

# Fiscal Note & Local Impact Statement

122<sup>nd</sup> General Assembly of Ohio

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BILL: H.B. 575 DATE: September 9, 1997  
STATUS: As Introduced SPONSOR: Rep. Johnson  
LOCAL IMPACT STATEMENT REQUIRED: No Offsetting revenues  
CONTENTS: Amends Am. Sub. H.B. 215 to make corrections to certain dollar amounts for the supplemental unit allowances to entities other than city, exempted village or local school districts

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## State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FUTURE YEARS
<b>General Revenue Fund</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	\$10 million increase	Approximately \$10 million increase	- 0 -

- In each of fiscal years 1998 and 1999, the bill would increase by \$10 million the state's total expenditure for the supplemental unit allowances to those categorical units not directly associated with school districts (e.g., joint vocational schools).
- These increases were already assumed and funded in Am. Sub. H.B. 215, as enacted, but were not accomplished because of a drafting error.
- Although this bill would change the expenditure for FY 1998 only, this fiscal note assumes similar dollar amounts for FY 1999.

## Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1998	FY 1999	FUTURE YEARS
<b>Certain local educational entities</b>			
Revenues	\$10 million gain	Approximately \$10 million gain	- 0 -
Expenditures	\$10 million increase	Approximately \$10 million increase	- 0 -

- In each of fiscal years 1998 and 1999, the bill would increase by \$10 million the local entities' revenues from the state in the form of increased supplemental unit allowances to those categorical units not directly associated with school districts. As these increased revenues would enable increased expenditures by these units, the net local impact on the local entities is estimated to be minimal.



- Although this bill would change the local entities' revenues for FY 1998 only, this fiscal note assumes similar dollar amounts for FY 1999.

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## ***Detailed Fiscal Analysis***

The bill would amend Section 50.11 of Am. Sub. H.B. 215 of the 122nd General Assembly (the budget for the FY 1998-FY 1999 biennium) in order to correct four per-unit dollar amounts that determine the supplemental unit allowances for four education categories: special education-classroom, special education-supervisory, vocational education and gifted education.

The units that would be affected are those that are not directly associated with city, exempted village or local school districts. (Examples of these non-district units are the joint vocational schools and the educational service centers, formerly county boards of education.) The supplemental unit allowances for these units are approximately the average amounts paid to all school districts. They are paid from the “average unit amount” table.

School district amounts are one-half based on the wealth of each district (so the amounts vary over a range) and one-half based on the “average unit amount” table.

In addition, the bill would delete the four references to the dollar amounts for FY 1999. Since the education budget for that fiscal year has not yet been allocated to the various line items, the average unit amounts for the district units have yet to be determined and so were not included in the budget. The counterpart amounts for the non-district units should, likewise, not be included.

### **State fiscal effects**

By increasing the dollar amounts, the bill would require the state to increase its expenditure for the supplemental unit allowances to the non-district units. This would increase the overall amount of the supplemental unit allowance, which would, in turn, increase the total estimated expenditures for the four categories, as shown in the following table for FY 1998:

<b>Category</b>	<b>Without the bill</b> (current dollar amounts)	<b>With the bill</b> (amended dollar amounts)	<b>Effect of bill</b> (increase)
<b>Vocational Education</b>	\$344,039,648	\$348,976,544	\$4,936,896
<b>Special Education – Classroom</b>	478,514,860	481,606,150	3,091,290
<b>Special Education – Supervisory</b>	109,825,667	111,465,451	1,639,784
<b>Gifted Education</b>	33,625,758	33,981,395	355,637
<b>Total</b>	<b>\$966,005,933</b>	<b>\$976,029,540</b>	<b>\$10,023,607</b>

A similar amount is estimated for FY 1999.

These amounts were assumed to be spent by LBO calculations during the budget process, but because of a drafting error the text of the bill was not updated.

## **Local fiscal effects**

The bill would provide the \$10 million in each year of the biennium to the local entities administering the non-district categorical units. Since it is likely that these additional funds would be expended by these units, there would be no net gain or loss to the units as a result of the bill's provisions.

The total FY 1998 appropriations in Am. Sub. H.B. 215 for the four categories (from both the General Revenue Fund and the Lottery Profits Education Fund) are sufficient to meet the requirements of the bill.

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