

Ohio Legislative Service Commission

Office of Research and Drafting

Legislative Budget Office

H.B. 305 133rd General Assembly

Fiscal Note & Local Impact Statement

Click here for H.B. 305's Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Cupp and Patterson

Local Impact Statement Procedure Required: Yes

Alexandra Vitale, Budget Analyst

Highlights

- The bill appropriates a total of \$9.00 billion in FY 2020 and \$9.25 billion in FY 2021 from the GRF and lottery profits to support the implementation of a new school funding formula beginning in FY 2020. This is in contrast to an appropriation of \$8.62 billion in each of FY 2020 and FY 2021 for like purposes for the current school funding formula.
- In general, the proposed formula computes unique per-pupil base cost and local capacity amounts for each school district. The per-pupil base cost is determined by an inputs-based model while the local capacity amount depends on a mix of property value per pupil and income per pupil and a variable local capacity percentage ranging from 2.0% to 2.5%. The per-pupil state share of the base cost is the difference between the per-pupil base cost and the per-pupil local capacity amount.
- The formula replaces the current method of counting students in the school district in which they reside for funding purposes even if they attend school outside the district (formula average daily membership (ADM)) with the count of students the district actually educates (enrolled ADM).
- The majority of the bill's funding components are phased in over six years and are subject to a guarantee.
- The bill directly funds community and STEM schools, the traditional Educational Choice Scholarship Program (EdChoice), the Autism Scholarship Program, and the Jon Peterson Special Needs Scholarship Program, rather than deducting aid from a student's resident district and transferring funds to the educating school as under current law.
- The proposed formula, if fully in effect in FY 2019, costs an estimated \$1.04 billion more than the FY 2019 foundation formula before any limits on funding are applied.

Detailed Analysis

Introduction

The bill replaces the school funding formula in current law with a new formula beginning in FY 2020. In general, the proposed formula significantly modifies the manner in which public school students are counted for funding purposes, computes a base cost for each district, and, for purposes of calculating the state's contribution under the formula, changes the method for determining the capacity of each district to raise revenue locally. Please refer to the LSC bill analysis for a detailed description of the proposed formula. The current LSC School Funding Complete Resource provides a detailed analysis of the FY 2019 formula. The following provides an overview of the fiscal implications of the proposed formula and other major provisions.

This analysis compares the cost of the formula in current law and the proposed formula in H.B. 305 by eliminating the effects of the current formula's gain cap and proration of transportation funding and the proposed formula's phase-in provisions, each of which result in a district subject to such provisions ultimately receiving a different amount than what the formula would otherwise generate for the district. In addition, the analysis compares the formula in effect for FY 2019 to H.B. 305 if it also operated in FY 2019 since the formula specified in law is not currently in use. H.B. 166 of the 133rd General Assembly suspended the operation of the current law formula for FY 2020 and FY 2021 and, instead, provides every school district with the same amount of formula aid allocated in FY 2019.

Table 1 below summarizes the differences in state aid between the two formulas under the scenario described above by school type. As the table shows, the state's contribution under H.B. 305, fully phased in for FY 2019, amounts to \$1.04 billion more than under the FY 2019 formula before the gain cap and transportation formula proration is applied. Most districts receive more state aid but some receive less, in some cases substantially. Actual differences are likely less due to the gain cap in FY 2019 and the phase-in mechanism included in H.B. 305.

Table 1. Comparison of Estimated Formula Aid Under H.B. 305 Fully Phased in by School Type, FY 2019 (\$ in millions)				
School Type	Uncapped FY 2019 Formula Net of Transfers	H.B. 305 Fully Phased in FY 2019	\$ Change FY 2019	% Change FY 2019
Traditional districts	\$7,427.0	\$8,288.5	\$861.4	11.6%
Joint vocational school districts (JVSDs)	\$329.3	\$433.9	\$104.7	31.8%
Community and STEM schools	\$873.1	\$944.9	\$71.8	8.2%
Scholarship programs	\$308.9	\$308.9	\$0	0.0%
Total	\$8,938.3	\$9,976.2	\$1,037.9	11.6%

Page | 2 H.B. 305, Fiscal Note

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¹ https://www.lsc.ohio.gov/documents/reference/current/schoolfunding/sfcr_feb2019.pdf.

