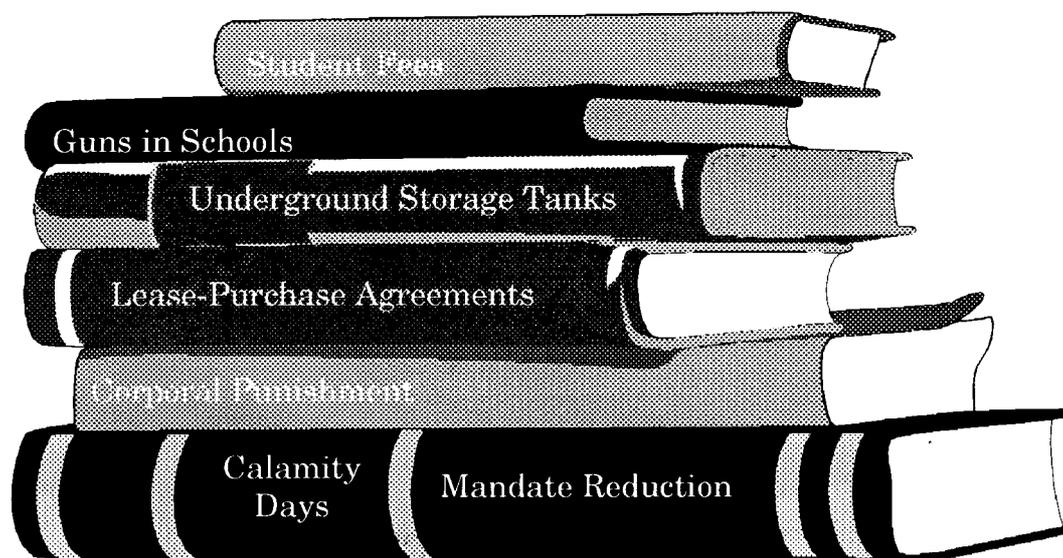


\$SCHOOL MANDATES\$



The Third Senate Bill 30 Report

**Ohio Legislative Budget Office
December, 1996**

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Introduction and Executive Summary

Amended Senate Bill 30 of the 119th General Assembly requires the Legislative Budget Office (LBO) to estimate the cost to school districts of each school law that became effective during the preceding two calendar years. LBO is to estimate the aggregate cost of each law to all school districts, and the cost of each of a per pupil basis, per school district basis, or on another basis, as the office determines will be most useful. The bill became effective on July 31, 1992, and requires LBO to submit a report to the General Assembly each even-numbered year.

This document is the third report issued by LBO in response to S.B. 30. Our first report, "The Cost of Implementing School Laws," focused on the costs of the Education Management Information System (EMIS). Our second report, "School Mandate\$," provided information on proficiency testing and open enrollment, and a discussion of the overall impact of school mandates on administrators. This report, also entitled "School Mandate\$," primarily provides information on school-related legislation that became effective in calendar years 1994 and 1995. The report also contains information on environmental and health-related legislation that has an impact on school districts.

For each law in the report, we have provided a two-to-four-page analysis which includes the following information: a description of the act, a summary of findings, an interpretation of findings and recommendations. When applicable, the analysis includes our estimate of the cost of each act on a per pupil basis, the cost for an average-sized district of 2,862 students, and total statewide costs.

Methodology

LBO interviewed eleven superintendents and surveyed 42 school districts to obtain information for this report. For the survey, a random stratified sample of 100 school districts was drawn, and a written questionnaire consisting of 117 questions was sent to them. A total of 42 districts responded to the survey. Please note that for individual responses, the total number of respondents may vary, as some school districts did not answer each question on the survey.

For further information regarding sampling, methodology to calculate statewide weighted averages, and the survey instrument, please contact the Legislative Budget Office.

The laws included in this report are diverse. However, a few themes emerged as we looked at the bills that were enacted.

School Mandate Reduction

H.B. 223 was enacted to reduce and eliminate school mandates on school districts, by providing more choice in regard to school district audits, reducing the number of school district annual reports school districts were required to distribute, and prohibiting the requirement of extended service as a condition for other educational funding. The most significant of these provisions was the removal of previously required extended service contracts for service beyond the school year for agricultural and home economics teachers. Approximately 30 percent of the districts responding to the survey reported that they would save approximately 38 percent of vocational extended service costs as a result of this provision. An average-sized district spends

approximately \$24,000 on extended service per year. A 38 percent reduction would save a district approximately \$9,120 each year. Since many districts seem to question the value of extended service, the amount of savings may be even higher in the future.

As for school district audits, approximately half of the districts surveyed indicated that they would prefer to be audited by an independent public accountant rather than state auditors, mainly because of the length of time it takes state auditors to complete the audits. Survey respondents stated that providing auditors with office space can be problematic, and dissatisfied districts generally are of the opinion that individual public accountants can bring in more auditors at the same time and complete audits on a more timely basis. They also believe competition can bring down audit costs.

School District Fiscal procedures

Several bills included in the report, S.B. 81, H.B. 552, H.B. 117, and H.B. 136, attempted to assist school districts in their fiscal operations by easing requirements pertaining to competitive bidding, extending the exception for items to be disregarded when calculating a district's net indebtedness, allowing earlier issuance of tax anticipation securities, and providing the option to lease/purchase buildings and certain equipment. One law that is currently having an impact on a number of school districts is S.B. 81, which made competitive bidding procedures less stringent and increased the threshold above which school districts must competitively bid, to \$25,000. Districts surveyed indicated saving time and money by not having to abide by the sometimes lengthy process of competitive bidding for some projects. A majority of districts are now using the higher competitive bidding threshold permitted in the bill (\$25,000). Even so, a third of the districts surveyed appear to be in favor of an even higher threshold (\$50,000).

Calamity Days

Two bills, H.B. 638 and H.B. 223, were enacted to provide relief from severe winter weather, particularly in school year 1993-1994. While H.B. 638 provided temporary relief for a particularly bitter winter weather year, and requires districts to plan for five make-up days, neither that act nor H.B. 223 have fully addressed the issue of how to plan and provide for calamity days across the range of situations that may occur. Permanent solutions, rather than temporary ones during wintertimes when calamity days are occurring, still appear to be needed.

Environmental and Health and Safety-Related Legislation

In conducting research for our last report, superintendents told us that environmental and health and safety-related mandates were becoming costly and had become a concern for them. In response to these concerns, LBO gathered information on several environmental and health issues and their costs. The following table summarizes cost information obtained through the survey on these items.

Environmental or Health and Safety Item	Cost Per Pupil	Cost for an Average-Sized District (2,862 students)	Total Costs - Statewide
Underground Storage Tanks - annual routine maintenance	\$0.60	\$1,717	\$1,049,294
Hepatitis B Vaccine	\$2.02	\$5,787	\$3,532,624
Health and Safety Improvement	\$0.76	\$2,175	\$1,329,106
Boiler Registration	\$0.19	\$ 544	\$ 332,277
Lead Abatement	\$0.62	\$1,774	\$1,084,271
Water Inspection	\$0.42	\$1,202	\$ 734,506
Total	\$4.61	\$13,194	\$8,062,079

Other Legislation

Other laws in the report include:

S.B. 29, Corporal Punishment. Some superintendents, especially those in rural parts of Ohio, indicated that the policy of prohibiting corporal punishment may be a contributing factor in increasing discipline problems. If districts would want to change this policy, they would most likely have to wait until 1998. A few districts (those that initially permitted corporal punishment in 1994, but prohibited it after September 1, 1996) could change the policy prior to 1998. If more than a few districts believe that the prohibition of corporal punishment is contributing to discipline problems in their schools, further study of this issue may be warranted.

H.B. 111, Student Fees. Districts are collecting approximately \$10.70 per pupil in students fees, but are losing approximately \$1.80 per pupil as a result of the provisions prohibiting school districts from charging such fees to students whose families receive Aid to Dependent Children (ADC) or Disability Assistance (DA). The variation in fees charged throughout the state is striking, and may warrant further study.

S.B. 192, Food Service Operations. Survey respondents indicated an upward trend in the frequency of and charges for school districts food service inspections by local departments of health. The results also suggest that the criteria by which local departments of health determine the categories, standards and fees for inspections might vary from one school district to another, affecting some school districts more than others.

H.B. 64, One-Year Expulsion for Possession of Firearms or Knives. Most survey respondents indicated that this act sent a strong message to students. However, they also stated that the get-tough rules raise the issue of whether students who have been suspended or expelled should be provided an alternative education.

