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H.B. 595
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Robinson

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SUMMARY

- Beginning on July 1, 2029, requires all school districts to operate a half-day preschool program, for which tuition may be charged.
- Permits school districts to contract out the district's preschool program to an existing preschool program operated by an eligible operator or to offer a joint preschool program with an eligible operator.
- Requires school districts, eligible nonpublic schools, county boards of developmental disabilities, and community schools operating a preschool program to pay head teachers a salary of no less than \$35,000 per year.
- Modifies the qualifications and professional development requirements for head teachers and preschool staff members employed by preschool programs licensed by the Department of Education and Workforce.
- Beginning on July 1, 2029, requires each public and chartered nonpublic school that offers a kindergarten program to offer an all-day kindergarten program.
- Establishes a process under which school districts may seek a waiver from the bill's preschool and all-day kindergarten requirements for the 2029-2030, 2030-2031, and 2031-2032 school years.
- Declares the General Assembly's intent to provide one-time funding for school districts in the main operating and capital budgets of the 136th General Assembly for the purposes of implementing preschool programs and all-day kindergarten.
- Requires the Department to, by February 1, 2025, conduct a survey and hold meetings with school districts and other stakeholders regarding the implementation of preschool programs and all-day kindergarten on and after July 1, 2029.
- Beginning January 1, 2026, increases the rate of the sports gaming tax on certain taxpayers, from 20% to 33%.

- Applies the increase only to sports gaming operators whose share of the Ohio sports gaming market is at least 2.25%.
- Allocates the revenue from this tax increase to fund the bill’s preschool programs.
- Entitles the bill the Universal Preschool Act.

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DETAILED ANALYSIS

Effective dates

The bill’s provisions requiring the Department of Education and Workforce to conduct a school district survey and stakeholder meetings and establishing a waiver process from the preschool and all-day kindergarten requirements that begin on July 1, 2029, take effect on the

91st day after the enrollment of the bill. The provisions in the bill modifying the sports gaming tax take effect on January 1, 2026. All other provisions in the bill take effect on July 1, 2029.¹

Preschools

Requirement to offer a half-day preschool program

The bill requires each school district board of education to operate a half-day preschool program for children four- and five-years-old who are not enrolled in kindergarten. The bill defines half-day preschool as a program that is in session for no less than half of the number of clock hours as for students in grades kindergarten through six and all-day preschool as a program that is in session for the same number of clock hours as those grades. Districts are required to determine the number of days a preschool program will meet each week to meet the minimum number of clock hours required for the program. The bill permits districts to charge tuition for preschool programs.

The bill requires districts to set either August 1 or September 30 of each year as the date for which enrollment eligibility is determined. The selected date must be displayed on the district's website or otherwise provided to parents or guardians seeking to enroll a child in the district's preschool program. A child is eligible to enroll in a district's preschool program if, on the designated date in the year of enrollment, the child is either four-years-old and the child's parent or guardian intends to enroll the child in kindergarten at age five, or the child is five-years-old and the child's parent or guardian intends to enroll the child in kindergarten at age six. Under the bill, if a child enrolls in a preschool program at age four with the intention to enroll in kindergarten at age five, but the child's parent or guardian and the school district determine that the child is not ready to enter kindergarten at age five, then the school district must permit the child to enroll in a second year of preschool.

The bill permits school districts to offer preschool enrollment to three-year-olds, to offer multiple years of preschool enrollment to children who are three- or four-years-old, and to offer an all-day preschool program.²

Funding

The bill provides funding for students enrolled in a school district or community school preschool program through the school financing system. Specifically, under the bill, the district's or school's preschool students are included in the district's or school's enrolled ADM. Enrolled ADM is the student count used to determine the amount of state core foundation funding a district or school receives each fiscal year. The bill expressly states that any student enrolled in the preschool program operated by the student's resident district is considered entitled to reside in that district for the purposes of determining the district's funding. In

¹ Section 5.

