

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: Sub. S.B. 135 (-6 version)

DATE: July 28, 1997

STATUS: In Senate Education

SPONSOR: Sen. Watts

LOCAL IMPACT STATEMENT REQUIRED: Yes

CONTENTS: Revises and establishes student academic accountability measures and school district accountability and governance measures; provides for cooperation between elementary and secondary and higher education institutions

State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FUTURE YEARS
General Revenue Fund and Other Funds			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Significant increase, in \$ millions	Significant increase, in \$ millions

- This bill is the academic accountability component of the primary and secondary school funding reform plan. State funding for primary and secondary schools is likely to be increased in the range of a billion dollars per year beginning in FY 1999. This funding will be in another bill. The kindergarten and class size related provisions of this bill will not go into effect unless voters approve the funding package in November 1997 (see issue one in SJR 3/ HJR 16).
- The Budget Bill provided state funding for all-day kindergarten for the urban 21 school districts, ensuring 100% kindergarten funding for the Big Eight beginning in FY 1999 and 100% funding for the 21 urban school districts beginning in FY 2000. This bill provides 75% kindergarten funding for the 78 school districts classified as “rural, high poverty, and low social-economic status” in FY 1999 and 100% kindergarten funding for these districts in FY 2000 and thereafter. In each case, funding is determined by the class time, except where it is capped at a maximum of 75% in the phase-in year.
- State kindergarten funding for the 78 “rural and high poverty” school districts is estimated at \$8.4 million in FY 1999 and \$19.9 million in FY 2000. These cost estimates are based on the executive’s funding proposal, and assume that the foundation level will be \$3,900 in FY 1999 and \$4,150 in FY 2000. State kindergarten funding for the urban 21 districts and the 78 “rural and high poverty” districts would be approximately \$97 million in FY 2000 assuming full implementation by the districts.
- The Department of Education would incur costs for assisting school districts to develop plans to improve their performance specified by the bill. The department is likely to contract with local educational service centers to provide school districts with needed assistance. Since school districts would not be measured by the bill’s performance standards until FY 2000. These costs would not incur until FY 2003.



- The state would incur costs for developing and implementing the new 10th grade proficiency test and for administering both the 9th and 10th grade tests for two years, 2003-04 and 2003-04. The Department of Education estimated that these changes would cost several million dollars. However, these would be one-time transition costs only.
- The state could increase costs in school construction (especially for low-wealth school districts) under the state program for additional classroom and science laboratory spaces. State appropriations for the school building assistance program would be increased significantly as a part of the funding reform plan.
- The bill requires the Ohio Board of Regents and the State Board of Education to create a joint council to make recommendations on several issues, develop at least one program, and issue at least one report. The council's costs may vary considerably depending on the implementation of the bill's requirements.
- The Board of Regents would also incur one-time costs for preparing a plan recommending strategies for increasing the number of science and mathematics teachers. The plan is required to be completed no later than December 31, 1998.
- Beginning in FY 2000, the Board of Regents would incur costs for establishing a one-time \$500 scholarship to OIG eligible students passing all five parts of the 12th grade proficiency test and attending public or private two- or four-year institutions of higher education in Ohio. In FY 1997, 35,329 seniors (about 38% of students who took the test) passed all five parts of the 12th grade proficiency test. Assuming 1/3 of these students are eligible for the scholarship, the Board of Regents would have incurred costs of \$6 million in grant moneys.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1998	FY 1999	FUTURE YEARS
School Districts			
Revenues	- 0 -	Varying increases	Varying increases
Expenditures	- 0 -	Varying increases	Varying increases
Joint Vocational Schools			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Varying increases	Varying increases

- The bill sets academic performance standards and would apply these standards to school districts beginning in FY 2000. The state would increase its school funding in the range of a billion dollars per year beginning in FY 1999. This funding increase would help districts to make any necessary changes to meet performance standards proposed by the bill. These funding increases are not part of this bill, and are dependent on voter approval of the tax package.
- Under this bill the 78 "rural and high poverty" districts would be eligible for state extended-day and all-day kindergarten funding. Under the Budget Bill, the 21 urban districts were also made eligible. State costs for these provisions are as follows: approximately \$23 million in FY 1998 for the Big Eight; approximately \$68 million for the urban 21 districts and approximately \$8.4 million for the 78 "rural and high poverty" districts in FY 1999; and approximately \$97 million in FY 2000 for the urban 21 districts

and the 78 “rural and high poverty” districts (\$19.9 million for the 78 rural districts alone). Districts will have to actually provide all-day or extended-day kindergarten in order to receive state funding. These districts could incur additional costs (such as obtaining additional classrooms) in implementing all-day or extended-day kindergarten initiative. These costs would vary from district to district depending on each district’s current facility availability.

- While the performance standards would not apply to school districts until FY 2000, school districts would likely review their current practices, identify problems, and develop strategies to improve their performance before FY 2000. However, FY 1998 is likely to be a think-and-plan year. Any actual costs as a result of the bill would incur in years later than FY 1998.
- School districts other than effective districts would incur costs to develop improvement plans. In order to make improvement, school districts are likely to reallocate their resources into areas that need improvement or change their current practices.
- School districts would incur costs for making necessary changes to offer more science and mathematics courses to students in order to meet the bill’s minimum graduation requirement. Increasing science and mathematics courses would help school districts to meet the current and proposed performance standards. School districts could lower their net costs by eliminating some existing courses and shifting these resources into newly required areas. Since districts have several years to make the transition to the new graduation requirements, this should lessen their cost.
- To ensure the fourth-grade reading guarantee and tackle the social promotion problem, school districts would likely to increase the intervention prevention, summer school, and alternative school programs. The state funding increase would help offset costs associated with these program expansions. The success of these programs could lower expenditures for school districts in the long run. Summer school costs are usually borne by parents.
- The cost of reducing the teacher/student ratio in kindergarten through grade three for the big eight school districts will vary, depending on the district’s current ratio for those grades, the availability of classroom space in which to house additional teachers, and school board’s decisions about whether to hire new teachers or aides. Costs to hire new classroom teachers would be approximately \$3.6 million in FY 1999, \$11.9 million in FY 2000, \$29.5 million in FY 2001, \$54.5 million in FY 2002, and \$88.5 million in FY 2003 for the big eight districts. Alternatively, costs to hire new classroom aids would be about \$88.8 million for all of the big eight school districts.
- Reducing the teacher/student ratio could result in increased costs for capital facilities. If the big eight school districts opt to hire new classroom teachers, one-time costs for new facilities could be several hundred million dollars. However, if the big eight districts opt to hire teacher aides instead, capital facility costs would not be significantly affected by the teacher/student ratio requirement.