Appendices

Three appendices are included. Appendix A provides a list of bills enacted during the last biennium which are considered to have minimal fiscal effects. Appendix B provides descriptions of the seven groups of school districts according to the four criteria used to type the districts, as well as a brief descriptor for each group as used in the report. Appendix C gives the survey's sample size by group and the number and percentage of respondents to the survey.

**Reduction and Elimination of School Mandates
House Bill 223 of the 121st General Assembly
Effective November 15, 1995**

This act reduces and eliminates certain requirements previously placed upon school districts. The following sections summarize individual provisions of the act and their fiscal impacts on school districts.

School District Audits

Description

The act requires the Auditor of State to create rules under which a school district may engage certified independent public accountants (IPA) to conduct the regularly scheduled audit, with the permission of the Auditor of State. While state law requires a school district to be audited biennially, the Federal Single Audit Act of 1984 requires an annual audit of a school district which receives more than \$100,000 in federal money per year.¹

Summary of Findings

- ◆ According to the Office of the Auditor of State, all school districts are audited annually except for 30 districts which are audited on a biennial basis. In the 1994-95 school year, 556 districts were audited by state auditors and the other 75 districts were audited by IPA on behalf of the Auditor of State. Districts that were audited by IPA tend to be small. The table below shows per pupil, average size district, and statewide costs for all audits in the 1994-95 school year.

Costs of School District Audits	Weighted Per Pupil Cost	Total Cost -Average Sized District (2,862 students)	Total Cost - Statewide
1994-95	\$4.47	\$12,793	\$7,817,243

- ◆ Of the 34 respondents, 19 districts (or 56%) indicated that they would prefer IPA; and the other 15 districts (or 44%) stated that they would choose state auditors, when asked whether they would prefer state auditors or IPA to perform their next audits.

Interpretation

- ◆ Prior to this act, a school district already had the ability to request an independent audit; however, the discretion to allow an independent audit rested with the Auditor of State. This act's provision does not change a school district's existing level of discretion in choosing to have an independent audit. The Auditor of State still makes the determination as to whether an independent audit may be conducted at a school district. Therefore, this provision has no fiscal impact on school districts.

¹ Congress passed legislation recently to increase the threshold amount above which a school district must be audited annually, from \$100,000 to \$300,000. Therefore, beginning in FY 1997, the number of school districts that must be audited annually will decrease.

- ◆ While 44% of responding districts are satisfied with the audit jobs done by state auditors, the other 56% of districts express a certain degree of dissatisfaction and would prefer independent auditors. The number one reason cited by these districts is the length of time needed for state auditors to complete audits and issue reports. School districts' audits last as few as 10 days in small districts to as many as 450 days in large urban districts. Since districts need to provide auditors with office space, the slow process can cause problems to some districts, especially those lacking sufficient office space. Dissatisfied districts generally believe that IPA firms can bring in more auditors at the same time and complete audits on a timely basis. They also believe that competition can bring down the audit costs.

Recommendations

The General Assembly may want to consider whether it should allow school districts to have greater discretion in choosing an auditor. According to the Auditor of State, among other things, an IPA audit request may be denied if the Auditor of State has the audit scheduled for state auditors to complete, with no alternative audit to shift staff to during the planned period. While it is important for the state to keep a close eye on districts in or near fiscal emergency status and on districts having a history of poor financial record keeping, school districts with a sound financial management history might be allowed more discretion in choosing an auditor. By allowing more districts to use IPA, the Auditor of State can also assign more auditors to a school district at once and complete the audit on a timely basis.

In order to ensure uniformity and the quality of school audits, the Auditor of State may want to adopt school audit guidelines to be used by both state and independent auditors. A school district could follow the guidelines to secure a proposal from an IPA firm, specifying the needed time and fees for the audit. Then the district could submit the application to the Auditor of State, along with the IPA proposal. If the Auditor of State can not compete with the proposal, the school district should be allowed to enter into the agreement with the IPA firm to have an independent audit.

School Annual Reports

Description

The act changes the requirement regarding providing school annual reports, so that an annual report needs to be distributed only upon request. Districts need to make the community aware of school annual reports but they are not required to spend local funds on advertising or mass mailing. Prior to this act, districts were required to distribute annual reports to every community member.

Summary of Findings

- ◆ Of 41 responding districts, 26 districts (or 63%) reported that they issued separate school annual reports, 12 districts (or 29%) printed their annual reports as a part of their school calendars, and 3 districts (or 8%) used other formats for their school annual reports.
- ◆ The table below shows the estimated per pupil, per average size district, and statewide costs for printing and distributing school annual reports in the 1994-95 school year.

Costs of Annual Report Distribution	Weighted Per Pupil Cost	Total Cost - Average Sized District (2,862 students)	Total Cost - Statewide
1994-95	\$1.03	\$2,948	\$1,801,289

- ◆ Of the 34 respondents, 24 districts (or 71%) indicated that they would continue to distribute annual reports to all members of their communities, and 10 districts (or 29%) stated that they would stop mass distribution and issue reports only upon request.

Interpretation

- ◆ Most districts view school annual reports as a great tool to communicate with their communities. When asked why they continued to distribute annual reports when this practice was no longer required, the number one reason cited by districts was that the annual report was a useful tool to communicate with community members. Even those districts indicating that they had stopped distributing annual reports highly valued the reports. One of those districts commented that if the district were not in the state loan program, it would restart distributing annual reports to all community members.
- ◆ Most districts also view school annual reports as a cost-effective communication tool. As noted above, many districts incorporate annual reports into their school calendars. Since districts are still required to produce annual reports and they issue school calendars anyway, there is not much additional cost for districts to include annual reports into their calendars. For districts that issue reports in formats other than as a part of school calendars, they can often avoid mass mailing costs by letting students bring home the reports.
- ◆ Therefore, since the majority of school districts are continuing to distribute school annual reports to all community members, any savings as a result of this provision are minimal.

Recommendations

No recommendations are indicated by the results of the survey.

Description

The act requires the state to provide full funding for any State Board of Education approved extended service beyond the regular school year. It defines “full” funding as the average daily rate of the minimum teacher’s salary schedule. The act also prohibits the state from requiring extended service as a condition for other state educational funding. Prior to this act, Department of Education rules required vocational (agricultural and home economic) educational program teachers to work for certain extended periods of time outside the regular school year (from ten to 60 days, depending on the program), otherwise the district would not receive its vocational unit funding.

Summary of Findings

- ◆ According to the Department of Education, the state reimbursement rate for vocational education extended service was approximately 13%. School districts were paying for 87% of the actual costs of extended service. The table below shows per pupil, per average size district, and statewide costs for vocational education extended service in the 1994-95 school year. The costs presented in the table are the total costs incurred by a school district for granting extended contracts for all vocational education program teacher(s).

Costs of Extended Service	Weighted Per Pupil Cost		Total Cost - Average Sized District (2,862 students)		Total Cost - Statewide	
	State Share	Local Share	State Share	Local Share	State Share	Local Share
1994-95	\$1.10	\$7.37	\$3,148	\$21,093	\$1,923,706	\$12,888,833
	\$8.47		\$24,241		\$14,812,539	

- ◆ When asked whether they would continue previously required vocational education extended service, 33 school districts responded to the question. Of these respondents, 16 districts (or 48%) indicated that they would continue to provide extended service at the current level, 12 districts (or 36%) would also continue service, but at a reduced level, 4 districts (or 13%) would totally eliminate extended service, and one district (or 3%) was undecided.
- ◆ Sixteen districts that would either reduce or eliminate their vocational extended service reported a total of \$83,467 annual saving with an average per pupil saving of \$3.19. In other words, these districts could realize approximately 38% in net savings in vocational education extended service as a result of this act.

Interpretation

- ◆ Since the state reimbursement rate for extended service was relatively low, school districts could make net gains by reducing or eliminating their vocational education extended service. For example, 16 districts in the survey that would either reduce or eliminate their vocational extended service programs could realize about 38% in net savings. The saving potential as a result of this act could further increase in the future since this is a fairly new law (effective November 15, 1995). Some districts indicated that they had already contracted extended service into current collective bargain agreements and that they would consider reducing vocational education extended service in future contract negotiations.