² R.C. 3313.646; conforming changes in R.C. 3301.53(A)(4) and R.C. 3302.03.

addition, for the purposes of computing the teacher base cost for a district or school, the bill requires the full-time equivalent number of preschool students to be divided by ten.³

Finally, the bill eliminates separate funding for preschool children with disabilities who are enrolled in a school district, including through interdistrict open enrollment.⁴ Students with disabilities who are included in a district's enrolled ADM receive special education funding under the school financing system.

Preschool tuition

The bill permits a school district to charge tuition for a student's participation in its preschool program until the school financing system established in H.B. 110 of the 134th General Assembly is fully implemented. To do so, a district board must adopt a resolution that establishes the tuition and hold at least one public hearing prior to adopting the resolution.

A district may charge any amount of tuition to a student with a family income above 700% of the federal poverty level (FPL). For a student with a family adjusted gross income at or below 700% FPL, the amount of tuition cannot exceed a maximum amount calculated according to a formula established in statute. Under that formula, a student's maximum amount of tuition is equal to 40% of the district's local share of the base cost per pupil multiplied by a family income multiple. A student is assigned a family income multiple according to the student's family's adjusted gross income, as indicated in the table below.

Family income multiple	
Family adjusted gross income	Multiple
At or below 250% FPL	0.00
Above 250% FPL, but at or below 270% FPL	0.05
Above 270% FPL, but at or below 290% FPL	0.10
Above 290% FPL, but at or below 310% FPL	0.20
Above 310% FPL, but at or below 330% FPL	0.30
Above 330% FPL, but at or below 350% FPL	0.40
Above 350% FPL, but at or below 370% FPL	0.50
Above 370% FPL, but at or below 390% FPL	0.60

³ R.C. 3314.08, 3317.011, 3317.0110, 3317.02, and 3317.03.

⁴ R.C. 3313.98, 3313.981, and 3317.0213; conforming change in R.C. 3313.64.

Family income multiple	
Family adjusted gross income	Multiple
Above 390% FPL, but at or below 410% FPL	0.70
Above 410% FPL, but at or below 430% FPL	0.80
Above 430% FPL, but at or below 450% FPL	0.90
Above 450% FPL	1.00

A district board must establish multiple payment plans from which a student's parent may choose to pay the required amount of tuition. A district board must establish, at the least, payment plans that permit a parent to pay the tuition in one lump sum payment, nine equal payments, and equal monthly payments. A district board cannot charge an additional fee or interest to a student's parent for electing to pay tuition in multiple equal payments.

Once the Department determines the school financing system has been fully implemented, it must notify each school district of that fact. A district is then prohibited from charging tuition, unless it receives a two-year waiver from the Department to continue charging tuition. A district may request a renewal of that waiver. There is no limit on how many times a waiver may be renewed.

A district must submit to the Department a request for a waiver, or a renewal of a waiver, by March 3 prior to the first school year of the waiver's term. Prior to submitting that request, the district board must hold a public hearing on the issue and adopt a resolution requesting the waiver or waiver renewal. Within 30 days of receiving the request, the Department must approve or disapprove it and notify the district. If the Department disapproves the request, the district may appeal the decision to the State Board of Education within 15 days of receiving notice of the Department's disapproval.

Within 15 days of receiving the appeal, the State Board must conduct a public hearing regarding it. At the hearing both the district superintendent and Deputy Director of Primary and Secondary Education must make a presentation regarding the disapproval. The State Board must vote on whether to approve or disapprove the appeal. If a majority of the State Board members vote in favor of the appeal, the waiver is approved.⁵

Contracted preschool programs

Under the bill, in lieu of operating a preschool program, school districts may contract with an existing qualifying preschool program to offer a preschool program on behalf of the district or a joint preschool program. Contracted programs must comply with Ohio law and administrative rules regarding preschool programs. Districts are required to administer the

⁵ R.C. 3317.083.

enrollment process for contracted programs. Districts are permitted to charge tuition for contracted programs in the same manner as a district would charge for a program it operates.⁶

Definitions

A “qualifying preschool program” under the bill is an existing licensed preschool program or an existing licensed child care center that is operated by an “eligible operator” and either (1) is located within the school district and has received a Step Up To Quality rating of at least three stars or an equivalent rating, or (2) is located within an adjacent school district and has received a Step Up To Quality rating of at least four stars or an equivalent rating.

