



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Sub. S.B. 21 of the 130th G.A.](#)

Date: May 15, 2013

Status: As Reported by House Education

Sponsor: Sen. Lehner

Local Impact Statement Procedure Required: No

Contents: Revises the requirements of the Third Grade Reading Guarantee, revises the laws regarding facilities of a college-preparatory boarding school, and declares an emergency

State Fiscal Highlights

- Various provisions of the bill will likely increase the administrative costs of the Ohio Department of Education (ODE). These provisions include:
 - Collection, analysis, and publication of data on reading achievement and progress for both students on reading improvement plans and school districts and community schools on reading achievement improvement plans.
 - Review of and reporting on the staffing plans of school districts and community schools that are not able to furnish the number of qualified teachers needed to assist kindergarten through third grade students reading below grade level and retained third graders.
 - Study of diagnostic assessments for reading and writing for grades kindergarten through three and a report of findings and recommendations by March 31, 2014.
 - Development of reading competencies for all reading credentials and training, to be adopted by the State Board of Education by January 31, 2014.
 - Development of criteria and procedures relating to a requirement that, beginning July 1, 2017, educator license applicants attain a passing score on a rigorous examination of principles of scientifically research-based reading instruction aligned to the State Board-adopted reading competencies.
- The Ohio Board of Regents may incur additional administrative costs to revise the requirements for reading endorsement programs offered by institutions of higher education to align those requirements with the State Board-adopted reading competencies.

Local Fiscal Highlights

- Under the bill, more teachers are likely to qualify to provide reading instruction to students under the Third Grade Reading Guarantee, which may result in schools and districts being able to meet the requirement at a lower cost.
 - School districts and community schools that cannot furnish the required number of teachers may incur some additional administrative costs to develop and update staffing plans necessary to receive a waiver from ODE.
 - Beginning in FY 2017, certain school districts and community schools with low levels of achievement on the K-3 literacy progress measure of the local report card and on the third grade English language arts achievement assessment are likely to incur additional costs to develop reading achievement improvement plans.
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Detailed Fiscal Analysis

Teacher qualification criteria and staffing plans

Current law requires a teacher providing reading instruction under the Third Grade Reading Guarantee to have been actively engaged in the reading instruction of students for the previous three years and meet at least one of four credential options. The bill softens the experience requirement to one year of teaching experience and makes changes to the credential options. However, under certain circumstances, the bill makes some exceptions to the qualification criteria for teachers with less than one year of experience, for those teachers holding an alternative credential or having completed specified training, and for school speech-language pathologists. The bill also replaces the slightly differentiated set of criteria for the 2013-2014 school year and 2014-2015 and subsequent school years and instead specifies a combined set of criteria effective for the 2013-2014 school year and beyond.

The bill requires, beginning July 1, 2017, all persons issued a new educator license for grades pre-kindergarten through three or four through nine to have attained a passing score on a rigorous examination of principles of scientifically research-based reading instruction. Under the bill, such educators will be qualified to provide reading instruction under the Third Grade Reading Guarantee. To accommodate this, the bill requires the State Board of Education to adopt reading competencies for all reading credentials and training by January 31, 2014, with which the reading instruction examination will be aligned, and to prescribe criteria and procedures relating to the educator license requirement. The bill also requires the Chancellor of the Ohio Board of Regents to revise the requirements for reading endorsement programs offered by institutions of higher education to align those requirements with the State Board-adopted reading competencies. Overall, the changes to the teacher qualification criteria will likely increase the number of teachers who qualify, which may result in schools and districts being able to meet the requirement at a lower cost. They are also likely to

increase the administrative costs of Ohio Department of Education (ODE) and the Ohio Board of Regents to comply with the requirements.

Under current law, a waiver for the 2013-2014 school year is available for school districts and community schools that are not able to furnish the number of qualified teachers needed. However, the district or school must submit a plan to ODE indicating the criteria that will be used to determine the teachers that will teach and how they intend to furnish the required number of qualified teachers for the 2014-2015 school year and beyond. Under such a plan, a school district or community school may contract with other school districts or private providers that have been screened and approved to provide reading intervention services. This option is required for districts that cannot furnish the number of teachers needed and whose plan is rejected by ODE. The bill revises the requirements of the staffing plans necessary to receive a waiver by eliminating the option or requirement to use an alternate provider, requiring the staffing plans to also list the credentials and training held by teachers currently teaching at the school, requiring school districts to submit a detailed progress report to ODE each year, and permitting a school district or community school to request and ODE to approve extensions of the staffing plan through the 2015-2016 school year. While the bill may result in fewer districts and schools needing a waiver, those that do may incur increased administrative costs to initially develop the staffing plans and submit yearly progress reports to ODE. Each year, through June 30, 2015, the bill requires ODE to review the plans and annually report to the State Board on the progress of school districts and community schools in meeting the teacher qualification requirements.

Reading achievement improvement plans

Under current law, students in kindergarten through third grade that are found to be reading below grade level are placed on a reading improvement and monitoring plan. Beginning in FY 2017, the bill extends this concept to school districts and community schools with low levels of achievement on the K-3 literacy progress measure of the local report card and on the third grade English language arts achievement assessment. Specifically, school districts and community schools that receive a grade of "D" or "F" on the literacy progress measure and that have a proficiency rate of less than 60% during the most recent fall and spring administrations of the third grade English language arts achievement assessment for two consecutive years are placed on a reading achievement improvement plan. The plan must include, at a minimum, certain specified elements, including student performance data, student performance goals, strategies to meet specific student needs, a staffing and professional development plan, and instructional strategies for improving literacy.

This requirement will likely increase costs for school districts and community schools to develop and update the plans each year and for ODE, which must develop the contents and deadlines associated with the plans. The bill also tasks ODE with collecting, analyzing, and publishing data regarding reading achievement and progress in schools, including an annual report starting in FY 2016 discussing the progress of K-4

public school students on reading intervention plans and school districts and community schools on reading achievement improvement plans.

Diagnostic assessment study

The bill also includes a requirement that ODE conduct a study of diagnostic assessments for reading and writing for grades kindergarten through three and submit a report of ODE's findings and recommendations by March 31, 2014. This provision may increase ODE's administrative costs.

College-preparatory boarding schools

H.B. 153 of the 129th General Assembly authorized the creation of college-preparatory boarding schools to serve at-risk middle and high school students beginning with the 2013-2014 school year. To support the schools, H.B. 153 also established the College-Preparatory Boarding School Facilities Program, which requires the School Facilities Commission (SFC) to provide assistance for the acquisition of classroom facilities to these schools. The bill revises some of the laws that pertain to the boarding schools and the SFC program.¹ Generally, if the boarding school ceases its operations, the bill authorizes the school's board of trustees to permit the classroom facilities to be used only for an alternative public purpose, such as a school district or higher education institution facility. However, if the school ceases its operations due to either the failure of the school's operator to comply with certain contract requirements or the default by the school's board of trustees on an underlying leasehold or mortgage agreement, then the school is required to return to SFC the unamortized portion of the state funds provided to the board, unless the school is used for an alternative public purpose within two years of closing. Under this scenario, if the school is not used for an alternative public purpose within the two-year period, then SFC may recoup some of the funds it gives a school to support a facilities project.

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¹ Please see the bill's analysis for a complete discussion of all of the bill's changes.