- ◆ In addition to financial considerations, the lack of value of vocational education extended service was another main reason why 16 of 33 responding districts (or 49%) would either reduce or eliminate extended service. When asked to comment on vocational education extended service, these districts indicated that extended service had accomplished “little” in the past. While they generally believed that some vocational agriculture extended service would still be needed, these districts all agreed that the previously required home economic extended service was “unnecessary” and should be eliminated or substantially reduced.
- ◆ By making vocational education extended service a local choice, this provision could result in significant savings to districts opting for the reduction or elimination of extended service. Meanwhile, since the total amount of money available for state reimbursement remains the same, this act will also increase the overall state reimbursement rate for extended service. Under the current budget, within the line item 200-501(School Foundation Basic Allowance), \$6 million in each fiscal year has been set-aside to reimburse school districts for a portion of their costs associated with extended service (in vocational education, special education, and other extended service selected by districts). However, because this act has been effective for less than a year, the actual increase in the state reimbursement rate cannot be determined at this time.

Recommendations

No recommendations are indicated by the results of the survey.

School District Competitive Bidding and Fiscal Procedures
Senate Bill 81 of the 120th General Assembly
Effective August 19, 1994

Description

This act increases the threshold amount above which school district permanent improvement projects must be competitively bid, from \$15,000 to \$25,000. It also removes the requirement that advertising for bids occur in two newspapers. Under the act, boards of education now only have to advertise in one newspaper.

Summary of Findings:

- ◆ Of 36 respondents, 28 districts (78%) are no longer competitively bidding projects in the \$15,000 to \$25,000 price range. However, these districts are now asking for letterhead bids from vendors when they undertake such projects. Districts that still competitively bid projects in this range report doing so to get the best quote, compare prices, and to provide consistency and fairness.
- ◆ Responding districts indicated that they are undertaking projects in the \$15,000 to \$25,000 price range for work such as roofing, paving and asphalt repair, window replacement, and phone systems. A third of the school districts responding to the survey undertake one to two projects of this size per year, but another third report that they do not undertake any projects of this size. Remaining districts reported doing anywhere from 3 to 20 projects of this size annually.
- ◆ The competitive bidding process for a project in the \$15,000 to \$25,000 price range takes 20 to 40 hours on average. However, it can take as little as 1 hour or as much as 200 hours, depending on the project. Persons involved in the competitive bidding process are superintendents, architects, treasurers, and business managers. The hourly rate of pay of these individuals ranges from \$14.50 to \$100. The \$100 figure was reported as the hourly amount one district paid for an architect.
- ◆ Approximately 27% of respondents previously had to advertise in more than one newspaper when the board was advertising for bids for permanent improvements. Districts now only advertising in one newspaper instead of the previously required two are saving between \$100 and \$3,000 per year. Even though districts are now required to only advertise in one newspaper, approximately 29% of districts continue to advertise in more than one newspaper.
- ◆ When asked what threshold level boards of education would establish if the policy were determined by them, the levels summarized in the table below were reported:

Estimated Competitive Bidding Threshold Levels Individual Boards of Education Would Adopt (Total = 33)	
Competitive Bidding Threshold Level	Number of Boards of Education that Would Adopt the Level
\$5,000 or less	5
\$25,000 - (current level)	17
\$30,000	1
\$50,000	8
\$60,000	1
\$70,000	1

Of the 10 districts indicating that their boards of education would adopt a threshold level of \$50,000 or more, six had basic average daily memberships (ADM) of 3,000 or less, and four of these districts were very small, with ADMs less than 1,000.

Interpretation

- ◆ Some districts are saving money and time as a result of not having to go through the oftentimes lengthy process of competitive bidding for projects between \$15,000 and \$25,000. They are saving time by reducing the number of hours individuals in the district are spending on writing bid specifications and other aspects of the competitive bidding process. Some are also saving money by not having to place ads in the newspaper when they choose not to competitively bid projects between \$15,000 and \$25,000, and even when they do competitively bid projects, some districts are saving money by not having to place ads in more than one newspaper.
- ◆ There did not appear to be a correlation between school district size and the threshold level individual school boards would adopt if the policy were determined by them. Several small to medium-sized districts reported that their boards of education would adopt threshold levels twice as high as the new threshold level. One of the largest districts responding to the survey reported that its board would adopt a much lower threshold level than the current \$25,000 level. This same district is continuing to competitively bid projects between \$15,000 and \$25,000. Perhaps larger districts that may be in the spotlight must pay attention to public perception of their spending decisions.

Recommendations

Although most districts think that the current \$25,000 threshold is reasonable, a third of the districts that responded to the survey are in favor of an even higher threshold level. (However, a few districts report that there should be a much lower threshold level.) Perhaps the current threshold level should be reviewed periodically to determine if a higher level would make sense. Another possibility would be to adjust the threshold level for inflation, perhaps tied to a specific index such as the Gross Domestic Product Index or the Gross Domestic Product inflator for nonresidential structures. School boards uncomfortable with the higher level could continue to competitively bid projects at whatever lower level they deem is reasonable. School boards comfortable with a higher threshold level would be able to use the higher level as a guideline and could obtain letterhead bids to compare prices.

Securities Issued for Bus Purchases
House Bill 552 of the 120th General Assembly
Effective June 9, 1994

Description

Previous law limited a school district's net indebtedness to 9% of its tax valuation, except securities issued for emergency purposes or for special needs. This act also excepts securities issued for purchases of school buses and other equipment used in pupil transportation. A school district may, by bond issue or other borrowing, extend its debt beyond the 9% limit for the purpose of such purchases.

Summary of findings

- ◆ Of the 35 respondents, more than half (19) indicated net indebtednesses of less than 1%; and 12 more, of less than 6%, as shown in the table below. Thus, only four of the respondents were at or above 6% and just two were above 9%.

Percentage of Respondents at Each Level of Net Indebtedness						
Level of indebtedness	< 1 %	1 - 3 %	3 - 6 %	6 - 9 %	> 9 %	All
No. of respondents at level	19	8	4	2	2	35
% of total respondents	54 %	23 %	11 %	6 %	6 %	100 %

- ◆ The overall level of net indebtedness of the responding school districts appears to be quite low: the median level was 0.5%, and the average was 1.9%. All four of the districts with indebtednesses of 6% or greater are in Groups 1 (rural) and 7 (small city). Of the other five groups, no respondent indicated an indebtedness greater than 5%.
- ◆ All respondents indicated that none of their current indebtednesses arose from securities issued for bus purchases. One district (3% of the total) was specifically aided by the act: it has utilized the bus-purchase exemption to limit its net indebtedness in anticipation of the near-term issue of school-construction bonds, the amount of which would have raised the net indebtedness from the current 3% to above 11%.

Interpretation

- ◆ The responses revealed that only a small number of school districts had levels of indebtedness that might have limited or prevented the issuance of additional debt securities to purchase school buses. This conclusion is borne out by the fact that only one district needed to make use of the act's provision. Thus, the act would appear to affect only a minimal number of districts, although it can certainly help those districts that carry a high debt burden yet need buses.

- ◆ However, while the act provides relief for such districts, it does so by allowing them to incur still more debt, thereby placing even greater burdens on their revenues and raising the risk that these districts will become unable to service their liabilities. Therefore, the act constitutes a temporary solution rather than a cure.

Recommendations

Future policy deliberations could address ways to enable the high-debt districts to minimize their reliance on additional debt, so as to reverse the upward spiral of liabilities and their claims upon the districts' cash flows. No matter the purpose of an exception to the 9% limit on net indebtedness, a significant debt service can seriously impair a district's operations budgeting flexibility. Ultimately, the responsibility rests with the local school districts and school boards to control the districts' spending.

**Main Appropriations Act
Lease-Purchase of Buildings and Maintenance Equipment
Am. Sub. H.B. 117 of the 121st General Assembly
Effective July 1, 1996**

Description

The act permits school boards to enter into lease-purchase agreements lasting no more than 30 years for the construction, lease, and eventual acquisition of buildings for any school district purpose. It also authorizes school boards to enter into lease-purchase agreements to acquire the necessary equipment to maintain facilities and land.

Summary of Findings

- ◆ Of 42 districts responding to the survey, only one district reported entering into an agreement to lease-purchase a building. The district will change a current agreement for classroom space from leasing to lease-purchase.
- ◆ Two additional districts in the survey group are contemplating lease-purchase agreements for buildings - one for a bus garage and another for an administrative office and employee training center.
- ◆ Of the 42 districts responding to the survey, three districts have entered into lease-purchase agreements for maintenance equipment, maintenance vehicles and copiers.
- ◆ Four additional districts indicated that they may replace aging maintenance machinery with lease-purchase equipment.

Interpretation

Although not many districts are currently exercising the option to lease-purchase, some districts cite the following advantages to lease-purchasing:

- ◆ avoid large up front costs;
- ◆ avoid bond issues;
- ◆ actually own school sites they have leased for several years at little increased cost;
- ◆ spread out payments;
- ◆ help with cash flow;
- ◆ periodically replace outmoded equipment.