Detailed Fiscal Analysis

This bill is the academic accountability component of the Ohio primary and secondary school funding reform plan. It revises and establishes student academic accountability measures and school district accountability and governance measures. It also provides cooperation between elementary and secondary and higher education institutions.

Performance Standards for School Districts

The bill sets the expected state performance standards for school districts as follows:

- A maximum of three percent dropout rate;
- At least 75% of 4th graders proficient on the 4th grade proficiency tests in citizenship, reading, writing, and mathematics;
- At least 75% of 9th graders proficient on the 9th grade proficiency tests in citizenship, reading, writing, and mathematics administered in the 9th grade;
- At least 85% of 10th graders proficient on the 9th grade proficiency tests in citizenship, reading, writing, and mathematics administered in the 10th grade;
- At least 60% of 12th graders proficient on the 12th grade proficiency tests in citizenship, reading, writing, and mathematics; and
- A minimum of 93 percent attendance rate.

These standards exclude the science tests of the 4th, 9th, and 12th grade proficiency tests and the 6th grade proficiency tests as a whole. The bill states that, with the General Assembly's approval, the Department of Education and the Office of Education Accountability and Productivity may jointly add the science tests and the 6th grade proficiency test as a whole into performance standards for school districts in the future. The bill further states that when the 10th grade proficiency test replaces the 9th grade proficiency test as the high school graduation requirement, performance standards on the 10th grade proficiency test will also replace the 9th grade proficiency test performance standards.

Beginning in FY 2000, the Department of Education must report for each district its percentages on each of the performance indicators. Based on a district's performance, the district will be declared:

- An effective school district (meets at least 94% of the performance standards); or
- A School district to be in need of continuous improvement (meets more than 50%, but less than 94% of the performance standards); or
- A school district to be under an academic watch (meets more than 35% but less than 51% of the performance standards); or
- A school district to be in a state emergency (does not meet more than 35% of the performance standards).

The Department of Education would incur costs for assisting school districts in developing school improvement plans. For example, when a district that has been declared a district to be in need of continuous improvement or under an academic watch has failed to make the required

level of improvement during a three-year period, the Department of Education is required to assign staff to assist the district in developing a new continuous improvement plan. The assistance may include an on-site evaluation and developing and adopting a new continuous improvement plan for the district. When a district that has been declared to be in a state of academic emergency has failed to demonstrate the required level of improvement, the department is required to conduct an on-site evaluation and specify a corrective plan. However, the costs of assisting a district in a state of academic emergency would largely be borne by the district. For example, if the department determines that such a district needs an independent audit, under the bill, the district would have to pay the audit expenses.

The spokesperson from the department indicates that the department is likely to contract with local educational service centers to provide school districts with needed assistance. Since these performance standards would not apply to school districts until FY 2000, the department would not incur required school improvement assistance costs as a result of the bill until FY 2003. The magnitude of such costs would depend on the number of school districts that would need assistance specified by the bill. Currently the department is working with many districts on improving educational outcomes.

The bill specifies detailed improvement procedures for school districts (other than effective schools) to take in order to improve their performance. Beginning in FY 2000, school districts other than effective districts would incur costs to develop continuous improvement plans. The development, implementation, and updating the required plans could incur significant costs. The development could require the use of both internal and external expertise, including outside consultants. School districts would likely to reallocate their resources into areas that need improvement.

The Department of Education has adopted performance standards specified by the bill to determine per pupil base cost of providing “thorough and efficient” education in Ohio schools. The table below details school districts’ performance results in FY 1996.

FY 1996 School District Performance Summary	
Performance Type	Number of School Districts
Effective Districts	169 (27.8%)
In Need of Continuous Improvement	354 (58.3%)
Under Academic Watch	63 (10.4%)
In a State of Academic Emergency	21 (3.5%)

It is clear that the majority of school districts would need to make continuous improvement based on the FY 1996 performance data. However, these districts would have several years to identify their problems, specify strategies, and reallocate resources to improve their performance since these standards would not apply to school districts until FY 2000. Results could be significantly different by then. The department will continue to report for each district’s percentages on performance indicators every year from now on.

Minimum Graduation Requirement

The minimum units of credit necessary for graduation from a public high school under current Ohio Administrative Code and under the bill are summarized in the table below.

	<i>Current</i>	<i>Bill</i>
Total units of credit	18	20
Mandatory		
English language arts	3	4
Health	1/2	1/2
Mathematics	2	3
Physical education	1/2	1/2
Science**	1	3 (1 unit of biological science and 1 unit of physical science)
Social Studies	2 (1/2 unit of American history and 1/2 unit of American government)	3 (1/2 unit of American history and 1/2 unit of American government)
Elective	9	6

*One unit means a minimum of 120 hours of course instruction, except for a laboratory course, one unit means a minimum of 150 hours of course instruction. In physical education, 120 hours counts as one-half of a unit.

** The science credit requirement would be gradually phased in (see below).

The bill allows certain advance work taken below the ninth grade to be counted toward the graduation requirements. The bill also states that it would first apply to high school students graduating after September 15, 2001. The Class of 2002 (or students entering the ninth grade in the 1998-1999 school year) would be the first class that has to meet the bill's requirements in order to graduate from high school. However, the Classes of 2002 and 2003 would only be required to earn two units of science to graduate. The Class of 2004 and thereafter would need to earn three units of science in order to graduate from high school.

The bill requires the Board of Regents, in consultation with the Superintendent of Public Instruction, to prepare a plan recommending strategies for increasing the number of science and mathematics teachers. The Board of Regents would incur one-time costs for developing such a plan. The plan is required to be completed no later than December 31, 1998. The state could also increase costs in school construction (especially for low-wealth school districts) under the state program for additional classroom and science laboratory spaces.

While current law requires a minimum of 18 units of credit for graduation from high school, local boards of education have the authority to establish higher standards in excess of this minimum requirement. The Department of Education has recently conducted a graduation requirement survey. Of the 359 respondents, 20 school districts (or 5.6%) meet all the requirements of S.B. 55 and 44 districts (12%) are in the process of increasing the number of units of credit necessary for graduation to the bill's level. The table, below, summarizes the survey results.