“Eligible operators” include all of the following:⁷

1. The board of education of adjacent school districts;
2. Community schools that are operated by a nonprofit organization and are not under an exemption or waiver from any Department of Education and Workforce oversight, ratings, or regulations, or permanent closure criteria;
3. STEM schools;
4. Eligible nonpublic schools that do not have a religious affiliation;
5. Organizations operated by a county, municipal corporation, or subdivision of a municipal corporation;
6. Child care centers that are operated by a secular nonprofit organization; and
7. Child care centers operated by a secular for-profit organization and have received a Step Up To Quality rating of at least four stars for the center’s preschool program.

Ratings for qualifying preschool programs

As explained above, the bill requires some existing preschool programs and program operators to meet specified ratings from the Step Up to Quality rating system or an equivalent rating to qualify to contract with a school district to operate a preschool program.

The bill requires the Department of Children and Youth to develop a rating system using identical components and rating standards to the Step Up To Quality Program and administer a process under which preschool programs and child care centers may request a rating for the purpose of becoming a qualifying preschool program.⁸

Contracts

Prior to entering a contract, a district board must hold a public hearing and adopt a resolution outlining rules for outsourcing a preschool program or forming a joint preschool

⁶ R.C. 3313.6414(B); see also R.C. 3317.083.

⁷ R.C. 3313.6414(A).

⁸ R.C. 3313.6414(D).

program. Then, the district must hold a public hearing during which a prospective operator must present on the eligible operator's preschool program. A district that has outsourced its preschool program must hold a public hearing and adopt a resolution to renew or update its preschool outsourcing rules at least every two years.⁹

Preschool class sizes

The bill modifies the maximum class sizes and staff member-to-child ratios for preschool classes or groups that include three- or four-year-old children. Under the bill, a class with three- and four-year-old children may have a maximum of 20 children per class and must have a 1:10 staff member-to-child ratio.¹⁰

Under current law, classes of three-year-olds may have a maximum of 24 children per class and must have a 1:12 staff member-to-child ratio and classes of four- and five-year-olds have a maximum class size of 28 students and must have a 1:14 staff member-to-child ratio.¹¹

Preschool teachers and staff members

Head teacher pay

The bill requires each school district board of education, eligible nonpublic school, county board of developmental disabilities, and community school operating a preschool program to pay head teachers a salary of no less than \$35,000.¹²

Qualifications

The bill requires each individual hired as a head teacher for a preschool program on or after the bill's effective date to hold at least a bachelor's degree. The bill requires each preschool staff member hired on or after the bill's effective date to (1) be at least 18 years old and have a high school diploma or equivalent, except that a staff member may be less than 18 if the staff member is a graduate of a two-year vocational child-care training program approved by the Department, and (2) hold a child development associate certification or equivalent credential.¹³ Law unchanged by the bill defines a "preschool staff member" as a preschool employee whose primary responsibility is the care, teaching, or supervision of preschool children.¹⁴

Current law does not set qualification requirements for head teachers and instead sets requirements only for the supervisor of the preschool program and for preschool staff members. A preschool staff member whose primary responsibility is the care, teaching, or

⁹ R.C. 3313.6414(C).

¹⁰ R.C. 3301.56.

¹¹ R.C. 3301.56.

¹² R.C. 3301.542.

¹³ R.C. 3301.54(B) and (C); conforming change in R.C. 3301.50.