- ♦ One district reported that its board believes in paying as you go, and therefore would be opposed to lease-purchasing. A disadvantage to lease-purchasing cited by another district in the survey is that it places more debt on the district, amounting to increased costs, when interest costs are included. Another disadvantage is that lease-purchase arrangements for school buildings may not fully involve voters in decisions concerning the capital needs of the district.

Recommendations

Since this is a relatively new policy, not many districts have entered or are considering entering into lease-purchase agreements. As districts have more time to consider this option, the General Assembly may wish to re-evaluate the practice or have LBO revisit the issue.

**Public Securities Law
House Bill 136 of the 121st General Assembly
Effective June 20, 1995**

Description

A school district may issue tax-anticipation securities up to ten days prior to the start of the fiscal year in which the revenues are anticipated. Previously, the district was required to wait until the start of the fiscal year.

Summary of findings

- ◆ Of the 41 respondents, only three school districts indicated that they had used the ten-day provision.
- ◆ One of the three districts used the proceeds to begin a capital project earlier than usual; the other two districts wanted to create positive cash flows or, more specifically, to avoid a year-end deficit and provide cash for the beginning of the next fiscal/school year.
- ◆ Concerning potential uses of the act's provision, 20 districts answered "yes" when asked if they might use the funds to ensure the availability of cash for the beginning of the next fiscal year. (Although another use of the ten-day provision, that of avoiding fiscal year-end deficits, is prohibited by the law, it was inadvertently offered as a possible option, to which 24 of the districts, relying on its presumed validity, answered "yes". This matter was discussed with the Department of Education, which initiated an informational message to the districts.) One district would use the provision to raise funds for permanent improvements. And one district indicated that it has not used and would not use the ten-day provision for any purpose.

Interpretation

- ◆ As only three of the 41 respondents indicated that they had taken advantage of the ten-day provision, the measure does not appear to be used unreasonably. For three of the districts in the sample, the act's ten-day provision has enabled them to replenish their cash flows for the start of the next fiscal year by issuing typical tax anticipation notes a few days earlier than they would have. Thus, the act appears to fill a short-term need for cash at the very beginning of a fiscal year; as such, many of the districts appeared to find it potentially useful.
- ◆ Although the act allows a district to issue debt earlier than was previously allowed, the fiscal effect appears to be minimal, since the securities would have to be issued at some time anyway (assuming revenues were needed prior to the tax proceeds) and since the additional time amounts to no more than ten days, thereby increasing the debt-service time (and interest payments) by only a minor amount. (For example, for a \$1 million issue, ten days' additional interest at a 7% simple rate would cost the district \$1,918.) Further, the additional time is short enough that the provision would not be expected to provide the issuers flexibility to take advantage of lower interest rates. Thus, the ten-day provision's usefulness appears to be limited mainly to the generation of cash for use very early in the upcoming fiscal year.

- ♦ It should be noted again that, although many respondent districts indicated that they could see using the proceeds from such an early securities issue to help balance the fiscal year-end books during those final ten days, such use of the proceeds is specifically prohibited by the law; i.e., the funds are to be used only in the ensuing fiscal year. The possibility exists, however, of misinterpretations of the law in individual cases if the school districts are not fully informed.

Recommendations

For those districts for which the ten-day allowance would be an inapplicable remedy (e.g., for districts projecting year-end deficits), there are two alternatives provided by the state that allow borrowing over the change in fiscal years: a spending reserve (a state superintendent-approved commercial loan based on an anticipated year-end deficit) and an emergency school advancement loan (a controlling board-approved two-year commercial loan); both loans allow borrowing over the change in fiscal years.

Each of these three approaches has its own applications, requirements and restrictions. A policy review could address all these devices to ensure that they cover the full range of type, severity and urgency of the districts' turn-of-year cash-flow problems.

As for extreme cases, it should be noted that the recently enacted H.B. 724 of the 121st General Assembly provides for the determination of an existing or impending fiscal emergency in a school district and for the establishment of a commission to assist the district to recovery.

Calamity Days
House Bill 638 of the 120th General Assembly
Effective April 7, 1994
House Bill 223 of the 121st General Assembly
Effective November 15, 1995

Description

Both acts contain permanent-law provisions affecting calamity days. In addition, H.B. 638 contains three major temporary-law provisions affecting the 1993-94 school year's calamity days.

Temporary law for 1993-94 only: H.B. 638 supplied some relief from the year's severe winter weather by providing (a) four additional permitted calamity days arising from a sheriff's emergency, (b) the ability to count as a complete day any day including "at least three-fifths of the hours required by state minimum standards," and (c) the ability to use excess hours on regular days "to make up all days closed in excess of the number otherwise permitted." (Standard minimum hours are five for grades K-6 and 5 1/2 for grades 7-12.)

Permanent law: H.B. 638 redefines "calamity days" to include days on which a school is closed because of "inoperability of school buses or other equipment"; it also requires each district to plan for five make-up days in each school year. H.B. 223 allows a school district to count a school day shortened by not more than two hours by hazardous weather as a regular school day.

Summary of findings

- ◆ The main calamity-day results for 36 respondents are provided in the table below. The first two rows indicate that the districts fared better in 1993-94, with the several temporary-law provisions, than they did in 1995-96.

For all respondents . . .	1993-94	1994-95	1995-96
Number of school districts with more than 5 calamity days	25	7	20
Number of school districts incurring make-up days	18	4	21
Average number of calamity days per district	7.9	3.1	6.4
Average number of make-up days per district	1.7	0.2	1.8
Median number of planned make-up days	1.5	5	5

- ◆ Extreme numbers of calamity days and make-up days did occur. In 1993-94, ten respondents had more than 10 calamity days and two had more than 15; nine respondents had more than 2 make-up days and three had more than 5. In 1995-96, two respondents had more than 10 calamity days; 13 respondents had more than 2 make-up days and 2 had more than 5.
- ◆ By the end of the 1995-96 school year, just 13% of respondents (four of 30) had planned fewer than the five required make-up days. In 1993-94, before the act's effective date, 54% of the respondents had planned fewer than five make-up days.

School Mandate

- ◆ In 1993-94, only one district made use of a sheriff's emergency to utilize one of the four additional permitted calamity days.
- ◆ In 1993-94, forty percent of the respondents used the excess-hours provision to save make-up days. This provision, if made permanent, could be used widely; e.g., for 1995-96, 36 of 40 respondents reported that regular school days were longer than the standard minimum day.
- ◆ For 1995-96, 26 of 40 respondents counted a total of 101 shortened days (shortened by no more than two hours each) as regular days and saved a total of 63 make-up days. Assuming the average shortened day was shortened by one hour, each of the respondents incurred approximately 2½ hours of lost classroom time by utilizing the provision.
- ◆ In each of the three school years 1993-96, only one district reported closing schools because of inoperable school buses. In all three years, two make-up days were saved.
- ◆ Savings realized in 1993-94 because of the acts ranged widely, from "zero" to "four days' operating costs" to more than \$250,000. The cost of a make-up day during the three years 1993-96 was the same as the cost of a regular day for 1/2 to 2/3 of the 26 respondents. In each year, only three respondents indicated that their teachers received additional pay for make-up days.

Interpretation

- ◆ With the cost of a make-up day equal, in most cases, to the cost of a regular day, a district stands to save a significant expense by applying the acts' provisions to avoid make-up days, and many of these districts have done so.
- ◆ For 1993-94, the most popular device for avoiding make-up days was the application of excess hours from regular or augmented days to the hours lost on calamity days. The approach appears to have been a viable option and did not reduce the amount of classroom time below the state standard, although classroom time might have fallen below the amount originally scheduled; further, the great majority of the respondent districts do generate excess hours normally, since their regular school days exceed the standard.
- ◆ The extent to which shortened days are counted as regular days during hazardous weather is not routinely discernible, since such days are not needed in calamity-day calculations; a separate accounting would be required from the districts in order to determine the extent of their usage.
- ◆ The closing of schools because of inoperable school buses appears to be a rare phenomenon, although it has enabled a few districts to avoid a few make-up days.
- ◆ The provision of additional pay to teachers for make-up days is the case in only a fraction of the school districts; thus, it should not be a cost factor in most districts' make-up day expenses, although this situation is subject to collective bargaining.