Total Respondents = 359		Number of School Districts
Total Number of Units of Credit		
	20 units or more	200 (56%)
	Less than 20 units	159 (44%)
English		
	4 units or more	272 (76%)
	Less than 4 units	87 (24%)
Social Studies		
	3 units or more	224 (62%)
	Less than 3 units	135 (38%)
Mathematics		
	3 units or more	77 (21%)
	Less than 3 units	282 (79%)
Science		
	3 units or more	28 (8%)
	Less than 3 units	331 (92%)

The survey results clearly indicate that many school districts' current graduation standards, especially in mathematics and science areas, do not meet the bill's proposal. To meet the bill's requirements, many school districts would likely have to hire additional mathematics and science teachers. In FY 1996, the statewide average teacher salary was \$38,121. These costs could be offset by the elimination of teaching positions in elective classes. It should be noted that mathematics and science teachers are currently in short supply and a significant number of current teachers are not certified in these areas. The high demand for additional mathematics and science teachers could further compound the problem. School districts might have to compete with each other and pay high salaries in order to attract these teachers.

The bill increases the total number of units of credit necessary for graduation from 18 to 20. School districts that currently require less than 20 units of credit for graduation would incur additional costs. For example, the Amanda-Clearcreek Local School District (Fairfield County) currently requires 18 units of credit (4 units of English, 2 units of mathematics, 2 units of social studies, 2 units of science, 0.5 unit of health, 0.5 unit of physical education, and 7 units of elective courses). The district spokesperson states that the district would have to hire three additional teachers and buy three portable classrooms (\$20,000 per classroom) in order to meet the bill's requirements. The average teacher salary for the district in FY 1996 was \$33,327. Therefore, it is estimated that the Amanda-Clearcreek Local School District would incur costs \$187,976 per year as a result of the bill.

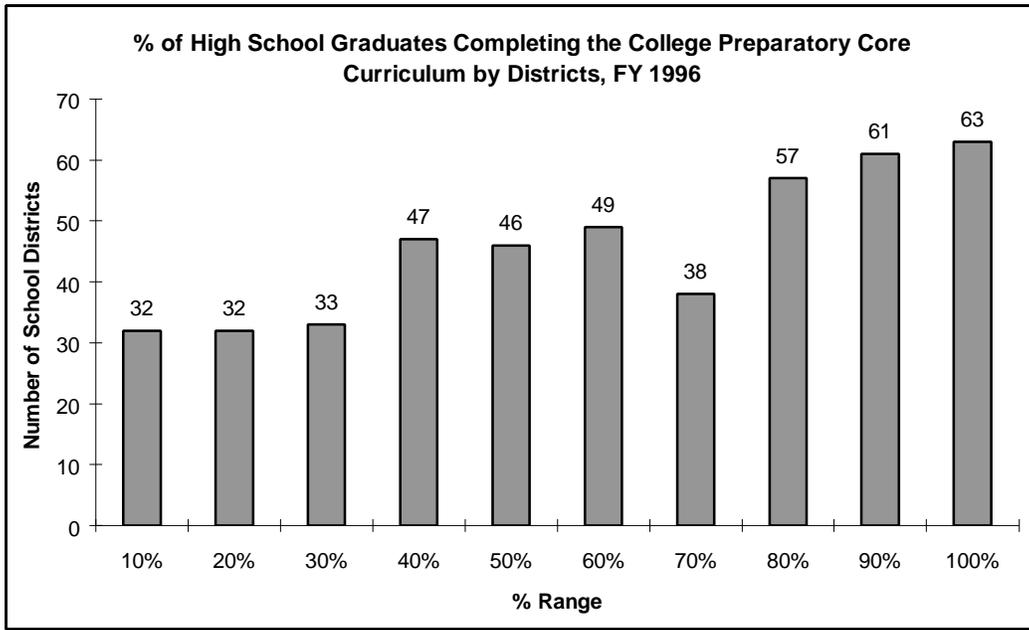
Meanwhile, the bill increases the number of mandatory units of credit from nine to 14. School districts that currently require 20 units of credit or more for graduation, but do not meet the bill's mandatory unit requirement component, could also incur additional costs for making necessary changes to meet the bill's requirement. For instance, the Arlington Local School District (Hancock County) currently requires 22 units of credit for graduation. While the district requires four units of English it only requires two units of mathematics and two units of science. According to the district spokesperson, the district would have to hire two additional teachers. The district could incur costs by \$80,044 per year as a result of the bill. The average teacher salary for the district in FY 1996 was \$31,267. On the other hand, school districts that currently

require 20 units or more for graduation (like Arlington Local) could lower their net costs by eliminating some existing courses and shifting these resources into newly required areas. These districts could have some transition costs (including facility changes) as they adjust their course and teacher mix, but should have little on-going costs with possible exception of mathematics and science teacher supplements to attract the necessary teachers, and higher costs associated with operating more science laboratories.

Establishing additional science laboratories needed for teaching science courses is another area that could cost school districts. School districts are currently required to offer at least two science laboratory courses each year for 9th to 12th graders. However, the bill increases the number of required science units of credit for graduation from one to three. In order to ensure every high school student meets the bill's science requirement component, school districts might need to make more science classes available. This could result in a need for additional laboratories and/or equipment upgrade unless current lab space is now significantly under utilized. The spokesperson from the Akron City School District indicated that the district had planned to increase the science unit requirement from one to two. However, due to high costs of needed new laboratories and additional science teachers, the plan had not been actually implemented. According to the Department of Education, the average cost for a biological laboratory is estimated at \$140,000.

It should be noted that while most of school districts' current graduation requirements do not meet the bill's standards, many high school graduates actually meet the graduation requirements proposed by the bill. Currently, Ohio high school graduates may receive either a regular diploma or a diploma with honors. To receive a diploma with honors, among other things, the student must complete a college preparatory core curriculum and meet seven out of the eight criteria prescribed by the State Board of Education. Five of those criteria are: a) earning four units of English; b) earning three units of mathematics; c) earning three units of science; d) earning three units of social studies; and e) earning three units of one foreign language or two units each of two foreign languages. Students who have completed the college preparatory core curriculum are presumably meeting the requirements of the bill. In FY 1996, 46% of high school graduates statewide had completed the college preparatory core curriculum. According to the spokesperson from the Ohio State University, 90% of its 1997 freshmen class comes from Ohio high schools; on average, these freshmen have taken 4.1 units of English, 4.3 units of mathematics, 3.7 units of sciences, 3.4 units of social studies, and 3.3 units of foreign language in high schools. These statistics confirm the assumption that high school graduates who have completed the college preparatory core curriculum are currently meeting the bill's graduation requirements.

The chart below shows the percentage of high school graduates completing the college preparatory core curriculum by districts in FY 1996. In the EMIS data, there were 153 school districts showing a zero percentage of graduates completing the college preparatory core curriculum. Since the EMIS data collection method does not distinguish between a school district that did not report the data from a district that had an actual zero percentage, this analysis excludes these 153 school districts.



