



Sub. H.B. 66 of the 126th General Assembly appropriated \$300,000 in FY 2006 and FY 2007 for the activities of the Partnership for Continued Learning.

- The bill requires a number of reports, recommendations, and rules to be issued by the new Foreign Language Advisory Council, the Partnership for Continued Learning, the Teacher Quality Partnership, the Department of Education, and the Board of Regents. These reports and recommendations are consistent with the continuing work of these entities and are not expected to increase costs beyond a minimal administrative burden.
- The bill, with certain exceptions, requires 10 of the 13 state universities beginning in FY 2015 to only admit undergraduates who have completed the Ohio Core curriculum. Central State University, Shawnee State University, and Youngstown State University are the three universities exempted from this requirement.
- The bill also discourages the ten universities from accepting undergraduates who would require remedial or developmental courses beginning in FY 2015 by at first limiting and then prohibiting those universities from receiving operating subsidies for remedial or developmental courses taken by undergraduate students.
- The general funds of the ten universities may possibly see a decrease in revenue beginning in FY 2015 from the loss of subsidy as a result of the limitations on remedial or developmental courses. However, the other state institutions of higher education may see an increase in revenue from the ability to offer and receive subsidy for remedial or developmental courses.

### *Local Fiscal Highlights*

LOCAL GOVERNMENT	FY 2007	FY 2008	FUTURE YEARS
<b>School Districts and Community Schools</b>			
Revenues	Increase of \$16.8 million	Potential increase of \$16.8 million	Potential increase of \$16.8 million
Expenditures	Increase as districts adjust course offerings to insure all students who enter ninth grade in the 2010-2011 school year or later have the opportunity to meet the new graduation requirements		

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The bill appropriates \$16.8 million in FY 2007 to fund grants under the Ohio Core Grant Program. This is in addition to \$13.2 million already appropriated in FY 2007 for various programs related to the Ohio Core. These grants are to be used by school districts to support the purposes of the Ohio Core. The bill also states that the "General Assembly intends to fund the Ohio Core Grant Program from fiscal year 2008 through fiscal year 2012 at a minimum of \$16.8 million each fiscal year."
- The bill expands the state's minimum graduation requirements for Ohio high school students who enter ninth grade in the 2010-2011 school year or later. This expansion mainly includes an additional unit of math, including Algebra II. Since the total number of required units does not increase, schools may be able to shift resources from nonrequired courses to required courses as the demand for nonrequired courses is likely to decrease. However, shifting resources will likely take time. Schools may incur transitional costs in the short-run.

- The bill creates a new requirement for joint vocational school districts to offer a dual enrollment program.

## *Detailed Fiscal Analysis*

### Ohio Core Curriculum

The bill expands the state's minimum graduation requirements for Ohio high school students who enter ninth grade in the 2010-2011 school year or later, as indicated in Table 1. These students are in the fifth grade or lower in the 2006-2007 school year and would typically graduate starting in 2014. As can be seen from the table, the total number of units necessary to graduate remains at 20. The main expansion in the requirements is an additional unit of math and the inclusion of Algebra II. This additional mathematics unit is offset by a reduction in the number of elective units from six to five.