- ◆ Some of the districts (4 of 30 respondents) have not yet scheduled all five of the planned make-up days that H.B. 638 requires. The Department of Education has indicated that the number of planned days is not routinely reported and that, given its limited staff, it relies upon the districts to ensure self-compliance to this requirement. The department further indicated that many districts, when scheduling the school year, tend to add these planned make-up days to the end of the year in order to ensure that any make-up days do not interfere with the year-end ceremonies, such as graduations, which can then be scheduled with more certainty.
- ◆ In general, while H.B. 638 and H.B. 223 have been successful in meeting some of the calamity-day concerns of school districts for 1993-94 and beyond, they have not fully addressed the ongoing issue of how to routinely plan and provide for calamity days across the range of situations that the districts might encounter.
- ◆ Calamity days are a thorny subject. On the one hand, the state is concerned that students spend a certain minimum number of days actually in school, despite the urgencies of weather and other calamities. On the other hand, when weather does force schools to close, the making up of the lost time is often problematic. Providing time-off allowances helps preclude some of the problems but it also reduces the actual classroom time. Further, in some years the weather is so severe that, for a handful of districts, no reasonable and routine system of time recovery can compensate. A contributing factor is that the issue is usually addressed by the General Assembly only during wintertimes when the calamity days are occurring, so that stress tends to be placed on temporary emergency measures rather than on permanent solutions.
- ◆ At issue for the state are the school districts' degrees of control and flexibility in scheduling and accounting for calamity days. The apparent goal is to enable the school districts to avoid additional time, disruption and expenses while at the same time meeting reasonable instructional time requirements in order to remain eligible for state basic aid. However, a single set of calamity-day provisions will not meet all those goals in all situations in all years.

Several superintendents offered comments, some favorable . . .

- ◆ All of the calamity-day situations were adequately addressed;

some not so favorable. . .

- ◆ Such make-up day decisions [for example, in severe winters such as 1993-94] should be made more quickly; also, they should be applicable to all schools [i.e., they should cover pre-schools and kindergartens];
- ◆ Need more local control;
- ◆ The 1/2-day kindergarten had problems with the 2-hour delays;
- ◆ The calamity-day situations are not controllable; the school districts need a new type of calendar;
- ◆ When one district's school days for grades 1-12 were shortened, the morning kindergarten sessions had to be canceled. The districts need more kindergarten make-up days;

and some with specific suggestions. . .

- ◆ Kindergarten make-up is expensive and difficult. Need to set minimum hours, not minimum days;
- ◆ No calamity days should be allowed in excess of the five allowed ones;
- ◆ All calamity days should be made up;
- ◆ Graduation dates should be independent of make-up day dates, so that the involved students, families and school officials can plan.

Recommendations

If the state decides to provide more or less calamity-day flexibility to the districts, the fundamental requirement, given the purpose of schools, should remain a minimum annual amount of time for actual classroom instruction. That requirement could be met by more flexible approaches, such as one used in 1993-94: applying excess hours to calamity days to preclude make-up days. Most school districts already have such excess hours in their days; their utilization against calamity days appears to be workable and might be considered.

If a district had more flexibility, it would, in turn, be better able to maintain its year-end schedule of ceremonies, such as graduations, whose participants and attendees must often schedule months in advance. A revised calamity-day policy could address such a scheduling concern.

Kindergartens have particular problems: split sessions can accumulate unequal amounts of classroom time because of shortened days, their make-up days can be expensive because of the necessity of providing two sessions per day, and their schedules make difficult the accumulation of excess hours. Thus, if a remedy were to be provided, a more flexible one would be needed, especially if reductions in actual classroom time were to be avoided and expensive make-up days precluded.

Possibilities noted above, such as the replacement of a required minimum number of days per school year with a required minimum number of hours, and the application of solutions to all schools, could provide more flexibility to the districts without allowing a reduction in classroom time. Further, a consideration of the measures taken by other states to deal with calamity days could serve to inform future policy in Ohio.

Of course, under any state laws concerning calamity days the responsibility rests with the school districts to plan and provide for them. Those districts with severe winter weather problems need to have adequate calamity-day plans in place.

**Underground Storage Tanks
and the Petroleum Underground Storage Tank Financial Assurance Fund
House Bill 421 Of The 118th General Assembly
Effective July 11, 1989**

Description

H.B. 421 of the 118th General Assembly requires the fire marshal to establish requirements for financial responsibility on the part of owners and operators of underground storage tanks. The act requires the upgrading or removal of underground storage tanks, as necessary. The act also creates the Financial Assurance Fund, to be used to reimburse owners and operators of underground storage tanks for the costs of corrective actions and compensation paid to third parties for bodily injury or property damage resulting from releases of petroleum from those tanks. The amount to be deposited and the deductible amount are specified in the law.

Summary Of Findings

- ◆ Of the 40 respondents, 29 districts (73%) reported having underground storage tanks. Of these, 15 districts were required to perform upgrades or remove their underground storage tanks to comply with the act.
- ◆ The 15 districts spent approximately \$30,500 per district on upgrading storage tanks. For upgrades or removal, 80% of responding districts used an outside company.
- ◆ Of the 30 respondents, 14 school districts (47%) were required to deposit money into the Financial Assurance Fund. The average amount deposited per district was approximately \$7,300. The deposit requirements are specified in the law and applied uniformly to those with underground storage tanks.
- ◆ Of the 29 districts with storage tanks, 15 (52%) indicated costs for annual routine maintenance of storage tanks. The districts spent approximately \$780 per tank.
- ◆ The table below shows the estimated per pupil, district, and statewide costs for routine maintenance.

Costs for Underground Storage Tanks	Weighted Per Pupil Cost	Total Cost - Average Sized District (2,862 students)	Total Cost - Statewide
Routine Maintenance - Annual	\$0.60	\$1,717	\$1,049,294

Interpretation

The amount spent by a district to upgrade or remove underground storage tanks depended on how many tanks the district had and their condition. The size and location of the district did not appear to have any relation to the number of storage tanks the district had. No one group type of districts surveyed was protected from potentially high upgrade or removal costs. Though the costs of upgrades and removal were substantial for some districts, most of these were one-time costs. Once the repairs were completed, the district experienced no additional costs associated with upgrade or removal.

The costs of routine maintenance of underground storage tanks were not notably high, which may be a result of upgrades. Upgrades included new pump lines, improved metering, and better leak detection, each of which could reduce maintenance costs. Also, if an underground storage tank is removed, the routine maintenance costs associated with that tank are eliminated. If the tank had deteriorated enough to be removed, the maintenance costs could have been substantial, but these costs were avoided after the removal of the tank.

Two districts responding to the survey indicated that they performed upgrades or removed underground storage tanks even though they were not required to do so by law.

Recommendations

No recommendations are indicated by the results of the survey.

**OSHA Standards
Health And Safety Issues
House Bill 308 of the 119th General Assembly
Effective April 20, 1993**

Description

In recent years Ohio Occupational Safety and Health Administration law has increased health and safety standards (in response to changes in federal OSHA standards). H.B. 308 of the 119th General Assembly creates certain rights for all public employers and employees regarding employee risk reduction in the work place. A related issue is the requirement that the hepatitis B vaccine be administered to certain school district employees.

Summary Of Findings

- ◆ Of the 34 respondents, 26 school districts (76%) worked with the city or county health department to administer the hepatitis B vaccine.
- ◆ Along with the administration of the hepatitis B vaccine, school districts took various measures to improve the health and safety of their employees. (Please see Interpretation below)
- ◆ The table below shows the estimated per pupil, per district, and statewide costs for the administration of the hepatitis B vaccine and for health and safety improvement measures.

Costs for OSHA Requirements	Weighted Per Pupil Costs	Total Cost - Average Sized District (2,862 students)	Total Cost - Statewide
Hepatitis B Vaccine	\$2.02	\$5,787	\$3,532,624
Health and Safety Improvement	\$0.76	\$2,175	\$1,329,106
TOTAL	\$2.78	\$7,956	\$4,861,731

Interpretation

- ◆ Many districts have been taking additional measures to improve the health and safety of their employees. Most districts surveyed are providing additional training in health and safety related issues and practices such as first aid, drug and alcohol education, and training in providing care to students. Some districts conducted more thorough inspections of their equipment and buildings, often with the help of an outside consultant. Several districts created a safety committee and still others developed their own safety manuals. A few districts also provided health screenings for their employees.
- ◆ The amount a district spends on health and safety will depend on the current level of safety in the district and how far beyond the minimum standards the district wishes to go.

School Mandate\$

- ◆ School districts should be encouraged to work with city or county health departments in their efforts at improving the health and safety of their employees. Since so many districts collaborated with such boards for the administration of the hepatitis B vaccine, extending the collaboration should be explored. This may allow the districts to provide more programs. At the same time, it may improve the efficiency of district health programs by allowing the districts to share the costs of programs. Districts that are undertaking health and safety activities and should be encouraged and supported.

