Ohio Legislative Service Commission

Jason Phillips and other LSC staff

Fiscal Note & Local Impact Statement

Bill: Sub. H.B. 362 of the 130th G.A. **Date**: June 4, 2014

Status: As Passed by the Senate **Sponsor**: Reps. Scherer and Derickson

Local Impact Statement Procedure Required: No

Contents: Makes changes to the law regarding teacher performance evaluations and authorizes the STEM Committee to grant a designation of STEM school equivalent to a community school or chartered nonpublic school

State Fiscal Highlights

- The bill requires the STEM Committee to establish criteria and procedures for and evaluate science, technology, engineering, and math (STEM) school equivalent designation proposals submitted by community schools and chartered nonpublic schools. This may increase the administrative burden on the Ohio Department of Education (ODE), which provides administrative support for the Committee, to assist in the evaluation of additional proposals.

Local Fiscal Highlights

- The bill modifies the teacher evaluation system that must be used by school districts, educational service centers, and certain community and STEM schools. Schools may experience administrative savings due to a possible reduction in the number of teacher evaluations.
- If a community school opts to pursue designation as a STEM school equivalent under the bill, it must submit a proposal that meets substantially similar requirements as a proposal submitted for a regular STEM school. Community schools that seek the designation may incur some costs in order to prepare the proposal and, if approved, implement any necessary changes in curriculum.

Detailed Fiscal Analysis

Teacher performance evaluations

The bill modifies the teacher evaluation system that must be used by school districts, educational service centers, and certain community and STEM schools.[1] It permits any teacher who has received a rating of "accomplished" or "skilled" on the teacher's most recent evaluation (the two highest ratings) to be evaluated less frequently than under current law. Specifically, teachers who have received an "accomplished" rating are permitted to be evaluated once every three years instead of once every two years and teachers who have received a "skilled" rating are permitted to be evaluated once every two years instead of once every year. Under continuing law, all other teachers must be evaluated every year. The bill also permits schools to forgo evaluations for teachers who were on leave from the school for 50% or more of the school year or who are scheduled to retire. These changes will likely result in a reduction in the number of formal evaluations that schools must complete in any given year. However, the bill also specifies that teachers with accomplished or skilled ratings may only forgo a formal evaluation if their student academic growth measures are average or higher and requires at least one teacher observation as well as one conference with teachers during years they are not formally evaluated.

Schools may experience administrative savings from completing fewer formal evaluations. School administrators, principals, and school-designated evaluators determine teacher evaluation ratings from teacher-submitted professional growth plans, two half-hour classroom observations, informal observations, as well as student academic growth ratings. Possible savings from a reduction in teacher evaluations will be realized by a reduction in time spent on evaluations, as well as a reduction in the administrative costs to process evaluations.

The bill also allows districts and schools to use an alternative framework for evaluating teachers, beginning with the 2014-2015 school year. Under the framework, the teacher performance measure and student academic growth measure each account for 42.5% of a teacher evaluation rating during the 2014-2015 school year. Beginning with the 2015-2016 school year, districts and schools using the alternative framework may increase the weight of the teacher performance measure and student academic growth measure from 42.5% up to 50% of each teacher evaluation, as long as the measures are an equal percentage of each teacher rating. The remaining percentage of a rating may be accounted for by one of the following components: student surveys, teacher self-evaluations, peer review evaluations, or student portfolios. The Ohio Department of Education (ODE) must compile a list of approved instruments that

[1] Community and STEM schools that receive federal Race to the Top grant funds must use the teacher evaluation system.

schools and districts must use when determining the remaining component for teacher evaluations under the alternative framework. This provision may minimally increase ODE's administrative burden.

STEM school equivalent designations

Continuing law authorizes the creation of science, technology, engineering, and math (STEM) schools, which are public schools offering grades six through 12 that partner with higher education institutions and businesses. Proposals to establish STEM schools must meet certain criteria and be approved by the STEM Committee, which is comprised of the Superintendent of Public Instruction, the Chancellor of the Board of Regents, the Director of Development Services, and four public members with expertise in business or in the STEM fields. Currently, there are ten STEM schools, four of which are governed independently and six that are governed by a school district board of education and function as a school of the district.

The bill authorizes the STEM Committee to grant a designation of "STEM school equivalent" to a community school or chartered nonpublic school. To do so, the bill requires the STEM Committee to determine the criteria for proposals, establish procedures for the submission of proposals, accept and evaluate proposals, and choose which proposals warrant a designation. The bill may increase the administrative burden on ODE, which provides administrative support for the Committee, to assist the Committee in evaluating any additional proposals permitted under the bill.

In order to be eligible for a designation under the bill, a community school or chartered nonpublic school must submit a proposal that meets similar requirements as a proposal submitted for a regular STEM school established under continuing law. Community schools that opt to pursue a designation may incur some costs in order to prepare the proposal and, if approved, implement any necessary changes in curriculum. A community school designated under the bill will continue to be funded like a community school, meaning that there will be no change in a designated school's state aid.

STEM Programs of Excellence grant eligibility

The bill permits the governing authority of a chartered nonpublic school to submit a grant proposal under the STEM Programs of Excellence Grant Program. Under current law, proposals can only be submitted by school district boards of education and community school governing authorities. This provision has no fiscal effect as funding for the grant program was discontinued beginning in FY 2012. Prior to that, the grant program was funded from GRF line item 200457, STEM Initiatives.