

OHIO SCHOOL BOARDS ASSOCIATION

The Ohio School Boards Association appreciates the Ohio Legislative Service Commission's efforts to afford OSBA and other political subdivisions the opportunity to comment on the annual local impact statement report required by S.B. 33 of the 120th General Assembly.

OSBA reiterates our previous statements on the importance of the local impact statement in the legislative process. They have always been important and may be even more important in today's term limit environment.

As the Ohio School Boards Association has said in past comments – while LSC deserves commendation – we believe there continues to be room for improvement. The fiscal impact statement law (section 103.143 of the Revised Code) can be improved to protect the fiscal integrity of political subdivisions. The current law restricts LSC's ability to analyze the fiscal impact of bills determined not to have a fiscal impact in its introduced form. As a bill progresses through the legislative process, an approved amendment may create the potential for a fiscal impact to occur to a political subdivision. In addition, subsection F of the current law also exempts LSC from having to create a local impact statement for biennial budget, capital appropriation, and budget correction bills.

OSBA believes impact statements should be required at each phase of the legislative process. This is particularly important as substitute versions and amended substitute versions of bills are enacted. An example of this issue is Amended Substitute House Bill 405 of the 124th General Assembly. H.B. 405 was amended to deal with state's fiscal shortfall – but also had H.B. 6 become part of the legislation in the Senate. H.B. 6 deals with expanding tax incremental financing districts significantly. This year's 2001 Local Impact Statement Report lists 4 enactments that contained a local impact statement that indicated a potential impact on schools. Of the four – only one, S.B. 5 – municipal annexation – indicated a fiscal impact on schools.

The issue of unfunded and underfunded mandates on schools and other political subdivisions continues to be of concern. Local impact statements help legislators understand the potential fiscal impact of proposed legislation they are considering. Their importance cannot be overstated.

To address the above concerns with the local impact statement law, OSBA continues to support the recommendations by the now defunct State and Local Government Commission (Commission). The Commission recommended that the General Assembly amend the local impact statement law to require impact statements throughout the process and to repeal the budget appropriations exceptions in the law.

In closing, OSBA appreciates this opportunity to comment on the 2001 Legislative Impact Statement Report. Local impact statements provide full information on legislation that threatens the fiscal integrity of a political subdivision. The knowledge of negative fiscal consequences for a political subdivision makes it less likely the bill will survive the legislative process. Thus, OSBA continues to support LSC in its effort to provide this very important legislative tool to all

Ohioans. OSBA looks forward to addressing the above concerns and others in our ongoing working relationship with the General Assembly to repeal or fund all state education mandates.