Recommendations

No recommendations are indicated by the results of the survey.

EPA Related Issues
Boiler Registration, Lead Abatement, and Water Testing

Description

Recently, EPA regulations have been amended to include school districts. For example, registration for boilers and boiler emissions and well-water testing have both been extended to school districts. Lead abatement continues to be an issue for school districts, particularly for those with buildings attended by children under the age of 6.

Summary Of Findings

- ◆ Of 36 responding districts, 30 were required to register their boilers with the EPA. Boiler registration fees increased from the 1994-1995 school year to the 1995-1996 school year for all but one school district. The fees increased by approximately 5.2%.
- ◆ Of the 41 districts responding to the survey, only 8 (19.5%) spent money on lead abatement in the last five years. Districts in the “Large Urban Poor” group had the highest per pupil cost for lead abatement, followed by districts in the “Rural” group. (See Appendix B for a complete description of school district group classifications.)
- ◆ The water inspection fee increased for 13 out of 21 (62%) responding districts. The average water inspection fee per well was approximately \$425.
- ◆ The table below shows the per pupil, per district and statewide estimates of the costs of EPA-related issues.

Costs for EPA Related Issues	Weighted Per Pupil Costs	Total Cost - Average Sized District (2,862 students)	Total Cost - Statewide
Boiler Registration	\$0.19	\$ 544	\$332,277
Lead Abatement	\$0.62	\$1,774	\$1,084,271
Water Inspection	\$0.42	\$1,202	\$734,506
Total	\$1.23	\$3,520	\$2,151,054

Interpretation

- ◆ In order to reduce or eliminate the use of boilers, most districts indicated that they had “modernized” or otherwise renovated/upgraded their buildings. Other measures taken included switching from coal to propane gas, installing more energy efficient boilers, and shutting down the heating after school hours. However, even if a boiler is improved and upgraded in order to reduce emissions to below the EPA-determined threshold, the boiler must still be registered with the Ohio Department of Commerce. Even if the boiler is no longer used, if it is still on the premises it must be registered.

- ◆ Regarding lead abatement, measures undertaken by school districts generally consisted of water testing or the replacement of water fountains as necessary. Only one district had costs associated with dealing with lead-based paints. As districts further eliminate the use of lead-based paints and replace water fountains, the amount spent on lead abatement statewide should continue to fall.
- ◆ The rural and smaller districts felt that the water testing requirements are creating a larger burden for them than for other districts. Two such requirements are that each district must contract for its own inspector, and the inspector must be based in the school district. Because of this, one district was no longer able to “share” a water inspector with another district. These requirements tend to raise costs for districts because they impair their ability to search for the best price. Many school districts reported fee increases over a three year period. Two of the districts experienced 200%+ increases from one year to the next. One district experienced a 794% rise in their well-water inspection fee in one year.

Recommendations

Since boilers must continue be registered with the Department of Commerce, whether they are used or not, registration fees could be frozen for a few years to allow school districts to upgrade and improve boilers without having to worry about large increases in boiler registration fees that may make paying for improvements difficult.

Strict requirements on water testing should be re-examined regarding how they are applied to school districts, so as not to over-burden smaller, more rural districts, where it may be difficult to “shop around” for a water inspector.

Corporal Punishment in Schools
Senate Bill 29 of the 120th General Assembly
Effective September 14, 1993

Description

The act prohibits any employee of a public school from inflicting corporal punishment upon pupils attending a public school, unless the board of education of the school district adopted a resolution no later than September 1, 1994, to permit corporal punishment as a means of discipline. The act also requires all boards of education that had not adopted a rule prohibiting corporal punishment by the effective date of the act, to appoint a task force to study effective discipline measures appropriate for their schools, and to submit a report to the school board. Any board that did not prohibit corporal punishment was required to adopt a disciplinary policy that included alternative disciplinary measures, and to consider in-service training for employees. The act also permits boards of education to adopt a resolution to permit corporal punishment at any time after September 1, 1998, but only after receiving and studying the report of a local discipline task force.

Summary of Findings

- ◆ Of 38 respondents, 28 districts (74%) had adopted rules prohibiting corporal punishment by September 14, 1993.
- ◆ Of the ten districts whose boards of education appointed a task force to study appropriate discipline measures, estimates of the cost of the task force and report on alternative discipline measures ranged from zero to \$1,600; the average cost per district was approximately \$310.
- ◆ Ten districts reported that additional training has been provided to instruct staff in the use of alternative discipline measures. The cost of training ranged from \$400 to \$5,000, with an average cost of \$990 per district. One district reported that training was needed, but that the district didn't have the funds to provide the training.

Interpretation

- ◆ Districts are conducting various kinds of training programs that may be considered training in "alternative discipline measures." This training includes such topics as peer mediation, conflict resolution, in-school suspension training, and general classroom maintenance. Although many districts are conducting these types of sessions, it is difficult to attribute the costs of such training sessions directly to S.B. 29. Many districts appear to have been abandoning corporal punishment prior to the enactment of this legislation, and thus may have been conducting these types of training programs regardless of this act.

- ◆ In our interviews with several rural districts, some superintendents mentioned that the prohibition of corporal punishment is contributing to increased discipline problems in their districts. The superintendents reported that some of their students are raised in environments in which corporal punishment is used to convey the message that the authority figure “means business.” They report that some students raised in this type of environment do not respond to some alternative discipline measures, and then become chronic discipline problems for teachers and principals.
- ◆ If the board of education of a school district decided that it wished to again *permit* corporal punishment, it would most likely have to wait until after September 1, 1998 to be able to do so. Districts that adopted resolutions prohibiting corporal punishment before September 1, 1994 or that failed to adopt resolutions permitting corporal punishment by that date, have to wait until after September 1, 1998 to be able to permit corporal punishment, after first receiving and studying a report of a local discipline task force. Only districts that initially *permitted* corporal punishment can adopt resolutions after September 1, 1996 *to prohibit* corporal punishment. Then, at any time thereafter, these districts can decide to *again permit* corporal punishment, after first receiving and studying a report of a local discipline task force. Thus, if the survey responses are applicable statewide and approximately 74 percent of school districts adopted resolutions prohibiting corporal punishment, they would have to wait until after 1998 if they choose to again permit corporal punishment.

Recommendations

If a sufficient number of districts are experiencing increased disciplinary problems that they feel is a result of their district’s policy of prohibiting corporal punishment, further study of this issue and possible revision of the policy may be warranted.

**Main Appropriations Act - Student Fees
Am. Sub. H.B. 117 of the 121st General Assembly
Effective July 1, 1996**

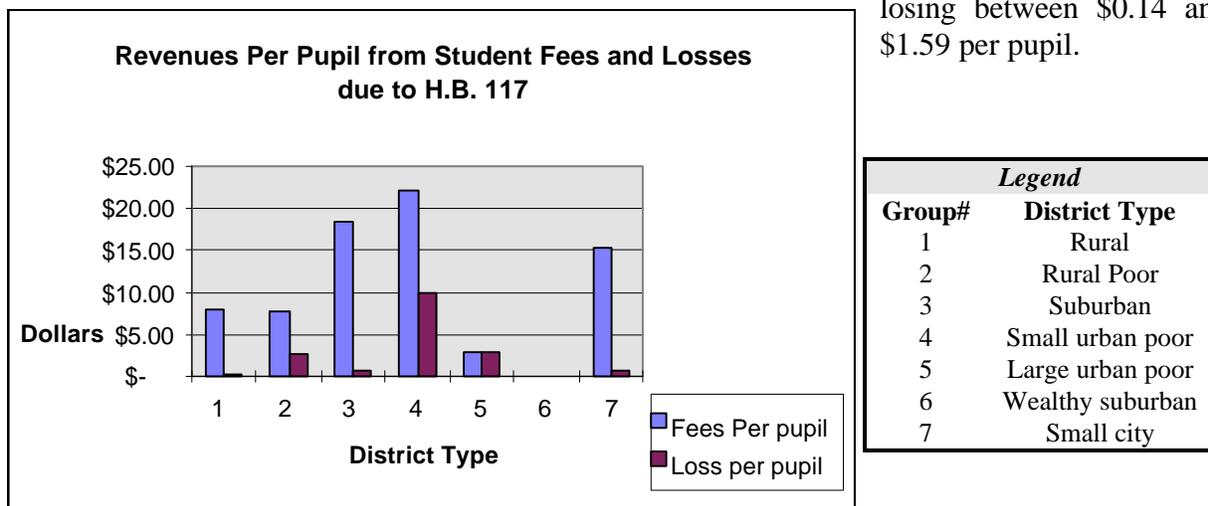
Description

The main appropriations act of the 121st General Assembly prohibits a board of education of a school district that receives Disadvantaged Pupil Impact Aid (DPIA) from charging a fee to a recipient of Aid to Dependent Children (ADC) or Disability Assistance (DA) for any materials needed to fully participate in a course of instruction.