Of the 458 school districts in FY 1996 with non-zero data, 190 districts had under 50% of graduates who had completed the college preparatory core curriculum and the other 268 districts had above 50% of graduates completing the college preparatory core curriculum. It is clear that school districts with a lower percentage of graduates completing the college preparatory core curriculum would incur higher costs for meeting the bill's requirements. School districts with a higher percentage of graduates completing the college preparatory core curriculum would incur lower or no costs.

Since high school graduates completing the college preparatory core curriculum are currently meeting the bill's requirements, the bill would mainly affect students who are enrolled in the vocational education program and students who are in the general track. Students who are enrolled in the vocational education program are required to meet minimum requirements for the vocational education program; they generally have taken fewer units of academic courses than students enrolled in the college preparatory education program. To meet the bill's requirements, school districts would have to offer more academic courses and increase academic requirements for students enrolled in the vocational education program and students who are in the general track. The bill allows units earned by students in English, mathematics, science, and social studies that are delivered through integrated academic and technical instruction to be counted toward the graduation requirements. School districts could lower their on-going costs by making necessary program changes to integrate the bill's academic requirements into their current vocational and technical education programs.

By increasing the academic graduation requirements, the bill would also affect the operation of 49 joint vocational schools (JVS) in the state. As indicated earlier, the bill allows units earned by JVS students in English, mathematics, science, and social studies that are delivered through integrated academic and technical instruction to be considered in calculating the 20 unit graduation requirements. JVS would incur transition costs for making necessary program changes to integrate these new academic requirements proposed by the bill. However, according to the spokesperson from the Department of Education, JVS would also incur on-going costs for hiring additional academic teachers since not all academic requirements prescribed by the bill can

be met by the integration of academic and technical instruction. These costs would likely to be offset by the infusion of state revenues as a result of new primary and secondary school funding formula that would be enacted before FY 1999.

Phase-out of Ninth-grade Proficiency Test; Phase-in of Tenth-grade Proficiency Test

Under the bill, the ninth-grade test would yield to the tenth-grade test as a measure of students' proficiencies for the purpose of graduation from high school. The ninth-grade test given in the 2003-04 school year would be the last required for graduation; the tenth-grade test would thenceforth be required.

The major fiscal effects of the changeover to the tenth-grade test would be the costs of developing and implementing the new tenth-grade test and the costs of administering the ninth-grade and tenth-grade tests for two years, 2002-03 and 2003-04. The cost of developing a proficiency test is estimated by the Department of Education to be approximately \$2 million over two years. The current total expenditure for administration of the fourth-, sixth-, ninth- and twelfth-grade tests is approximately \$10.6 million, as indicated by the FY 1998 budget appropriation for ALI 200-437, Student Proficiency; the cost of administering just the ninth-grade test is estimated to be between \$3 million and \$4 million. However, while the ninth-grade test is also currently given to eighth-graders, it is assumed that the tenth-grade test will not be. Thus, the cost of administering the tenth-grade test is estimated to be approximately \$3 million, for a saving of somewhat less than \$1 million per year. Therefore, the additional cost arising from the two years (2002-03 and 2003-04) of administration of both the ninth- and tenth-grade tests would be approximately \$7 million; this additional cost would, of course, occur only one time.

The effect of the change from the ninth-grade test to the tenth-grade test should reduce the school districts' assessment expenditures, since the tenth-grade test would not be also administered to eighth-grade students, as the ninth-grade test now is. However, for the two years (2002-03 and 2003-04) during which both the ninth- and tenth-grade tests would be administered, the districts would incur additional assessment costs.

Grade Promotion and Retention Policies

The bill requires school districts to adopt an official retention and promotion policy. Specific policies are left to the school district's discretion. However, without special approval, the bill prohibits promotion of students who have been truant more than 10 percent of the year and who have failed more than two subjects.

Currently most promotion and retention decisions are made at the building level. Columbus City schools, for example, present a promotion and retention guideline in the administrative handbook. Columbus' guideline recommends grade and middle school students can be retained at most once at each level. Additional language allows students to be promoted to middle and high school based on the student's age.

In high school, grade status is determined differently. The number of credits successfully completed determines the grade level. Students move further toward completion credit by credit. The designation of a grade status is irrelevant; in order to graduate, a student must complete the credit requirement. In addition to credit requirements, students must also pass the 9th grade

proficiency test to graduate from high school. Social promotion is not as much of an issue at the high school level.

School districts would be likely to expand programs, such as summer school, to tackle the problem of social promotion. Generally, summer school is paid for by student charges although some districts subsidize the cost. However, state basic aid could increase if a significant number of students have to be retained each year and if this causes students to stay longer in school. Even if a student stays longer in school, future remedial costs and discipline costs could be reduced if the retention puts a student back on track. If school district ADM goes up as a result of more retention, then state aid will increase by the amount of basic aid (\$3,663 in FY 1998) for each additional student.

The Fourth-grade Guarantee

The bill would prohibit the promotion of a student who fails to pass the reading section of the fourth-grade proficiency test. Further, each school district would establish an intervention program including assessment (at the ends of grades one to three), consultation with parents, and intervention. For students assessed at the ends of the third and fourth grades as not reading at their grade levels, interventions would be in the form of summer school reading classes. A student who continues to fail the reading test after being retained at least once would require a statement by his principal and teacher in order to be promoted to fifth grade.

Assuming that each school district would incur only a small, one-time fluctuation in its average daily membership (ADM) because of its retention of a number of students in the fourth grade, the amount of basic aid provided by the state to the school district should be only minimally affected.

Under the assumption that all fourth-grade students will eventually pass to the fifth grade, one result of the bill would be a phase-in effect on the school districts' class sizes after the first group of fourth-grade students was retained: the size of the fifth-grade and those students' subsequent grades would be reduced one time only. Each district would most likely adjust its number of classrooms and teacher assignments for each grade in order to minimize the expense of the retention. The net expenditure would vary among districts because of the different numbers of retained students and different teacher/classroom costs. Concerning revenues, assuming that each school district would incur only a small, one-time fluctuation in its average daily membership (ADM) because of the retention, the amount of basic aid received by the district from the state should be only minimally affected.