<b>Table 1: Comparison of Current Minimum Graduation Requirements and the Ohio Core Requirements</b>	
<b>Current Minimum Requirements</b>	<b>Ohio Core Minimum Requirements</b>
<b>Mathematics Units = 3</b>	<b>Mathematics Units = 4; including Algebra II</b>
Science Units = 3; including 1 unit Biological Sciences and 1 unit Physical Sciences	Science Units = 3 <b>with inquiry-based lab experience</b> ; including 1 unit Biology and 1 unit Physical Science <b>and 1 unit in advanced Chemistry, Physics, or other Physical Science; Biology or other Life Science; or Astronomy, Physical Geology, or other Earth or Space Science</b>
Social Studies Units = 3; including ½ unit American History and ½ unit American Government	Social Studies Units = 3; including ½ unit American History and ½ unit American Government
English Units = 4	English Units = 4
Health Unit = ½	Health Unit = ½
Physical Education Unit = ½	Physical Education Unit = ½; <b>except that students who participate in high school athletics, marching band, or cheerleading for two seasons may be permitted to substitute ½ unit of another course of study</b>
<b>Elective Units = 6</b> ; including at least 1 unit from business/technology, fine arts, and foreign language	<b>Elective Units = 5</b> ; from foreign language, business, career-technical education, family and consumer sciences, technology, agricultural education, fine arts, or English, mathematics, science, or social studies courses not otherwise required
<b>Fine arts can be an elective</b>	<b>Fine arts – at least two semesters of fine arts in grades seven through twelfth are required for graduation except for certain career-technical students</b>
<b>No specific economics and financial literacy requirement</b>	<b>Economics and financial literacy – must be integrated into one or more of the social studies courses or the content of another course</b>
Total Units = 20	Total Units = 20

The current state minimum graduation requirements apply to all students graduating from public and nonpublic schools except community schools and except students with an IEP (Individualized Education Program). Currently, community schools are given flexibility in the

establishment of their curriculum and graduation requirements, although their students must pass the Ohio Graduation Test (OGT) as must other public school students. The bill removes some of this flexibility by applying the new minimum graduation requirements to community school students. For nonpublic schools however, the new minimum graduation requirements only apply to chartered schools, nonpublic schools that are not chartered remain subject to the current minimum requirements. The bill also exempts certain students enrolled in certain dropout prevention and recovery programs from the graduation requirements. Under the bill, as under current law, students with an IEP must complete their IEP in order to graduate.

Since the total number of required units does not increase, schools may be able to shift resources from some existing nonrequired courses to required courses as the demand for nonrequired courses is likely to decrease. In addition, districts may be able to increase class sizes for those required courses, although small districts may have less flexibility. Shifting resources will likely take time as schools adjust their course offerings, schedules, teaching materials, and staff resources. Schools may incur some transitional costs in the short run. Based on data received from the Board of Regents and the Department of Education, it is likely that some schools will need to offer more mathematics courses to provide all students with sufficient opportunity to meet the new requirements. However, the number of courses needed and the cost to school districts and the state of offering them depend on too many unknown factors to provide a reasonably accurate estimate. According to Department of Education data, over 1,000 new teaching licenses in mathematics were issued in both 2004 and 2005. The bill states that "the General Assembly intends to appropriate funds for strategic initiatives designed to strengthen schools' capacities to hire and retain highly qualified teachers in the subject areas required by the curriculum." The bill also indicates that these strategic initiatives are expected to require an investment of \$120.0 million over five years. Sub. H.B. 115 of the 126th General Assembly appropriated \$13.2 million in FY 2007 for various initiatives. The bill amends this appropriation to include chartered nonpublic schools in these initiatives and to increase the appropriation by \$16.8 million. This additional appropriation is earmarked to fund grants under the Ohio Core Grant Program. These grants are to be used by school districts to support the purposes of the Ohio Core. The bill also states that the "General Assembly intends to fund the Ohio Core Grant Program from fiscal year 2008 through fiscal year 2012 at a minimum of \$16.8 million each fiscal year."

According to Department of Education data, school districts across Ohio have been steadily adding the number of core courses offered since FY 2001. In FY 2005, Ohio public high schools offered approximately 36,600 courses in mathematics (including 3,500 in Algebra II), an increase of 3.0% over FY 2004. This compares to approximately 43,300 courses in English, 33,700 courses in science, and 29,000 courses in social studies. The average statewide enrollment was approximately 138,000 per high school grade in FY 2005. This means that in FY 2005, the ratios of courses offered to students required to take a course were 13 for English, 12 for science, and 14 for social studies. The ratios of courses offered to students required to take a course under the Ohio Core would have been 15 for mathematics. When viewed as class sizes these ratios seem low, even for mathematics under the new requirements. The ratios, however, reflect varying class sizes. Some specialized classes or classes in districts with few students may be very small. In addition, some districts' current graduation requirements are higher than the state minimum, resulting in some students taking more than the required minimum number of courses, and some students fail a course and need to retake it. Both of these instances lower this ratio. The inclusion of the Algebra II requirement may increase the number

of students who fail and need to retake a mathematics course. The distribution of courses is not even across school districts, so although some districts may already be offering a sufficient number of courses to give their students opportunities to complete the Ohio Core, other districts may need to increase their course offerings.