Summary of Findings

- ◆ Districts charge a wide range of student fees, from \$1.50 for middle school students at one school district to \$485 in another school district for a course in auto mechanics. Small urban poor districts (such as Steubenville, Bellaire) receive the most in fee revenue - between \$19.31 per pupil and \$23.70 per pupil. Large urban poor districts (such as Cincinnati and Youngstown) receive the least - between \$1.22 and \$3.12 per pupil. Suburban districts (such as Northmont City and Three Rivers Local) receive a wide range in fee revenue - between \$4.82 per pupil and \$33.51 per pupil. On average, districts receive \$10.67 per pupil in fee revenue.
- ◆ Districts reported a wide range of percentages of students whose families receive ADC or DA. Actual ADC percentages statewide for fiscal year 1996 reported by the Department of Education ranged from 0 percent to 65.89 percent.

On a statewide basis, the loss in revenue from not being able to charge fees to students whose families receive ADC or DA is \$1.79 per pupil. Small urban districts experienced the widest range of fee losses, from \$2.63 to \$15.61 per pupil. Large urban poor districts reported losing between \$1.22 to \$3.12 per pupil. Rural districts (such as Amanda Clearcreek Local and Rootstown Local) are losing between \$0.14 and \$1.59 per pupil.



- ♦ The following table provides a summary of student fee revenues, and losses resulting from certain districts being prohibited from charging fees to a recipient of ADC or DA.

Student Fee Revenues and Losses Attributable to Am. Sub. H. B. 111			
	Weighted Per Pupil Cost	Total Cost - Average Sized District (2,682 students)	Total Cost - Statewide
Student Fee Revenue	\$10.67	\$30,538	\$18,659,952
Fee Loss as a Result of the Act	\$ 1.79	\$ 5,123	\$ 3,130,395

Interpretation

Different district types are affected in different ways by this change in policy. Big urban districts charge and receive the lowest amount in fee revenue per pupil (approximately \$2.70 per pupil) of the seven district types from whom we received information. Thus, even though they lose the highest percent of student fee revenue of any district type as a result of the act, they are not receiving very much in student fee revenue to begin with. In addition, these districts receive the highest Disadvantaged Pupil Impact Aid assistance per pupil, as much as \$1,301 per ADC pupil for the Cleveland City School District in fiscal year 1996. Small urban poor districts receive the most in fee revenue per pupil (\$22.23 per pupil), and on average are losing nearly half of this amount (\$10.01 per pupil) due to this provision. Suburban districts receive the second highest amount per pupil in fee revenue, but since their ADC percentages, on average, are low, they do not lose much fee revenue.

Recommendations

The act states that only those districts receiving DPIA funds are prohibited from charging fees to families who receive ADC and DA. Districts with ADC percentages less than five percent are not eligible to receive DPIA moneys. However, these districts may have some students whose families that receive ADC or DA, and these districts would not be prohibited from charging fees to these families. If the purpose of the policy is to protect families receiving such assistance from having to pay these fees, it may be fair to extend the policy to all school districts. (It is possible that some districts that do not receive DPIA funds are already waiving these fees as a district policy or informally on a case by case basis.)

The wide range of fees charged throughout the state is somewhat striking, particularly the fees charged for vocational courses in some districts. The variation in fees may warrant further study.

The recent passage of the Personal Responsibility and Work Opportunity Act, and the eventual elimination and replacement of the Aid to Families with Dependent Children program with the Temporary Assistance for Needy Families block grant will drastically alter the delivery of human services to needy families in Ohio. As the ADC program is replaced, policy makers may wish to establish an alternative poverty standard if they wish to continue the policy of prohibiting boards of education from charging student fees to parents in distressed situations.

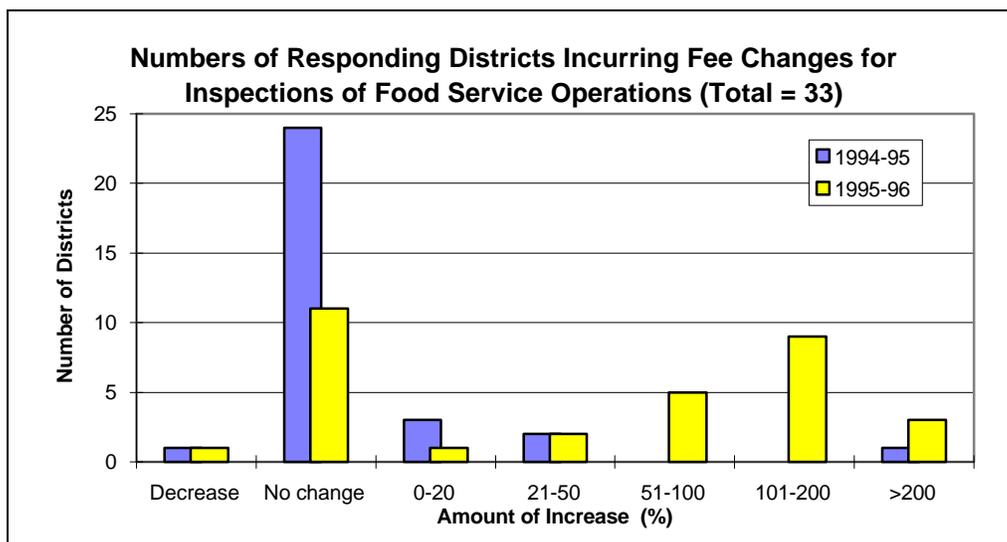
Licensing for Food Service Operations
Senate Bill 192 of the 120th General Assembly
Effective July 21, 1994

Description

The act's purpose is to further normalize the implementation of the food laws across the state. Among other provisions, it changes the criterion for classifying a food service operation from one of seating capacity to one of health risk; that is, the risk of food-borne disease organisms. The frequency of inspections now depends on the perceived level of risk. In addition, the fee-structure guidelines for the local departments of health (DOH's) are revised to make them more nearly uniform (these new guidelines were not implemented until March 1996). As a result, the frequencies of and fees for the inspections of school districts' food service operations are subject to change.

Summary of findings

- ◆ Of the 33 respondents, only one school district in 1994-95 saw a change in the frequency of food-service inspections. In the 1995-1996 year, however, changes were incurred by eight districts. All eight changes were increases in the number of inspections per year.
- ◆ Of the eight increases, five districts added one inspection per year; two districts added two; and one district added three. One district whose inspection frequency was not changed in either year, stated that beginning in 1996-97, the frequency of its inspections would double, from two to four per year.
- ◆ Almost two-thirds (20) of the respondents incurred increased fees for inspections in 1995-96, as the chart below illustrates. Of the six districts whose fees increased in 1994-95, five also sustained increases the following year.



- ◆ Among the seven groups of districts, there were three groups in which all the respondents indicated cost increases in 1995-96: group 4 (small urban), group 5 (large urban) and group 6 (wealthy suburban).
- ◆ Examples of some of the larger fee increases from 1994-95 to 1995-96 include the following: from \$50 to \$75 and from \$57.75 to \$116 per inspection; from \$660 to \$1,934 and from \$1,875 to \$3,801 per year.
- ◆ Reasons given for the increases in charges include (1) changes in the operation's category (from seating capacity to risk level), (2) changes in the local DOH's fee structure, (3) a general inflationary increase and (4) the DOH's need to cover costs.

Interpretation

- ◆ The responses revealed an upward trend in the frequencies of and charges for the inspections of school districts' food service operations after the effective date of the act. Reasons given for the increases were mainly three: changes in a food service operation's category, changes in the local DOH's fee structure, and inflation. The concern commonly expressed in the responses was not for the frequency increases, the time involved or the category changes but for the fee increases, some of which were quite significant.
- ◆ The Department of Health advises that a school that was previously inspected once a year might now be inspected three times if its new risk level warrants. Further, in the past some schools might not have incurred fee increases for some years, despite inflation; therefore, the new fee guidelines could cause significant increases in fees. Also, the differences among the fees charged to the school districts across the state could be the result of the wide variation in the costs of staffs and programs at the local DOH's.

Following are some specific comments by superintendents. The comments range from concern about the new rules to outrage about the increased costs. Further, besides decrying the types and amounts of the changes, the comments also seem to be reacting to a perceived arbitrariness in the actions by the local DOH's.