The cost of the intervention program would depend on both the type of assessment utilized (e.g., another reading test, the teacher's own evaluation, or evaluation by a specialist) and the extent of the intervention strategy. Assuming that the teacher would provide the evaluation at no additional cost to the district, then the main expenditure would arise from the intervention itself. This intervention, in the form of summer school remediation, would incur the costs of teachers (at, probably, a salary premium) and classrooms (including utilities, supplies, etc.) above the level that the district currently expends for remedial services. A district could offset these costs by charging the parents for the summer-school services provided to their students. Based on recent programs' experiences, the charge could range from, say, \$50 to \$100 per student for a summer program. Alternatively, funds appropriated for the Disadvantaged Pupil Impact Aid

(DPIA) program might be used for this purpose. Another strategy would be before- or after-school tutoring. This could be provided by the regular teacher, a Chapter 1 teacher, or a teacher funded through DPIA moneys.

To preclude the additional costs of mandated retention and intervention, the districts would, no doubt, be motivated to further emphasize reading instruction during the first four grades. These efforts would incur their own costs, although they could help reduce the overall fiscal effect of this provision of the bill by reducing the amount and degree of remediation. Districts will also use other methods to reduce costs, such as enlisting greater parental support during the school day and at home with the parents required to read with their children.

Fourth- and sixth-grade intervention

The bill would allow a school district to retain in grade for an additional year those students who fail three or more of the five sections of a fourth- or sixth-grade proficiency test. The test results may be used as one of several criteria in the retention decision. The bill would also require each school district to offer a non-mandatory summer intervention program for fourth- and sixth-grade students who fail three or more of the five portions of the fourth- or sixth-grade proficiency test. All such students would be eligible to attend these summer schools and would be allowed to do so at the discretion of their parents, who would be involved in developing the intervention strategies.

The Department of Education might be called upon by some school districts for assistance in establishing these summer intervention programs. This service would be among the department's normal activities and would incur minor additional state expenditures. The districts themselves would incur the costs of conducting the summer school sessions. These costs are generally defrayed by charging the students' parents for the services, as the state does not provide financial aid for summer schools. Charges are often in the \$50 to \$100 range for a six-week session, but the range could be wider depending upon such factors as the number of class hours for a session and the number of students attending.

Alternative Schools

The bill would require all school districts to develop zero-tolerance policies for violent, disruptive and truant behavior and to develop prevention and intervention strategies. Further, by July 1, 1999, each Big Eight school district would have to have at least one alternative school to meet the educational needs of students with severe discipline problems. If one of these districts has too few students to justify a complete school building, it would be allowed to designate certain classrooms in a building for the purpose or to cooperate with an adjoining district to provide the services. Other, non-Big Eight districts would be allowed to create their own alternative schools. Any alternative school or its equivalent would have to provide all necessary services, including an appropriate curriculum and counseling.

As the ADM's of the school districts would not generally be affected by the reassignment of certain students to the alternative schools, the amount of basic aid paid by the state to the districts would not be affected by the creation of these schools. In certain cases the ADM could increase if a suspended student is assigned to the alternative school during certain time periods.

Each school district would incur the costs of developing and administering a zero-tolerance policy and a prevention/intervention strategy for violent, disruptive and truant behavior. The cost of development of the policy would be expected to be minimal; the cost of its administration could range from minimal (for, e.g., administrative discipline and reassignment) to considerable (for, e.g., the hiring of additional security personnel, consultants, etc.). However, districts are already paying for these sorts of costs as part their normal activities. It is difficult to predict whether zero-tolerance is less or more expensive than current policies.

An alternative school could be expected to involve considerable direct expenditures, including occupancy costs (building, maintenance, security, utilities, etc.), instructional costs (teachers, supplies, curriculum, special teaching methods, etc.), and transportation costs to bring students from a wider geographic area. The primary variables in the determination of these costs are the number of students assigned to such a school, the students' locations, the ready availability of a building or classrooms, the amounts and types of security and maintenance, the requirement for additional teachers, the curriculum development requirements, and specialized teaching methods, such as individualized instruction. Most likely the two alternatives mentioned in the bill (the designation of classrooms in an existing building and the cooperative venture with an adjoining district), would present less expensive options.

There are many possible long-term cost savings that are possible from alternative schools. These savings are harder to quantify but many involved in such schools believe they are significant and real. Removing disruptive students from the classroom can have a very positive effect on the success and productivity of the remaining students, the teacher, and the principal. Without an alternative school, disruptive students are often suspended leading to a further downward spiral in the student's academic performance and further trouble when the student returns. The alternative school can help the student get back on track academically in its structured environment. Future remediation costs might be reduced.

Concerning instruction in such schools, the curricula would likely be similar to those in the regular schools; their adaptation to the alternative school programs would likely involve some minimal expense. The instruction methods, however, would tend to be more individualized in alternative schools. The teacher-pupil ratio would be reduced and, possibly, individual education plans would be developed. These factors would increase the expense of educating a student in an alternative school.

As the ADM's of the school districts would not be affected by the reassignment of certain students to the alternative schools, the districts' basic aid would not be affected by the creation of these schools.

Site-based Management

The bill would require any school district that has an average daily membership (ADM) above 5,000 and is not categorized as "effective" (i.e., that meets fewer than seventeen of the eighteen state performance standards) to designate one school building to be operated by a site-based management council composed of an equal number of classroom teachers (including the principal) and parents. The Department of Education, in conjunction with the Office of Education Accountability and Productivity (which would be created by new legislation), would recommend rules that outline the powers, duties, functions and responsibilities of the councils. The rules

would take effect upon approval by the General Assembly. School districts would be allowed to propose alternative structures for their site-based management programs.

A total of 70 school districts currently have ADM's above 5,000. Of these, a total of 21 would be categorized as "effective" based on the proposed 18 performance standards as applied to their FY 1996 results. Thus, 49 (or 8%) of the state's 611 districts would currently be required to establish site-based management councils.

The state would incur the expense of establishing and staffing the new Office of Education Accountability and Productivity, whose creation is addressed in H.B. 412. This office would have other duties besides those involved with developing the rules for the site-based management councils. Apart from the routine expenditures of the department and the office in the development of the rules, the only fiscal effect on the state would arise from the assistance provided by the department in the establishment of the councils; such expenditures above the department's budgeted levels would be expected to be minimal.

The school districts would incur the expenses associated with the establishment and operation of the councils. The expenses would, for the most part, be office, administrative and meeting expenses and would not amount to more than a few thousand dollars per year. Thus, the fiscal effect should be minor.

Mobile Classrooms at Private Schools

Following a decision of the U.S. Supreme Court, the bill would enable private schools to forego the use of temporary, or mobile, classrooms located off school property as locations for instruction of their students by public school teachers. The public school teachers would be allowed to teach in the private schools' regular classroom building.

The elimination of private schools' mobile classrooms as locations for instruction of private school students by public school teachers would have no direct fiscal effect upon the state, as the mobile classrooms are the properties of the private schools.

