Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Sub. H.B. 157 of the 129th G.A. **Date**: December 13, 2011

Status: As Reported by Senate Education **Sponsor**: Reps. Schuring and Letson

Local Impact Statement Procedure Required: No

Contents: Modifies the law authorizing college preparatory boarding schools, permits an ESC to engage the services of a "dyslexia specialist" to provide training, makes other changes, and declares an emergency

State Fiscal Highlights

- The bill's changes to the law authorizing the creation of college preparatory boarding schools may increase the administrative costs of the School Facilities Commission and the Ohio Department of Education.

Local Fiscal Highlights

- Educational service centers (ESCs) and local school districts that choose to provide the dyslexia training authorized by the bill may have increased expenditures from engaging the services of a dyslexia specialist and increased revenues from any fees charged for the training.
- The bill ensures that only districts receiving certain services from an ESC will have funding transferred to that ESC for those services.
- The bill offers school districts options for providing transportation to students enrolled in college preparatory boarding schools.

Detailed Fiscal Analysis

College preparatory boarding schools

Am. Sub. H.B. 153 of the 129th General Assembly authorized the creation of college preparatory boarding schools beginning in the 2013-2014 school year. These schools, operated by an approved private nonprofit corporation, are open to students who reside in a participating school district and who are at-risk of academic failure. The bill makes a variety of changes to the law authorizing the schools.

Facilities funding for boarding schools

Current law

Under current law, the School Facilities Commission (SFC) is to provide assistance to the school in acquiring classroom facilities. The school must secure at least $20 million in private money to fund its share of facilities acquisition, including the entire cost of any nonclassroom facilities. The acquisition of classroom facilities under the current program is exempt from the requirements of the Classroom Facilities Assistance Program (CFAP) under which SFC provides facilities assistance to school districts.

The bill

The bill modifies the program so that it is subject to the requirements of CFAP, except that when SFC determines the basic project cost, it must include both classroom and residential facilities. As under current law, state funding may only be used for the acquisition of classroom facilities and the $20 million raised by the school for its share may be used for any type of facility.

The bill also provides an alternative option for the school to acquire facilities. If the school has leased, purchased, or otherwise acquired a site for the school, it may request SFC approval to lease the site and any facilities on the site to an entity that in turn develops the site, constructing the needed facilities, and leases it back to the school. SFC then provides the funding to pay the classroom facility portion of the lease.

The bill's changes do not appear to have a direct effect on the cost to the state of the school's classroom facilities acquisition. However, the bill may increase SFC involvement in the process and thereby increase SFC's administrative costs.

Transportation of boarding school students

Continuing law requires each participating school district to provide transportation on a weekly basis for each student enrolled in a boarding school. The bill permits the school district to provide the transportation itself, contract with another entity to provide the transportation, or enter into an agreement with the boarding school under which the school provides the transportation and the district provides a specified payment to the school. While the school district is still responsible for transportation, the bill gives the district more options in providing it.

ODE requirements

Under current law, the school must be chartered by the State Board of Education. The bill removes this requirement, but requires the Department of Education (ODE) to monitor the operation, programs, and facilities of the school, including conducting on-site visits. ODE may incur increased administrative costs in complying with this requirement.

Educational service centers

Dyslexia specialist services

The bill authorizes educational service centers (ESCs) to engage the services of a dyslexia specialist to provide training for teachers in grades kindergarten through four on the indicators of dyslexia and the types of instruction that children with dyslexia need to learn, read, write, and spell. ESCs that choose to provide this training must, under the bill, make the training available to local school districts within an ESC's service territory and to other school districts, community schools, and STEM schools that have contracted with the ESC for training. If an ESC does not provide the training, the bill permits groups of local school districts within that ESC's territory to engage the services of a dyslexia specialist to train teachers independently. ESCs and districts that choose to provide this training may have increased expenditures from engaging the services of a dyslexia specialist and increased revenues from any fees charged for the training.

Client districts of an ESC

Am. Sub. H.B. 153 of the 129th General Assembly requires every city, exempted village, and local school district with student enrollment less than or equal to 16,000 to establish an agreement for certain services with an ESC. Districts with enrollment greater than 16,000 may establish an agreement. In either case, districts with these agreements are called "client" districts of the ESC. Prior law required local school districts to be "members" of an ESC. Under current law, both "member" districts and "client" districts have certain amounts deducted from their state aid and transferred to the ESC to pay for the services the ESC provides. The bill requires local districts that are still considered "member" districts and that are either required or choose to be "client" districts to establish an agreement with an ESC by June 30, 2012. The bill also provides that beginning June 30, 2012 only "client" districts are to have funding transferred to the ESC. In sum, the bill ensures that only the districts actually receiving services from an ESC will have funding transferred to the ESC.