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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 110
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 110's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. Manning

Local Impact Statement Procedure Required: No

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Highlights

- The bill's requirement that the Auditor of State conduct annual performance audits of the school district affected by the bill (Lorain City School District) as long as the district is subject to an academic distress commission will increase the state's cost for these audits or reduce the number of other districts receiving performance audits.
- State expenditures for school district performance audits are subject to appropriations. In FY 2019, appropriations for this purpose total \$960,000.

Detailed Analysis

The bill modifies the law governing the academic distress commission (ADC) for the Lorain City School District (Lorain CSD). Two requirements with potential fiscal effects are that the Auditor of State conduct an annual performance audit and the Department of Education (ODE) conduct a site evaluation of the school district as long as it remains subject to an ADC. The bill also modifies the responsibilities of the ADC and the Chief Executive Officer (CEO) appointed by the ADC, but these provisions are unlikely to have a significant fiscal effect. For a description of all of the bill's provisions, please refer to [LSC's Bill Analysis](#).

State Auditor

Continuing law permits the Auditor of State, on the Auditor's initiative, to conduct performance audits of school districts under fiscal caution or in a state of fiscal watch or fiscal emergency. The cost of these audits is paid by the state through GRF appropriation item 070409, School District Performance Audits, in the Auditor's budget. In FY 2019, \$960,000 is appropriated to this item. The bill requires the Auditor to conduct a performance audit for Lorain CSD each year it is subject to an ADC. Depending on future appropriations for item 070409, this provision will likely increase the Auditor's performance audit expenditures or reduce the number of performance audits conducted for other school districts.

Department of Education

Continuing law permits ODE to conduct site evaluations of low-performing schools and districts according to Ohio's ESEA flexibility waiver as approved by the federal government. A site evaluation for a school district is designed to review conditions in the district and to document the district's implementation of federal and state requirements for improvement. The bill requires ODE to conduct a site evaluation of Lorain CSD each year it is subject to an ADC. The provision may reduce ODE's flexibility in conducting site evaluations, but is not likely to increase expenditures significantly. According to ODE, a site evaluation of Lorain CSD has already been conducted this fiscal year.

Academic distress commissions

The bill requires Lorain CSD's ADC to conduct an annual performance evaluation of the CEO and up to three additional evaluations each year upon the request of the district school board. This may minimally increase the workload of ADC members. The bill also requires the CEO to report to the district board quarterly, and more often upon request of the board, on the district's progress towards transitioning out of being subject to an ADC. The additional reporting requirements of the CEO may minimally increase that position's workload. On the other hand, the bill requires that a district treasurer, appointed by the board, act as chief fiscal officer for the district. Current law appears to give the CEO this responsibility, so this provision may minimally decrease the CEO's workload. Under continuing law, the CEO is compensated by the state.