The elimination of private schools' mobile classrooms as locations for instruction of private school students by public school teachers would save the private schools considerable expense, as they could then use their regular classrooms for the purpose. However, the fiscal effect on the public school districts would be little or none, since their only expenses are the teachers and these expenses would continue.

Cooperation Between Elementary and Secondary and Higher Education Institutions

The bill requires the Ohio Board of Regents and the State Board of Education to create a joint council to make recommendations on how to integrate primary, secondary, and higher education into a seamless learning experience, increase math and science attainment, increase high school graduation rates, reform teacher education, phase out remedial classes at the college level, develop a statewide improvement plan for academic assessment and intervention of primary and secondary students, and emphasize the use of technology for education, among other goals. The bill directs the council to work cooperatively with existing education-improvement groups, and to

foster the creation of statewide committees if such committees will aid the completion of the council's goals.

The council must issue a report by December 31, 1998 on how to expand the post-secondary enrollment options program, contained in Chapter 3365. of the Revised Code, and how to increase academic achievement and student motivation. The report will be directed to the Speaker and Minority Leader of the House, the President and Minority Leader of the Senate, the Director of the Legislative Office of Education Oversight, and the Board of Regents and the State Board of Education.

The council is also required to propose a program to be sited at one or more state-assisted colleges or universities to assist individuals with alternative educator licenses to obtain provisional educator licenses. This proposal is due June 1, 1999.

Costs associated with this joint council will vary considerably depending on how the council is staffed and the extent to which its members travel, purchase data, and choose to issue their findings (i.e., printing and publicity costs.) Since no new appropriation is provided by this bill, it is assumed that the joint council will use available staff time to work on the issues the council is required to study, to prepare the report on the post-secondary enrollment options program, and develop the program for the alternatively licensed teachers. The joint council costs are estimated to be \$30,000 for the specified report. It is assumed that the two departments without additional appropriations can absorb all costs.

The bill states that it is not the intention of the General Assembly to require the departments to incur costs for the joint council's activities prior to July 1, 1998, the first day of fiscal year 1999.

The 12th Grade Proficiency Test Scholarship Program

Beginning in FY 2000, the Board of Regents is required each year to provide a one-time \$500 scholarship to OIG eligible students passing all five parts of the 12th grade proficiency test and enrolling in public or private two- or four-year institutions of higher education in Ohio. The scholarship can be more than \$500 for each student if the budget appropriations allow. Currently, students who pass the 9th grade proficiency test by January 1 of their senior year are required to take the 12th grade proficiency test in February. However, students are not required to pass the 12th grade proficiency test to graduate. In February 1997, 93,754 seniors (about 80% of the class of 1997) took the 12th grade proficiency test and 35,329 students (about 38% of seniors who took the test) passed all five parts of the test. Assuming 1/3 of these students are eligible for the scholarship established by the bill, the Board of Regents would have incurred costs of \$6 million in grant moneys. Some students might not attend a college or might attend out-of-state; these would reduce the cost. On the other hand, a different number might pass the test in the future.

Currently, the State Board of Education awards the certificates to seniors passing all five parts of the 12th grade proficiency test. Starting with the class of 1997, school districts are also required to report student performance on both the 9th grade and 12th grade proficiency tests on

school transcripts. This one-time \$500 scholarship program would provide another incentive for students to pass the 12th grade proficiency test.

The bill allows school districts required to offer the NAEP test to change the date of their proficiency if there is a conflict or to ensure a reasonable break between the two tests.

All-Day Kindergarten

Before FY 1998, the state provided funding for half-day kindergarten and every school district's kindergarten ADM was included in the basic ADM calculation at the 50% level. Am. Sub. H.B. 215 (the Budget Bill) of the 122nd General Assembly begins to provide the 21 urban school districts with funding for extended-day and all-day kindergarten by including districts' kindergarten ADM in basic ADM at different levels depending on the length of the school day. For the Big Eight districts, kindergarten ADM is included in basic ADM at the 75% level in FY 1998 and at the 100% level in FY 1999. For the other 13 urban school districts, kindergarten ADM is included in basic ADM at the 75% level in FY 1999 and at the 100% level in FY 2000, assuming school district implementation.

Under the bill, the state also begins to provide extended-day and all-day kindergarten for the 78 school districts classified by the Department of Education as "rural, high poverty, and low social-economic status." These districts' kindergarten ADM will be included in basic ADM at the 75% level in FY 1999 and at the 100% level in FY 2000 and thereafter. This is estimated to cost \$8.4 million in FY 1999 and \$19.9 million in FY 2000. These estimates use the executive's school funding proposal at the \$3,900 foundation level in FY 1999 and \$4,150 in FY 2000. This provision will only go into effect if the voters approve the funding package in November 1997 (see issue one of SJR 3/ HJR 16).

State funding for all-day kindergarten in FY 1998 for the Big Eight is estimated at approximately \$23 million. In FY 1999, the urban 21 school districts are estimated at approximately \$68 million while the 78 school districts classified as "rural, high poverty, and low social-economic status" are estimated at \$8.4 million. In FY 2000, state funding for all-day kindergarten for the urban 21 districts and the 78 "rural and high poverty" school districts would be approximately \$97 million. Of this total, \$19.9 million is due to the rural districts alone.

While the state increases its kindergarten funding available to these school districts, eligible districts would have to actually provide all-day or extended-day kindergarten in order to receive state funding. These districts could incur additional costs (such as obtaining necessary classrooms to house additional kindergarten classes) to implement the all-day or extended-day kindergarten initiative. These cost increases would vary from district to district depending on each district's current facility availability. It would be easier for school districts with available existing buildings to implement the all-day or extended-day kindergarten initiative.

Freeing school districts from state mandates

The Department of Education, in cooperation with the Office of Education Accountability and Productivity (which would be created by new legislation), would develop rules by which those school districts categorized as "effective" under the state performance standards would be

freed from certain state education mandates by July 1999. The General Assembly would have to approve these rules. The mandates themselves are not specified.

A total of 169 school districts would be categorized as “effective” based on the proposed 18 performance standards as applied to their FY 1996 results. Thus, approximately 28% of the state’s 611 districts would currently be eligible to be freed from the mandates.

Since the mandates from which the districts would be freed have not been specified, the fiscal effect of the provision upon both the state and the school districts must be considered indeterminate. The effect on the state would, most likely, be minimal, since the mandates are laid upon the districts. The fiscal effects on the districts would depend, of course, on which of their operations would be affected. If the mandates did not involve significant financial requirements and regulations, the fiscal effects of their removal could be considered minimal. Regardless of any financial impact, however, if the mandates were academically or administratively burdensome to a school district, the possibility of being freed from them might serve as an incentive to the district to either maintain or achieve the “effective” status.