Data reported by the Board of Regents provide additional information related to the number of students currently meeting the Ohio Core's mathematics requirement. According to the Board of Regents' 2005 High School Transition Report, approximately 24% of recent high school graduates in Ohio who were enrolled as first-time college freshman in Ohio in the fall of 2003 took a "complete college preparatory curriculum" in high school. This "complete core" is defined as four years of English, mathematics, and social studies and three years of science including biology, chemistry, and physics. In addition, the report claims that approximately 57% of Ohio high school graduates attend college in the fall after graduation. These data imply that at least 13.7% of the 117,000 Ohio public high school graduates in 2003 took at least four years of mathematics. Of course, some graduates who do not attend college immediately after graduation also may take four years of mathematics and some students taking four years of mathematics may have not met other requirements of the complete core, so this percentage could be higher.

### **Opt-out provision**

The bill allows certain students who enter ninth grade before the 2014-2015 school year to "opt out" of the Ohio Core curriculum, but still qualify to graduate. If a school district allows students to use the opt-out provision, it must help to develop individual career plans for each student and must provide counseling and support for students to complete their plans.

### **Dual enrollment programs**

The bill requires public and nonpublic high schools to offer students the opportunity to participate in a dual enrollment program. School districts and community schools already meet this requirement since they are required to participate in post-secondary enrollment options (PSEO). This is a new requirement for joint vocational school districts (JVSDs). JVSDs are not eligible to participate in PSEO, so this provision would require them to offer advanced placement courses or a similar dual enrollment program pursuant to an agreement with an institution of higher education. This is also a new requirement for nonpublic high schools, but they are eligible for PSEO. The state pays the costs of nonpublic student participation in PSEO through a \$2.0 million earmark of GRF appropriation item 200-511, Auxiliary Services.

### **Contracts for teaching outside of normal day**

The bill requires school districts to enter into supplemental contracts for teachers if they assign teachers to teach courses for high school credit that are taught at times outside the normal school day, prohibiting districts from including this teaching within the teachers' regular employment contracts. This provision restricts districts' flexibility in contracting for these services, but should not result in a significant increase in costs.

### **Parental involvement policies**

Current law requires each school district and joint vocational school district board of education to adopt a policy on parental involvement in the schools of the district. The bill requires community schools also to adopt such a policy. This provision may increase the administrative burden of those community schools that do not currently have a policy. The bill also requires the State Board of Education, in consultation with the National Center for Parents at the University of Toledo, to make recommendations to schools on adopting policies on parental involvement. This is consistent with the continuing work of the State Board and is not expected to increase costs beyond a minimal administrative burden.

### **Reports, recommendations, and rules**

The bill requires the State Board of Education to establish a Foreign Language Advisory Council. Depending on the scope and details of the work of this council, this requirement may increase the administrative costs of the Department of Education. For example, Am. Sub. H.B. 66 of the 126th General Assembly appropriated \$300,000 in FY 2006 and FY 2007 for the activities of the Partnership for Continued Learning. The bill also requires a number of reports, recommendations, and rules to be issued by the new Foreign Language Advisory Council, the Partnership for Continued Learning, the Teacher Quality Partnership, the Department of Education, and the Ohio Board of Regents. These are consistent with the continuing work of these entities and are not expected to increase costs beyond a minimal administrative burden. These required reports, recommendations, and rules include the following:

- The Foreign Language Advisory Board must propose a statewide foreign language education implementation plan to the General Assembly.
- The Partnership for Continued Learning must recommend a means of assessing a student's college and work readiness.
- The State Board, in consultation with the Board of Regents and the Partnership for Continued Learning, must select one or more measures of the preparedness of a high school's graduates for college and the workplace. This measure must be included on districts' and buildings' report cards beginning in the 2012-2013 school year.
- The State Board, in consultation with the Board of Regents and the Partnership for Continued Learning, must adopt and implement a statewide plan for students to earn units of high school credit based on a demonstrated subject area competency.
- The State Board must adopt rules revising its standards and requirements for high school honors diplomas.
- The Department of Education must make its Individual Academic Career Plan available through its Ohio Career Information web site for schools to be used in guiding students in selecting high school courses.
- The Partnership for Continued Learning must analyze student performance data and use it to issue recommendations on whether to extend the opt-out provision in the bill beyond students entering ninth grade before the 2014-2015 school year.

- The Board of Regents, in collaboration with the State Board, must post on its web site an annual report describing the dual enrollment programs available in the state.
- The Partnership for Continued Learning, in consultation with the State Board and the Board of Regents, must recommend legislative changes that would improve the PSEO and other dual enrollment programs.
- The Partnership for Continued Learning must recommend improvements to programs for school counselors to aid students in planning for postsecondary education.
- The Partnership for Continued Learning, in consultation with the Board of Regents, must recommend legislative changes that would establish criteria for state universities to use in granting waivers to the general requirement that resident students complete the Ohio Core curriculum prior to admission.
- The Board of Regents must adopt standards for awarding course credit to students based on their scores on Advanced Placement (AP) exams.
- The Department of Education and the Board of Regents must propose a standardized method and form for reporting information on high school transcripts.
- The Board of Regents must adopt standards for and assist in the design and establishment of academic remedial and developmental courses.
- The State Board, in collaboration with the Board of Regents, must issue an annual report on the quality of higher education institutions with teacher preparation programs.
- The Teacher Quality Partnership must study and report on the relationship of teacher performance on educator licensure assessments and teacher effectiveness in the classroom.

### **Board of Regents and state institutions of higher education**

Ohio's public higher education system consists of 61 institutions, including 13 state universities, 23 university branches, 6 community colleges, 9 state community colleges, 9 technical colleges, and 1 stand-alone medical college. The bill, with certain exceptions, requires 10 of the 13 state universities beginning in FY 2015<sup>38</sup> to only admit undergraduates who have completed the Ohio Core curriculum. Central State University, Shawnee State University, and Youngstown State University are the three universities exempted from this requirement.

The bill states that it is the intent of the General Assembly that universities make every effort over time to eliminate the academic remedial or developmental courses offered on their campuses. The bill allows the ten universities to offer remedial or developmental courses, but discourages them from doing so beginning in FY 2015. This is accomplished by at first limiting and then prohibiting those universities from receiving operating subsidies or State Share of Instruction (SSI) for remedial or developmental courses taken by undergraduate students.

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<sup>38</sup> While the bill requires the Board of Regents to define the term "academic year," the fiscal analysis that follows regarding higher education will equate an academic year with the state's fiscal year, *i.e.*, the 2014-2015 academic year will be represented as FY 2015.

Table 2 provides the limitations on SSI subsidy that can be provided for remedial or developmental coursework, based on the number of FTEs<sup>39</sup> at the campus.

<b>Table 2: Proposed SSI Subsidy Limitations on Providing Remedial Coursework at the Ten State Universities</b>	
<b>Fiscal Year</b>	<b>Limitation on SSI for Remedial Coursework for Undergraduate Students</b>
FY 2015	No more than 3% of all FTEs
FY 2016	No more than 3% of all FTEs
FY 2017	No more than 15% of first-year FTEs
FY 2018	No more than 10% of first-year FTEs
FY 2019	No more than 5% of first-year FTEs
FY 2020 and after	No SSI for remedial coursework

Under the bill, any subsidy-eligible remedial or developmental courses for undergraduates beginning in FY 2015 or later would be offered only at a university branch, community college, state community college, technical college, or one of the three universities exempted from this requirement. Academic credit for remedial or developmental courses would be granted by the ten universities based on any applicable articulation and transfer agreements that the universities have entered into.

