There are currently no professional development requirements for members of school district boards of education or members of governing authorities for community schools and STEM schools. According to BASA, school district board members are commonly compensated at a rate of \$60 for training lasting up to three hours, and \$120 for training lasting six hours or more. BASA estimates there approximately 3,300 to 3,400 school district board members statewide. Therefore, the statewide cost to provide

this professional development for school district board members may be in the range of approximately \$198,000 ( $\$60 \times 3,300$ ) to \$408,000 ( $\$120 \times 3,400$ ). However, this cost is dependent on the standards recommended by the Task Force. The bill does not specify the type or amount of professional development required for board members. For example, if the standards did not require contact hours, but only written materials, board members would likely not need to be compensated.

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