



OHIO LEGISLATIVE SERVICE COMMISSION

Alexandra Vitale

Fiscal Note & Local Impact Statement

Bill: H.B. 87 of the 132nd G.A.

Status: As Introduced

Sponsor: Rep. Roegner

Local Impact Statement Procedure Required: No

Subject: Money returned to state from community school audit

State and Local Fiscal Highlights

- The bill specifies how the Ohio Department of Education (ODE) is to distribute to school districts money returned to the state due to a finding for recovery issued by the Auditor of State as a result of a community school audit. Depending on any findings in the future, certain school districts may receive an increase in revenue under the bill.
- In the 2014-2015 school year, seven findings for recovery against community schools ranged from \$196 to \$4,350.

Detailed Fiscal Analysis

The bill specifies how the Ohio Department of Education (ODE) is to distribute money returned to the state when there is a finding for recovery issued by the Auditor of State as a result of a community school audit. Under the bill, if the finding for recovery resulted from an audit of community school enrollment records, the money must be credited to the school district from which the money was originally deducted.¹ If the finding for recovery resulted from any other type of community school audit, the money must be redistributed to the school districts of the students enrolled in the community school at the time the finding was issued, in an amount proportional to each district's share of the community school's total enrollment at that time.

Certain school districts may receive an increase in revenue under the bill. Any increase will depend on the amount of any future findings that are paid to the state and how ODE would distribute the money under current law. According to ODE's annual report for the 2014-2015 school year, seven community school audits resulted in

¹ Community schools are paid through a deduction of state foundation funding from the school districts in which the school's students reside.

findings for recovery that year, which ranged from \$196 to \$4,350.² According to the Auditor's website, the largest finding against a community school was \$1.5 million, which was certified in 2010 and has not been resolved.

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² Ohio Department of Education, 2014-2015 Annual Report on Ohio Community Schools, pg. 25. Available online at <http://education.ohio.gov/getattachment/Topics/Community-Schools/Annual-Reports-on-Ohio-Community-Schools/2014-15-Community-School-Annual-Report.pdf.aspx>.