- ◆ This district's food service operation has the same category as a pizza delivery service, since it re-warms food. [The higher risk level warrants more frequent inspections.]
- ◆ It had a negative impact on a financially difficult program.
- ◆ The fees have doubled without a change in the service.
- ◆ The increase is excessive. Also, there is no school food service operation person on the [Board of Education, DOH] committees.
- ◆ Another case of hidden increased costs!
- ◆ This is really outrageous!

Recommendations

The data suggest that the criteria by which the local DOH's determine the categories, standards and fees for their inspections might vary from one school district to another, thereby affecting some districts more than others. This variation is exemplified by the comment above, about one food service operation's being considered equivalent to a pizza delivery service. An operations review could determine whether or not all 611 district's operations are so categorized and, if not, why the variations exist. A policy review might then include considerations of how to normalize/simplify these criteria among the districts.

**One-year Expulsion
for Possession of Firearms or Knives on School Property
House Bill 64 of the 121st General Assembly
Effective September 14, 1995**

Description

This act requires school boards to adopt a policy requiring the superintendent to expel a student for one year for possessing a firearm on district property, unless the superintendent reduces the period of expulsion on a case-by-case basis for reasons established by the school board or unless the student is permanently excluded from all public schools. It also allows a school board to authorize the superintendent to expel a student for up to one year for possessing a knife on school property. This act brings Ohio into compliance with the federal Gun Free Schools Act of 1994, as a part of the Improving America's Schools Act of 1994 (IASA). IASA also reauthorizes the Elementary and Secondary Education Act of 1965 (ESEA). The Gun Free Schools Act of 1994 requires compliance as a condition of receiving federal funds under ESEA.

Summary of Findings

- ◆ All school districts incurred minimal one-time costs for modifying their student disciplinary policies to comply with the requirement of the federal Gun Free Schools Act of 1994.
- ◆ Of the 39 respondents, 36 districts (or 92%) have adopted policies allowing superintendents to expel students for up to one year for possessing knives on school property, and 3 districts (or 8%) have not adopted such policies.
- ◆ Of the 39 respondents, 31 districts (or 80%) indicated that their policies allowed superintendents to reduce the required expulsion on a case-by-case basis, and 8 districts (or 20%) did not grant such discretionary authority to their superintendents. The age of a student, the student's prior disciplinary history, and the student's special education status were the three most often cited reasons for the reduction of the required one-year expulsion.
- ◆ In the 1995-96 school year, 40 responding districts reported 230 knife and 35 firearm incidents. Thirty-seven students involved with these incidents were expelled for **one year** and the other students involved with these incidents were suspended or expelled for a period of less than one year. Of all the reported incidents, 196 (or 86%) knife and 23 (or 66%) firearm incidents occurred in three large urban school districts.
- ◆ When asked to comment on the effectiveness of the act, 20 of the 28 respondents (or 72%) responded very positively. These districts commented that the act "sent a strong message to students" and increased students' awareness of the seriousness of consequences resulting from violations. The other 8 districts (or 28%) indicated either that it was "too early to tell" or that there were "no gun or knife problems."

Interpretation

- ◆ Since Ohio school law had had provisions addressing the issue of possessing weapons on school property before the enactment of H.B. 64, this act results in minimal additional costs to school districts. But it ensures the continuance of federal funds under ESEA. Ohio's funding under ESEA for FY 1994 was approximately \$486 million according to the state Department of Education.
- ◆ The discretionary language in H.B. 64 paves the way for the smooth implementation of the act. More than half of Ohio school districts are located in rural communities where carrying a pocket knife is quite common among students. During the hunting season, some students may put hunting guns in the trunks of their cars in order to go hunting directly after school. However, these guns or knives generally do not cause any safety problems. Rural school districts are trying to keep those "non-problematical" knives and guns off school property. However, without the flexibility to reduce the required expulsion, those rural districts could have difficulties to implement the law in the beginning. Therefore, it is important to remember that there is no "one-size-fits-all" solution. The one-year expulsion requirement is effective in terms of addressing the school safety issue in large urban school districts; however, expelling for one year a fourth grader who carries a pocket knife for the purpose of "show and tell" could disrupt student learning in rural school districts.
- ◆ In order to provide the majority of students with a safe learning environment, school district administrators back the idea of cracking down on students who possess weapons on school property. However, school district personnel also realize that the get-tough rules raise the question of whether alternative education should be provided to students on suspension or expulsion. It is generally agreed that simply expelling or suspending a student with a discipline problem from the school is not an effective, long-term answer to the problem. Letting a suspended or expelled student stay at home or on the street is likely to result in more problems to the school district when the student returns to the school; such a student is also likely to drop out of school and/or end up with the criminal justice system. Many school districts are currently operating or considering establishing alternative schools or joint alternative schools to serve students who have been expelled or suspended. For example, five districts in Knox County established a joint alternative disciplinary school three years ago. Since then suspension and expulsion rates in these five districts have decreased significantly, according to the spokesperson from the alternative school.
- ◆ However, how to finance alternative schools remains a question for many school districts. Start-up costs have prevented some districts from actually establishing (joint) alternative schools. The spokesperson from the Urbana City SD indicates that school districts in Champaign County have been considering establishing a joint alternative school modeled after Knox County's alternative school. However, due to the lack of a low-cost facility, they have been unable to actually establish the joint alternative school. Meanwhile, budget constraints have forced other districts to cut their alternative disciplinary education programs. The Columbus City SD spends about 0.7 percent of its annual expenditures for a fairly large alternative program in a district with high levels of suspensions and expulsion. Due to financial constraints, the Columbus Board of Education voted to eliminate its alternative expulsion program and reduced its in-school suspension program in April 1996 (*The Columbus Dispatch*, April 17, 1996).

Recommendations

The General Assembly may wish to consider providing one-time grants to help school districts, especially those with high suspension and expulsion rates, pay for the start-up costs of establishing (joint) alternative disciplinary schools. According to a survey by the Education Commission of the States, seven states--Arkansas, Delaware, Hawaii, Louisiana, Mississippi, Oregon and Texas--have passed laws requiring that alternative schools be created to serve expelled students. In Texas, the state has set aside \$18 million to defray the start-up costs of establishing the alternative programs (*Education Week, October 9, 1996*).

Appendix A

Bills with Minimal Fiscal Effects

H.B. 126 of the 120th GA

Treasurer’s Statement of Current School Funds

This act eliminates the requirement that a treasurer’s statement of current school funds be filed with the county auditor in order to receive the semiannual distribution of real property and public utility taxes collected by the county auditor.

H.B. 164 of the 120th GA

Special Education for Visually Disabled Students

This act requires school districts to annually assess the Braille reading and writing skills of visually disabled students and to provide Braille instruction if such a medium is determined to be most appropriate.

S.B. 234 of the 120th GA

Exemption of Certain School Buses from Window-Tinting Restrictions

This act permits county boards of mental retardation and developmental disabilities to purchase buses with tinted windows and to retrofit previously bought buses with tinted windows.

H.B. 29 of the 121st GA

Sharing the Transportation of a Pupil

This act allows boards of education to contract to share the transportation of a pupil who resides in one district and attends school in the other.

S.B. 26 of the 121st GA

Directory Information about High School Students

This act requires the release of the names, addresses, and home telephone numbers of students in grades ten through twelve to a recruiting officer for any branch of the United States armed forces who requests such information.

Appendix B

Descriptions of School District Groups

School district group number	Brief Descriptor	Group's Rating in Each of Four Criteria			
		Agricultural Dependence	Federal Adjusted Income	Average Percent ADC	Level of Commercial Valuation
1	Rural	High	Average	Below average	Low
2	Rural poor	High	Low	High	Low
3	Suburban	Low	Above average	Low	Above average
4	Small urban poor	Low	Low	High	Average
5	Large urban poor	Very low	Low	Very high	Average
6	Wealthy suburban	Low	Very high	Low	High
7	Small city	Low	Average	Average	Average

Appendix C

Responses of School Districts, by Group

School district group number	Brief descriptor	Number of districts in Ohio	Number of districts selected for study	Number of districts responding to questionnaire	
				Number	Percent
1	Rural	271	44	22	50.0%
2	Rural poor	49	8	1	12.5%
3	Suburban	108	18	7	38.9%
4	Small urban poor	51	8	3	37.5%
5	Large urban poor	17	3	2	66.7%
6	Wealthy suburban	37	6	2	33.3%
7	Small city	78	13	6	46.2%
Total		611	100	43	43.0%