Currently there are statewide requirements for students taking remedial coursework that have been established to distinguish between remedial and college-level work. However, it is the responsibility of each college and university to determine how it implements those requirements. The bill requires the Board of Regents to develop standards for academic remedial and developmental courses.

The actual cost of the limitations and prohibition on the ten universities providing subsidy-eligible remedial or developmental coursework will depend on the number of students requiring remediation, how remediation is defined by the Board of Regents, and the design of the SSI formula when the limitations begin in FY 2015. The SSI formula is approved every two years by the General Assembly as part of the main operating appropriations bill.

Tables 3 and 4 below provide information on the total number of all undergraduates and first time first-year undergraduate FTEs<sup>40</sup> during FY 2005, respectively, as well as the number

<sup>39</sup> An FTE, or full-time equivalent student, is a way to standardize the credit hours of institutions using different academic terms as well as provides a method to standardize the courses taken by part-time and full-time students. An FTE assumes 15 credit hours per term—2 terms (30 credit hours) under the semester system and 3 terms (45 credit hours) under the quarter system.

<sup>40</sup> For purposes of this analysis, the term "first-year undergraduates enrolled in the university" that is used in the bill is interpreted as first time first-year undergraduates. However, the actual interpretation could differ from what is in this analysis. For example in FY 2005, first-year undergraduates could mean that FY 2005 is the first year that the undergraduate is enrolled at the specific university and would include undergraduates who had enrolled in one or more additional post-secondary institution(s) prior to FY 2005. In this case, first time first-year undergraduates would be a subset of that interpretation, and would include only undergraduates who had never previously enrolled at another post-secondary institution.

and percentage of those FTEs taking remedial or developmental coursework and the associated SSI subsidy received by the ten universities for providing those remedial courses.

<b>Table 3: FY 2005 Undergraduate and Remedial FTEs and the Associated SSI Subsidy for those Remedial FTEs</b>				
<b>University</b>	<b>Undergraduate FTEs</b>	<b>Remedial FTEs</b>	<b>% of Remedial</b>	<b>Remedial Subsidy</b>
Bowling Green State University	15,784	183	1.2%	\$292,084
Cleveland State University	8,607	219	2.5%	\$375,188
Kent State University	17,216	316	1.8%	\$523,481
Miami University	15,761	0	0.0%	\$0
Ohio State University	38,881	175	0.4%	\$304,692
Ohio University	17,823	38	0.2%	\$61,563
University of Akron	14,805	656	4.4%	\$1,093,196
University of Cincinnati	16,344	130	0.8%	\$229,705
University of Toledo	15,062	432	2.9%	\$712,093
Wright State University	11,237	238	2.1%	\$405,319
<b>TOTAL</b>	<b>171,522</b>	<b>2,386</b>	<b>1.4%</b>	<b>\$3,997,321</b>

The total SSI for the ten universities in FY 2005 was \$1,054,791,169. The SSI subsidy for remedial coursework for all undergraduates at these universities was \$3,997,321, which was slightly below 0.4% of the universities' total SSI allocation. Note that Miami University is the only one of the ten universities that does not offer any remedial coursework. If the limitations proposed for FY 2015 and FY 2016 were in effect in FY 2005—no more than 3% of all undergraduate FTEs taking remedial or developmental coursework, only the University of Akron would have seen a reduction in subsidy equal to \$353,528.

Note that the number of FTEs taking remedial or developmental courses is not the same as the actual number of students (or head count) requiring remediation. Since students taking remedial or developmental courses take other courses that are not remedial in nature, the number of remedial FTEs and the associated percentage of remedial FTEs will be below the actual number of students requiring remediation. For example at the ten universities, 13,764 out of 206,795, or 6.7% of the undergraduate students required remediation in FY 2005, but in terms of FTEs only 2,386 out of 171,522, or 1.4% of undergraduate FTEs required remediation.

