



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 401 of the 131st G.A.

Date: February 8, 2016

Status: As Introduced

Sponsor: Rep. Brinkman

Local Impact Statement Procedure Required: No

Contents: Requirements for chartered nonpublic schools

State Fiscal Highlights

- The bill creates new administrative requirements for chartered nonpublic schools, which may add to the Ohio Department of Education's workload in ensuring the schools' compliance with the standards prescribed in law.
- State reimbursements to chartered nonpublic schools for mandated administrative and clerical activities may increase by a small amount in future years.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Overview

The bill creates several new administrative requirements for chartered nonpublic schools. Under the bill, each chartered nonpublic school must post on its website (1) a summary of the school's cash flow for the previous two school years, (2) aggregate student enrollment data for the previous two school years, and (3) the school's policy regarding background checks for teaching and nonteaching employees and for volunteers who have direct contact with students.

Additionally, the bill requires each chartered nonpublic school to make available to parents, guardians, and custodians of students enrolled in the school the curricula and reading lists for each grade level as well as the bylaws, constitution, and other related governance documents of the school. In general, the bill also requires the governing authority of each chartered nonpublic school to maintain minutes of its

meetings in a manner similar to that of a school district board of education¹ and make the minutes available to the parents, guardians, and custodians of students enrolled in the school.

Fiscal effects

Under continuing law, the State Board of Education charters school districts that meet the standards prescribed in law and can revoke charters from school districts that do not comply with those standards. The bill may minimally increase the administrative duties of the Ohio Department of Education (ODE) to ensure the new requirements are being met. ODE grants charters to and monitors chartered nonpublic schools on behalf of the State Board. Oversight activities include random audits of the schools to assure compliance with applicable laws and rules. Currently, there are about 700 chartered nonpublic schools operating in Ohio.

Continuing law also requires the state to reimburse chartered nonpublic schools for some mandated administrative and clerical activities.² Since the bill's requirements may minimally increase administrative costs for chartered nonpublic schools, the state reimbursements could increase as well, though likely not in the current biennium. The reimbursements are capped at the actual costs from the prior year or \$420 per pupil in FY 2016 and FY 2017, whichever is less. Currently, the calculated reimbursement amounts exceed the appropriation for this purpose and must also be prorated to fit within the available funding. Any increase in future years is likely to be small. Most chartered nonpublic schools already report administrative costs in excess of the maximum allowed under continuing law.

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¹ R.C. 121.22.

² R.C. 3317.063. These reimbursements are paid from GRF line item 200532, Nonpublic Administrative Cost Reimbursement.