¹⁴ R.C. 3301.52, not in the bill.

supervision of children must be at least 18 years old, less than 18 years old and a graduate of a two-year vocational child-care training program, or a second-year student in such a program working under supervision.¹⁵

Training and professional development

The bill requires preschool staff members annually to complete 15 hours of in-service training in child development or early childhood education, professional development, child abuse recognition and prevention, and first aid, and in the prevention, recognition, and management of communicable diseases pursuant to an individualized professional development plan developed by the preschool program's operator.¹⁶

Under current law, preschool staff members annually must complete 15 hours of such training in all of the above areas, except for professional development, until the staff member has reached 45 total hours of completed training. The current training requirement exempts preschool staff members who hold an associate or higher degree in child development or early childhood education or any type of educator license designated as appropriate for teaching in an associate teaching position in a preschool.¹⁷

All-day kindergarten

Under the bill, each school district, community school, STEM school, and chartered nonpublic school that offers a kindergarten program must operate an all-day kindergarten program.¹⁸ The bill requires schools to provide no less than 910 hours of instruction to students in kindergarten each school year.¹⁹

The bill prohibits school districts from charging tuition for any child enrolled in all-day kindergarten.²⁰

Under current law, schools are required to provide no less than 455 hours of instruction for pupils in traditional half-day kindergarten and 910 hours for students in all-day kindergarten.²¹ A school district that is offering all-day kindergarten for the first time or that charged fees or tuition for all-day kindergarten in the 2012-2013 school year is currently permitted to charge fees or tuition for students enrolled in all-day kindergarten. If a district does charge tuition or fees, the district must develop a sliding fee scale based on family incomes. Current law also requires the Department of Education and Workforce to conduct an

¹⁵ R.C. 3301.54; see also Ohio Administrative Code (O.A.C.) 3301-37-04.

¹⁶ R.C. 3301.54(D).

¹⁷ R.C. 3301.54(D).

¹⁸ R.C. 3321.05; conforming change in R.C. 3314.03.

¹⁹ R.C. 3313.48.

²⁰ R.C. 3321.01(G); conforming change in R.C. 3313.842.

²¹ R.C. 3313.48.

annual survey of these districts regarding any tuition charged and the number of students enrolled in traditional half-day kindergarten or all-day kindergarten.²²

Waivers

Through the 2030-2031 school year, a school district may request a waiver from the bill's preschool program and all-day kindergarten requirements that are scheduled to take effect in the 2029-2030 school year. Prior to requesting a waiver, a school district's board of education must hold a public hearing on the issue and adopt a resolution requesting the waiver. Waivers must be requested by the first day of February prior to the school year for which the waiver is requested. The Department must make a determination on the waiver request within 30 days of receipt. A district that receives a waiver must provide and administer kindergarten and preschool instruction in the same manner that was required on June 30, 2029.

If the Department disapproves a request, a district may appeal to the State Board of Education within 15 days of receiving notice of the denial. The State Board must conduct a public hearing on an appeal within 15 days of receipt. At the hearing, the district superintendent and the Deputy Director of primary and secondary education must each make a presentation regarding the disapproval and the State Board must vote on the appeal. If a majority of the members of the State Board vote in favor of the appeal, then the waiver is approved.

A district with an approved waiver may request an extension of the waiver for the 2030-2031 school year and, if the extension is approved, may seek an additional extension through the 2031-2032 school year. To request a waiver extension, a school must follow the same procedure as for requesting the initial waiver. The bill prohibits the Department from granting waivers beginning with the 2031-2032 school year.²³

Survey and stakeholder meetings

The bill requires the Department to, by February 1, 2025, conduct a survey of and hold stakeholder meetings with school districts regarding the implementation of preschool programs and all-day kindergarten on and after July 1, 2029. The survey must solicit districts' input regarding the structural challenges or issues that districts must address to facilitate the implementation of the programs. The survey also must request information from districts regarding classroom and school building capacity, teacher and staff shortages and extended hours, teacher and staff professional development and standards, transportation, time and cost burden estimates of implementation, and any other potential issues related to the new programs and requirements.²⁴

²² R.C. 3321.01(G).