Remediation Service Providers

The bill would require the Department of Education, in conjunction with the Office of Education Accountability and Productivity (which would be created by new legislation), to develop rules permitting school districts to contract with both public and private providers of academic remediation and intervention services. These providers would present after-school and summer-school programs that would assist students in grades one through six in the core subject areas. The rules would be developed by July 1, 1998 and would take effect only after approval by the General Assembly.

Currently the school districts do not have authorization to contract for these remediation services; that is, there is no provision in state law for authorizing such contracts with private vendors. The services are usually provided under agreements with school districts and education service centers.

The development of the rules would incur no more than routine expenses by the department and the office; these state expenses should be minimal. The school districts would enjoy greater flexibility in the type, quantity and cost of the remediation services that they could provide to their students. The fiscal effect of the provision is not predictable: while a district might be able to reduce its expenditures by obtaining some services at lower costs, it also might increase its expenditures by providing services that it did not provide before. Therefore, the district’s net expenditure for these services could be above or below what they are now.

Non-Adjacent Open Enrollment

The bill permits any city, local, or exempted village school district to establish a policy to permit students from non-adjacent school districts to attend school in the city, local or exempted village school district through open enrollment. Under the bill, the local school board would have to adopt a resolution to accept non-adjacent district students.

School districts adopting policies to permit students from non-adjacent districts to attend school in their districts through open enrollment could experience potential revenue gains from

the state, depending on the number of students enrolling in the district, and if the district accepting the students is a formula district. Districts that lose students as a result of open enrollment would experience a loss in revenues from the state.

Reducing Teacher/Pupil Ratios to 15:1

The bill would require the big eight school districts (Akron, Canton, Cleveland, Columbus, Cincinnati, Dayton, Toledo, Youngstown) to reduce their teacher/pupil classroom ratios by two students each year until they reach a ratio of 15 students per teacher in FY2002. However, these districts would also have the option to hire a full-time aid for each classroom above the required level for that year. The phase-in schedule would be as follows:

Fiscal Year	Option of:	
	A. Reducing each classroom to ratio of:	or B. Instituting a team-teaching method, or hiring a full time aide for each classroom in excess of :
1998	23:1	23
1999	22:1	21
2000	19:1	19
2001	17:1	17
2002	15:1	15

Cost of Reducing the Teacher/Pupil Ratio

Reducing the teacher/pupil ratio will involve two major costs – costs for additional personnel and/or potential costs for new facilities. To meet the requirements of the bill, the big eight school districts will need to make decisions about hiring new teachers and hiring new aides. To a large extent, their initial decisions will depend upon whether they have enough excess capacity to house new classroom teachers. An analysis of how districts might minimize costs shows that initially, in going from a 25/1 ratio to a 23/1 ratio, a 21/1 ratio, and a 19/1 ratio, it will cost districts less to hire new teachers than to hire a new aid for each classroom above the required ratio, if they have the classroom space. At the 17/1 and 15/1 ratios, it would cost about the same to hire new teachers or classroom aides. However, given that in future years teachers’ salaries would probably grow faster than teacher aides’ salaries, it would probably cost the districts less over the long run to hire aides. The following two sections show the costs associated with hiring new classroom teachers, and the costs associated with hiring classroom aides.

Cost of Hiring New Classroom Teachers

The following tables show the estimated cost of reducing class size from a teacher/student ratio of 25/1 to 23/1 in FY 1997, 21/1 in FY 2000, 19/1 in FY 2001, 17/1 in FY 2002, and 15/1 in FY 2003. **Data for current pupil teacher ratios should be considered tentative.** The tables show the following for each fiscal year until the year FY 2003: a) the estimated K-3 ADM; b) the current K-3 teacher/pupil ratio; c) the number of teachers needed at the current ratio; c) the number of teachers needed at the required ratio for that year; d) the additional number of teachers needed; e) estimated beginning salary and fringe benefits costs; and f) the estimated additional

cost of reducing class size to the required ratio for that year, based on a beginning teachers' salary. If teachers above the base salary level are hired, costs would be somewhat higher. If districts could rearrange teacher assignments, costs might be lowered from the estimated levels. One such avenue is to use the school project option under the federal Title I program. This is available to individual schools with more than 50 percent of students in poverty. Under this option, Title I funded teachers can be used as regular classroom teachers, as aides, or as team teachers where they augment the school's normal teaching team as part of an integrated school-wide strategy. It has not been determined if this federal option would be affected by the existence of a state requirement for the district to lower class size.

Estimated Additional Costs for FY 1999							
District	Estimated K- 3 ADM	Current K- 3 ratio	# of teachers at current ratio	# of teachers needed at 23/1 ratio	Additional teachers needed	Estimated Beginning Salary and Fringe Benefits	Additional Cost to Reduce Ratio to 23/1
Cleveland	27,252	25	1,090	1,185	95	\$29,467	\$2,793,164
Columbus	23,024	20.4	1,127	1,001	-126	\$28,863	-
Youngstown	4,411	22.9	1193	192	-1	\$28,386	-
Dayton	9,691	23	422	421	0	\$33,957	-
Toledo	14,029	23.8	590	610	20	\$27,614	\$538,760
Cincinnati	18,328	21.3	859	797	-62	\$29,783	-
Canton	4,576	24.0	190	199	9	\$487,619	\$268,535
Akron	10,471	20.7	507	455	-52	\$1,002,703	-
Total	111,782		4,978	4,860	124	\$11,421,187	\$3,600,459

Estimated Additional Costs for FY 2000							
District	Estimated K- 3 ADM	Current K- 3 ratio	# of teachers at current ratio	# of teachers needed at 21/1 ratio	Additional teachers needed	Estimated Beginning Salary and Fringe Benefits	Additional Cost to Reduce Ratio to 21/1
Cleveland	27,252	25	1,090	1,298	208	\$30,940	\$6,424,277
Columbus	23,024	20.4	1,127	1,096	-31	\$30,306	-
Youngstown	4,411	22.9	1193	210	17	\$29,805	\$514,414
Dayton	9,691	23	422	461	40	\$35,655	\$1,424,236
Toledo	14,029	23.8	590	668	78	\$28,995	\$2,250,032
Cincinnati	18,328	21.3	859	873	14	\$31,272	\$434,849
Canton	4,576	24.0	190	218	28	\$32,168	\$891,485
Akron	10,471	20.7	507	499	-8	\$28,908	-
Total	111,782		4,978	5,323	385		\$11,939,293

