



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** Am. Sub. H.B. 290 of the 128th G.A.      **Date:** December 17, 2009  
**Status:** As Enacted      **Sponsor:** Reps. Bubb and Pryor

**Local Impact Statement Procedure Required:** No — No local cost

**Contents:** Includes Junior ROTC in the Ohio Core curriculum, clarifies conditions for automatic community school closure, extends the deadline for certain School Facilities Commission projects, makes changes to operation of the Harmon Commission, and permits the establishment of a longitudinal data system

### State Fiscal Highlights

STATE FUND	INITIAL FISCAL YEAR	FUTURE YEARS
<b>General Revenue Fund</b>		
Revenues	- 0 -	- 0 -
Expenditures	Estimated increase of \$750,000 for maintenance and support of data system	Estimated increase of \$565,000 for maintenance and support of data system
<b>Federal Special Revenue Fund Group</b>		
Revenues	Increase from the federal SLDS grant program	- 0 -
Expenditures	Offsetting increase for design and development of data system	- 0 -

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- The bill permits the Ohio Department of Education (ODE) and the Board of Regents (BOR) to establish a P-16 longitudinal data system. According to ODE, funding for the design and development of such a system may be applied for through the federal State Longitudinal Data Systems (SLDS) competitive grant program of the American Recovery and Reinvestment Act of 2009.
- ODE also estimates additional costs associated with the maintenance and support of such a system at \$750,000 in the first year of operation and \$565,000 in subsequent fiscal years.
- The bill makes implementation of the Harmon Commission contingent on the availability of sufficient funds. If it is determined that sufficient funds are not available, any potential administrative costs involved in ODE's role in providing staff assistance to the Commission will not be incurred.

## Local Fiscal Highlights

- The bill's clarification of a community school closure provision in current law will likely result in three community schools remaining open at the conclusion of the 2009-2010 school year that would have otherwise been closed.
  - The bill's deadline extension for raising the local share for certain School Facilities Commission (SFC) projects may give three school districts an additional opportunity to raise local funds allowing them to participate in the SFC program.
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## Detailed Fiscal Analysis

### Establishment of a P-16 longitudinal data system

The bill permits the Ohio Department of Education (ODE) and the Chancellor of the Board of Regents (BOR) to establish a longitudinal data system for students in public elementary and secondary schools and public institutions of higher education by combining their student data, using ODE's existing system for giving each student a unique identifier number. While the data repository will be physically maintained within ODE's technical infrastructure, the Superintendent of Public Instruction and the Chancellor jointly must develop procedures for the maintenance of the combined data repository and designate the types of research that may be conducted using the data.<sup>1</sup>

According to a spokesperson for ODE, costs associated with the design and development of a new data system capable of meeting the bill's guidelines for transfer, storage, and reporting of P-16 data would be allowable uses of any federal funds received by the state under the State Longitudinal Data Systems (SLDS) grant program of the American Recovery and Reinvestment Act of 2009 (ARRA). Based on the state's successful history in obtaining SLDS grant funding, ODE's estimate of the costs of implementing the new longitudinal data system assume that development costs can be met with federal funding.

However, costs associated with maintenance, support, and operations of the new system are not allowable uses of these same SLDS federal funds. ODE estimates that maintenance, support, and operations costs associated with the new P-16 longitudinal data system will be approximately \$750,000 in the initial year and \$565,000 in subsequent years. These estimates include annual personnel costs of \$300,000 for three information technology professionals, annual software and hardware licensing fee costs of \$265,000, and initial year costs of \$170,000 to \$185,000 for the purchase of additional licenses and a new server. The bill requires that these costs be paid from funds received

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<sup>1</sup> The bill identifies several permitted uses of the data but also allows the Superintendent and the Chancellor to use the data for other purposes. The bill also states that all uses of student data must conform to the federal Family Educational Rights and Privacy Act of 1974 (20 United States Code 1232g).

through ARRA Race to the Top, other federal grant programs, or existing appropriations of ODE or BOR.

### **Community school closure**

Am. Sub. H.B. 1 of the 128th General Assembly amended R.C. 3314.012 to permit report cards for community schools during the schools' first two years, but to prohibit the ratings on those report cards from being considered in the criteria for automatic closure of the schools under R.C. 3314.35. However, the effective date of this amendment was October 2009, after ODE had evaluated community schools for closure at the conclusion of the 2009-2010 school year.

The bill directs ODE to reevaluate each community school for closure under R.C. 3314.35 without considering the school's performance ratings for its first two years. Under the bill, the following three community schools would no longer be subject to automatic closure at the conclusion of the 2009-2010 school year: Academy of Arts and Humanities, Trumbull County; Lion of Judah Academy, Cuyahoga County; and New Day Academy Boarding and Day School, Cuyahoga County.

### **School facilities construction funding**

The bill extends until June 30, 2010 or December 31, 2010 the deadline for a school district that was conditionally approved for a Classroom Facilities Assistance Program (CFAP) project in July 2008 or between August 1, 2008 and July 31, 2009, respectively, to pass a levy to raise its share of the project cost before the project approval lapses. Am. Sub. H.B. 1 of the 128th General Assembly extended the deadline for July 2008 approved school districts until December 31, 2009. Otherwise, under current law, the deadline is normally one year. To be eligible for the funding extension, a district: (1) must have been allocated by the School Facilities Commission (SFC) a share of "Pool B" qualified school construction bonds under the American Recovery and Reinvestment Act of 2009, (2) must have received conditional approval from SFC between July 1, 2008 and July 31, 2009 to undertake a CFAP project, and (3) must have had a bond levy request in the November 3, 2009 election fail by a margin of less than 3% of the total votes cast. According to the November 3, 2009 election results and a list of calendar year 2009 "Pool B" allocation recipients from the SFC web site, the following school districts meet these requirements and may be eligible for an extended deadline: Eaton Community City, Preble County; Manchester Local, Summit County; and Twin Valley Community Local, Preble County.

### **Junior ROTC**

The bill adds Junior ROTC to the list of electives permitted under the Ohio Core curriculum. The Ohio Core is the state's minimum high school curriculum that must be completed by students of public and nonpublic schools in order to earn a high school diploma. The Ohio Core first applies to members of the Class of 2014. The bill also permits school districts, STEM schools, and chartered nonpublic schools to excuse students participating in Junior ROTC for at least two years from high school physical

education requirements. Both of these changes may give schools more flexibility when establishing their high school curricula, but are not likely to have any significant fiscal effect on the state or school districts.

### **Harmon Commission**

Am. Sub. H.B. 1 of the 128th General Assembly established the Harmon Commission to designate classrooms as creative learning environments. Under current law, the initial application period for these designations is to begin in January 2010, with the designations awarded by July 1, 2010. Beginning on that date, districts and community schools with classrooms achieving the designation are to be eligible for, and the Commission may award, grants or stipends. The bill removes specific dates and specifies that the current law provisions related to the Commission are to be implemented unless the General Assembly does not appropriate funds or the Superintendent of Public Instruction determines that sufficient funds are not available for their implementation. To date, the General Assembly has not appropriated funds for the Harmon Commission. Current law requires ODE to provide staff assistance to the Commission, the costs of which would presumably be covered under the general operating expenses of the agency. Under the bill, if the Superintendent determines that funds are not available to cover these costs, the Commission will not perform its duties and these costs will not be incurred.