²³ R.C. 3301.592.

²⁴ R.C. 3301.591(A) and (C).

In addition to the survey of school districts, the bill requires the Department to solicit information, in a form and manner determined by the Department, about the statewide implementation of preschool programs and all-day kindergarten from the Ohio Federation of Teachers, Ohio Education Association, Ohio School Boards Association, Buckeye Association of School Administrators, Ohio Association of School Business Officials, Ohio Association of Elementary School Administrators, and the Ohio Association of Secondary School Administrators.²⁵

The bill requires the Department to share all survey data and information received from stakeholder outreach with the Department of Children and Youth once that Department is established. The Department of Education and Workforce also must invite the Department of Children and Youth to participate in stakeholder meetings.²⁶

The bill requires the Department of Education and Workforce to prepare a report regarding the findings of the survey and stakeholder outreach no later than February 15, 2025. The Department must submit the report, unfiltered survey data, and information received from stakeholders to the Legislative Service Commission (LSC).²⁷

By March 15, 2025, LSC must: (1) prepare a report that describes the law and estimated costs associated with implementing preschool programs and all-day kindergarten on and after July 1, 2029, (2) conduct a public presentation regarding the report to the House and Senate finance committees, the standing committees of the House and Senate that consider primary and secondary education legislation, and the State Board of Education, and (3) transmit the report to the Governor, the Office of Budget and Management, and the Ohio Facilities Construction Commission.²⁸

One-time funding

The bill expresses the intent of the General Assembly to provide one-time funding to school districts in the main operating and capital budgets of the 136th General Assembly to implement preschool programs and all-day kindergarten on and after July 1, 2029. Further, the bill states the General Assembly's intent, if such funding is provided, to establish a method to distribute the funding outside of the distribution of the state core foundation funding. The bill requires the General Assembly to consider providing a total amount of the funding that is not less than the cost estimate included in LSC's report required under the bill. If the total amount of funding is less than the cost estimate, then the Speaker of the House of Representatives, the President of the Senate, and the Governor must issue a public statement regarding why that amount was not provided.²⁹

²⁵ R.C. 3301.591(B) and (C).

²⁶ R.C. 3301.591(C).

²⁷ R.C. 3301.591(D).

²⁸ R.C. 3301.591(E).

²⁹ R.C. 3301.591(F).

Sports gaming tax increase

To fund the costs of implementing the new preschool requirements, the bill increases the rate of the sports gaming tax on certain taxpayers. Under continuing law, the sports gaming tax is a tax on businesses that offer sports gaming in the state, either in person or online. Currently, the tax equals 20% of an operator's "sports gaming receipts," which generally includes the amount received as wagers, less winnings paid.

Beginning January 1, 2026, the bill increases the tax rate for sports gaming operators whose share of the Ohio sports gaming market is at least 2.25%. The tax on these operators will equal 33% of their sports gaming receipts. Operators with a market share below 2.25% will continue to pay the current 20% rate.

The Casino Control Commission will determine the market share of each sports gaming operator twice per year, in December and June, and the determination will apply to sports gaming receipts received during the following six-month period beginning in the January or July after each determination is made.³⁰

The bill directs all of the revenue from the tax increase to fund preschool programs. Of the 33% tax, a portion equivalent to 13% is allocated to a new Sports Gaming Profits Preschool Fund for that purpose. The remaining portion equivalent to 20%, as well as the continuing 20% tax on operators with a smaller market share, will continue to be allocated as required under existing law. Under that existing law, 98% of sports gaming revenue is used for the general support of K-12 education, while 2% is directed to combat problem gaming.³¹

HISTORY

Action	Date
Introduced	05-15-24

ANHB0595IN-135/ts

³⁰ R.C. 5753.021.

³¹ R.C. 5753.031.