



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 70 of the 131st G.A.

Date: July 2, 2015

Status: As Passed by the Senate

Sponsor: Reps. Brenner and Driehaus

Local Impact Statement Procedure Required: No

Contents: To initiate a community learning process to assist and guide school restructuring and to replace the current structure and procedures for academic distress commissions

State Fiscal Highlights

- The bill requires an academic distress commission to appoint a chief executive officer (CEO), who is to be paid by the Department of Education (ODE). This will increase ODE's expenditures depending on the number of commissions established. Salaries for a CEO may range from approximately \$150,000 to \$200,000 per year.
- The bill requires ODE to adopt, develop, and publish rules and information related to community learning centers. This provision will increase ODE's administrative burden.

Local Fiscal Highlights

- The bill gives the CEO appointed by an academic distress commission complete control of the district until the academic distress commission ceases to exist. The fiscal effect on the district will depend on the decisions and actions of the CEO.
- The bill authorizes any school district or community school to initiate the transition of a school building to a community learning center. Although public schools that become community learning centers under the bill will likely incur increased expenditures, the bill is permissive and does not impose those expenditures on schools.

Detailed Fiscal Analysis

Academic distress commissions

Establishment of an academic distress commission

The bill replaces the current structure and procedures for academic distress commissions with a new, more detailed system with specific graduated consequences for prolonged low academic performance. It modifies the performance criteria that trigger the establishment of a commission, but the new criteria are similar to existing criteria and are not likely to drastically change which districts may become subject to commissions.

The bill requires the Superintendent of Public Instruction to establish an academic distress commission for any school district that has received an overall grade of "F" on the state report card for three consecutive years. In the event that the release of state report card overall letter grades for school districts is delayed beyond the report card issued for the 2015-2016 school year,¹ the bill provides ODE with equivalencies to use to determine if a district is subject to an academic distress commission. A combination of an "F" for performance index and an "F" for the overall value-added progress dimension grades are the equivalent of an overall grade of "F."

If a district already has an academic distress commission in place on the bill's effective date and has been in existence at least four years, that commission must be abolished and a new one must be appointed, even if it would not be subject to one under the changes made by the bill. This provision directly impacts the Youngstown City school district, which has had an academic distress commission in place since 2010.² The fiscal effect on the district will depend upon the decisions of the chief executive officer, whose powers are described in more detail below.

Chief executive officer

Under the bill, each commission is required to appoint a chief executive officer (CEO), who has complete operational, managerial, and instructional control of the district until the academic distress commission ceases to exist. The CEO is to be paid by the Department of Education (ODE) and must have "high-level" management experience in the public or private sector. Given the responsibilities of the CEO, salaries may be comparable to those of superintendents of large urban districts, which are

¹ H.B. 64 of the 131st General Assembly changes the school year by which overall letter grades must be first issued from the 2015-2016 school year to the 2017-2018 school year.

² Lorain City is the only other school district with an academic distress commission currently in place. However, under Section 4 of the bill, it is still subject to the former academic distress commission law as it existed prior to the bill's effective date because it has been in existence less than four years.

approximately \$150,000 to \$200,000 per year. Depending on the number of commissions established, state expenditures may increase accordingly.

The CEO must create an academic improvement plan in consultation with a group of community stakeholders. The fiscal effects of this plan and control will depend on the decisions of the CEO. The bill stipulates that the CEO consider the availability of funding to ensure sustainability of the plan. The plan may include "innovative" education programs supported with state funding. Any potential expenditure by the state, however, will be subject to approval and appropriation by the General Assembly.

In any year that a school district is subject to an academic distress commission, the CEO may limit, suspend, or alter administrator contracts and may reduce employee pay and benefits as part of a uniform plan that affects all employees. These powers may lead to reduced expenditures for the district.

In addition to requiring commissions to expand "high-quality" school choice options in the district, the bill qualifies all residents of districts with commissions to participate in the Educational Choice Scholarship Program. Through this program students may obtain vouchers to attend chartered nonpublic schools. Vouchers are funded through deductions in a school district's state education aid, so an increase in scholarship students in the district may lead to a decrease in district revenues from the state.

Community learning centers

Transition process

Beginning with the 2015-2016 school year, the bill authorizes any school district or community school to initiate the transition of a school building to a community learning center. A community learning center is a school or community school that participates in a coordinated, community-based effort with community partners to provide comprehensive educational, developmental, family, and health services to students, families, and community members during school hours and hours in which school is not in session. Current law does not prevent a school from becoming a community learning center, as several school buildings in Ohio currently operate as such.³

The bill outlines several procedural steps for a school to follow to get approval from parents and school employees to transition the school to a community learning center. If the transition is approved, the district board or community school governing authority must create a school action team to be responsible for specified duties, including conducting and completing a performance audit of the school and reviewing the needs of the school. Upon completion of the performance audit and review of the building, the school action team must create a community learning center improvement plan that designates appropriate interventions. To assist the school action team, the bill

³ For examples of the community learning center model in Cincinnati, see www.cincinnatiiclc.org.

requires the school or a community partner to select an individual to serve as the resource coordinator to assist in the development and coordination of programs and services for the community learning center.

The bill details a procedure for becoming a community learning center but does not require any school district or community school to undertake that action. This provision is permissive in nature and does not directly increase costs to school districts or community schools. If a school building becomes a community learning center, it will likely incur additional expenditures to meet the additional requirements under that operating model.

Department of Education

Several of the bill's provisions will increase ODE's administrative burden. The bill requires ODE to adopt rules regarding the elections required for the community learning center process, to develop appropriate interventions for a community learning center improvement plan that may be used by a school action team, and to publish a menu of programs and services that may be offered by a community learning center. To publish this menu, ODE must solicit input from resource coordinators of existing community learning centers and publish the menu of programs and services on ODE's website.

The bill also requires ODE to provide information regarding implementation of comprehensive community-based programs and supportive services, including the community learning center model, to school buildings that (1) are in improvement status as defined by federal law or an agreement between ODE and the U.S. Secretary of Education, (2) is a secondary school that is among the lowest achieving 15%, (3) is a secondary school with a graduation rate of 60% or lower for three or more consecutive years, or (4) is a school that ODE determines is persistently "low-performing."

The bill also permits ODE to provide assistance, facilitation, and training to a school action team in the conducting of the team's audit; opportunities for members of school action teams from different schools to share school improvement strategies with parents, teachers, and other relevant stakeholders in higher performing schools; financial support in a school action team's planning process; and a grant program to assist in the implementation of a qualified community learning center plan.