Estimated Additional Costs for 2001							
District	Estimated K- 3 ADM	Current K- 3 ratio	# of teachers at current ratio	# of teachers needed at 19/1 ratio	Additional teachers needed	Estimated Beginning Salary and Fringe Benefits	Additional Cost to Reduce Ratio to 19/1
Cleveland	27,252	25	1,090	1,434	344	\$32,487	\$11,183,315
Columbus	23,024	20.4	1,127	1,212	85	\$31,821	\$2,699,075
Youngstown	4,411	22.9	1193	232	39	\$31,296	\$1,232,089
Dayton	9,691	23	422	510	89	\$37,438	\$3,314,033
Toledo	14,029	23.8	590	738	148	\$30,444	\$4,503,411
Cincinnati	18,328	21.3	859	965	106	\$32,836	\$3,473,201
Canton	4,576	24.0	190	241	51	\$33,776	\$1,710,795
Akron	10,471	20.7	507	551	44	\$30,353	\$1,336,593
Total	111,782		4,978	5,883	905		\$29,452,510

Estimated Additional Costs for 2002							
District	Estimated K- 3 ADM	Current K- 3 ratio	# of teachers at current ratio	# of teachers needed at 17/1 ratio	Additional teachers needed	Estimated Beginning Salary and Fringe Benefits	Additional Cost to Reduce Ratio to 17/1
Cleveland	27,252	25	1,090	1,603	513	\$34,112	\$17,498,598
Columbus	23,024	20.4	1,127	1,354	227	\$33,413	\$7,597,435
Youngstown	4,411	22.9	1193	259	67	\$32,860	\$2,191,198
Dayton	9,691	23	422	570	149	\$39,309	\$5,838,546
Toledo	14,029	23.8	590	825	235	\$31,967	\$7,505,425
Cincinnati	18,328	21.3	859	1,078	219	\$34,478	\$7,559,582
Canton	4,576	24.0	190	269	79	\$35,465	\$2,801,213
Akron	10,471	20.7	507	616	109	\$31,871	\$3,469,780
Total	111,782		4,978	6,575	1,597		\$54,461,777

Estimated Additional Costs for FY 2003							
District	Estimated K- 3 ADM	Current K-3 ratio	# of teachers at current ratio	# of teachers needed at 15/1 ratio	Additional teachers needed	Estimated Beginning Salary and Fringe Benefits	Additional Cost to Reduce Ratio to 15/1
Cleveland	27,252	25	1,090	1,817	727	\$35,817	\$26,029,165
Columbus	23,024	20.4	1,127	1,535	408	\$35,083	\$14,312,637
Youngstown	4,411	22.9	1193	294	101	\$34,503	\$3,494,438
Dayton	9,691	23	422	646	225	\$41,275	\$9,267,693
Toledo	14,029	23.8	590	935	345	\$33,565	\$11,573,898
Cincinnati	18,328	21.3	859	1,222	363	\$36,201	\$13,141,481
Canton	4,576	24.0	190	305	115	\$37,238	\$4,277,762
Akron	10,471	20.7	507	698	191	\$33,464	\$6,391,525
Total	111,782		4,978	7,452	2,474		\$88,488,598

Cost of Hiring New Classroom Aides

As mentioned above the decision whether to hire aides and/or additional classroom teachers will depend on whether districts have enough capacity to house new classrooms. It will also depend upon a cost analysis of costs for aides verses costs for new classroom teachers at particular ratios. If we assume that each of the big eight school districts would go back to a 25/1 student/teacher ratio and hire aides to meet the requirements, approximately 4,470 teachers would be needed to provided instruction to the estimated 111,782 students. If aides were then hired for each classroom, it would cost approximately \$88.0 million, assuming a salary of \$15,143 for each aide, with an additional 30% for fringe benefits. Some districts could reduce the number of classroom teachers employed if they take this route.

Capital Costs

If new schools are built to meet the increased need for classrooms, there would be additional costs to construct and operate the new buildings. An average-sized elementary building housing 500 students with approximately 57,500 square feet costs approximately \$5.7 million to build. Alternatively, it costs approximately \$11,400 per child to build a new elementary building of this size.

In the Department of Education’s 1990 School Building Facilities Survey, the data for some of the big eight districts showed that the bulk of the need was for replacing schools while for others the bulk of the need was for repairs. Some of the big eight districts will be able to met the needs of the 15/1 student/teacher ratio requirement by mainly renovating existing buildings while others may need to build more new buildings. Since districts can meet the 15/1 ratio requirement by instituting team teaching or hiring full-time aides, some or all of the big eight districts may choose to meet the requirement through these means, thereby reducing the need for additional capital facilities.

Community Schools

The bill would permit any individual or group of individuals to propose the creation of a community (more commonly known as charter) school within any of the big eight school districts (except for the Toledo City School District). The individual or group would first have to make the proposal to the board of education of that big eight school district. If the school board of that

district wanted to sponsor the charter school, then the board and the proposing individual or group would enter into a preliminary agreement. However, if the board and the proposing group did not enter into a preliminary agreement, the proposing individual or group could make the proposal to the following entities:

- a) the board of education of a Joint Vocational School in which the big eight school district is a part;
- b) the board of education of any other school district in the same county as the big eight school district; or
- c) the State Board of Education.

Funding for Community Schools

The bill requires the sponsoring entity and the governing entity of the community school to enter into a contract specifying, among many other things, a financial plan. The plan would have to show the details of the school budget for each year of the period of the contract and would have to specify the total estimated per pupil expenditure amount for each year. The plan would also have to show the base formula amount, not to exceed the dollar formula amount in the basic aid formula. This amount would be used for funding calculations. The plan could also specify a percentage figure to be used in reducing the per pupil amount of disadvantaged pupil impact aid the school is to receive.

Funding from the state would follow the student as per Am. Sub. H.B. 215, the budget act. Community school funding would generally be derived from payments that would be subtracted from the state basic aid of the district of origin. In addition, community school would be eligible to receive the following: excess special education costs, unit funding for vocational, special education, and gifted units, and any other source of state, federal, or private funding.

State Community School Commission

The bill requires the Department of Education to establish a state Community School Commission. The purpose of the commission would be to provide assistance and information to persons or groups considering proposing a community school, to governing authorities of community schools, and to school district board sponsoring or considering sponsoring a community school.

The bill is silent as to the membership of the Community School Commission and whether members would be compensated for their time in serving on the commission. It is estimated that the costs for such a commission would be minimal.

□ *LBO staff: , Wendy Zhan, Budget/Policy Analyst
David Price, Budget/Policy Analyst
Deborah Zadzi, Senior Analyst*

H:\FN122\SB0135s1.doc