<b>Table 4: FY 2005 First Time First-Year Undergraduate and Remedial FTEs and the Associated SSI Subsidy for those Remedial FTEs</b>				
<b>University</b>	<b>Undergraduate FTEs</b>	<b>Remedial FTEs</b>	<b>% of Remedial</b>	<b>Remedial Subsidy</b>
Bowling Green State University	3,881	155	4.0%	\$247,390
Cleveland State University	1,034	122	11.8%	\$208,545
Kent State University	3,600	219	6.1%	\$361,793
Miami University	3,598	0	0.0%	\$0
Ohio State University	6,386	51	0.8%	\$88,269
Ohio University	3,555	25	0.7%	\$39,752
University of Akron	3,399	398	11.7%	\$662,424
University of Cincinnati	3,480	67	1.9%	\$118,938
University of Toledo	2,597	229	8.8%	\$377,479
Wright State University	2,042	169	8.3%	\$288,268
<b>TOTAL</b>	<b>33,573</b>	<b>1,433</b>	<b>4.3%</b>	<b>\$2,392,859</b>

The total SSI for the ten universities in FY 2005 was \$1,054,791,169. The SSI subsidy for remedial coursework for first time first-year undergraduates at these universities was \$2,392,859, which was slightly above 0.2% of the universities' total SSI allocation. If the limitations proposed for FY 2017 were in effect in FY 2005—no more than 15% of first time first-year FTEs taking remedial or developmental coursework, then no university would have seen a loss in SSI subsidy. However, if the limitations proposed for FY 2017 would prevent SSI subsidy from being allocated to students who were taking remedial courses and who were not first time first-year undergraduates, the loss in subsidy would be approximately \$1.6 million (based on the difference in subsidy amounts from Table 3 to Table 4). Cleveland State University and the University of Akron have greater than 10% of their first time first-year undergraduates taking remedial coursework, meaning they would have lost additional SSI subsidy in FY 2005 if the limitations proposed for FY 2018 would have been in effect. In addition, Kent State University, the University of Toledo, and Wright State University have greater than 5% of their first time first-year undergraduates taking remedial coursework, meaning they also would have lost additional SSI subsidy in FY 2005 if the limitations proposed for FY 2019 would have been in effect.

While the ten universities would possibly see a decline in their SSI subsidy due to the limitations on their SSI subsidy, there may not necessarily be a concomitant decrease in expenditures from the GRF. Only if the ten universities offered remedial or developmental courses to undergraduate students above the thresholds in the bill would there be a decrease in expenditures from the GRF as a result of the limitations in the bill. Otherwise, if the students would take their remedial or developmental courses at a different institution, then the decrease in SSI subsidy to the ten universities would be offset by the increase in SSI subsidy for the university branches, community colleges, state community colleges, technical colleges, and the three universities offering and receiving SSI subsidy for remedial or developmental courses.

### **Dual enrollment courses**

If the Partnership for Continued Learning fails to submit recommendations for legislative changes for the operation of the PSEO program as required by the bill, the bill requires each state university to offer, via the Internet or interactive distance learning, at least two college level courses, one each in science and mathematics, by which high school students may earn both high school and college credit. The bill permits the university to charge a fee for this course, but limits the fee to one-tenth of the amount per credit hour normally assessed by the university for an undergraduate course at its main campus. The university may also include in the course a single presentation of not more than two minutes in length that describes the university's other programs and courses. If universities are required to offer such courses and the fees charged are not sufficient to cover the cost of the courses, they may experience net expenditure increases.

### **Public-private collaborative commission**

The bill creates a public-private collaborative commission to recommend methods of promoting student success in conjunction with the Ohio Core curriculum. The commission may increase the administrative burden of the state.

*LSC fiscal staff: Melaney A. Carter, Senior Economist*