Analysis of proposed school funding formula

Overview of formula changes

The bill gradually implements a new school funding formula beginning in FY 2020. The proposed formula is phased in over six years until it is fully implemented in FY 2025. Among the major formula changes, the bill:

- Counts students in the district in which they are educated rather than the district in which they reside;
- Replaces the per-pupil formula amount (\$6,020) with a variable per-pupil base cost computed for each school district;
- Eliminates the state share index, a formula component used to equalize payments based upon district capacity to raise local revenues, and replaces it with a per-pupil local capacity amount for each district based on a district's property valuation and income;
- Eliminates current law calculations of targeted assistance and capacity aid and replaces them with new targeted assistance and supplemental targeted assistance components;
- Funds community and STEM schools and scholarship programs directly rather than through transfers of state aid from the students' resident districts;
- Guarantees each district receives in FY 2020 and FY 2021 at least the district's FY 2019 foundation aid after any guarantees or funding limitations are applied (excluding base and "other" transportation aid and career-technical education funding but including the current law transportation supplement) after adjusting for school choice program transfers and, in future years, provides a per-pupil funding guarantee; and
- Modifies the transportation formula, in part, by progressively increasing the minimum state share of transportation formula costs and creating nontraditional rider and efficiency adjustments.

Enrolled average daily membership (ADM)

The bill modifies the manner in which students are counted for funding purposes. Currently, the student count for each school district is based on the number of students who reside in the district ("formula ADM"). However, some students choose to obtain all of their education at schools that are not part of their resident districts. For example, some students attend community or STEM schools, some students attend other districts through open enrollment, and others attend nonpublic schools through state scholarship programs. In general, funding for these students is deducted from the state aid allocated to that district and transferred to the district or school where the students are actually educated. The bill replaces the concept of formula ADM with "enrolled ADM," which is a count of the students that are educated by the district. The bill continues the current law practice of subtracting from a district's student count 80% of the district's JVSD students and adding 20% of the district's students who are enrolled in another district under a career-technical education compact. The bill's base cost mechanism uses a slightly different count. The "base cost enrolled ADM" is equal to the greater of the district's enrolled ADM for the prior fiscal year or the average of the district's enrolled ADM for the three prior fiscal years.

P a g e | **3** H.B. 305, Fiscal Note

In FY 2019, statewide formula ADM for traditional school districts was 1.66 million full-time equivalent (FTE) students. In contrast, enrolled ADM for traditional districts in FY 2019 would have been 1.52 million FTE students, a difference of about 140,000 students (-8.5%). Most of the students who are no longer counted in their resident district either attend community or STEM schools (106,000 students). In general, the remainder attend nonpublic schools through scholarship programs (33,000). Community and STEM school and scholarship students tend to be concentrated in urban school districts. Chart 1 below illustrates the average percentage differences in formula ADM and enrolled ADM for FY 2019 by district comparison groupings ("typology") developed by the Ohio Department of Education (ODE). As the chart shows, the student count decreases in the so-called "Big 8" very high-poverty urban school districts by nearly one-third while decreasing by 14.0% in other urban districts. Changes in other types of districts are much less drastic, with average changes ranging from a decrease of 5.3% in small town, high-poverty districts to an increase of 2.3% in small town, low-poverty districts. Small town, low-poverty and rural, average-poverty districts tend to show net gains due to students that open enroll into the districts. Districts whose student count decreases as a result of the bill would, all else equal, look wealthier on a per-pupil basis, which may lead to reduced funding from the state.

5% 2.3% 1.8% 0% -1.4% -5% -2.3% -3.6% -5.3% -10% -15% -14.0% -20% -25% -30% -31.6% -35% Rural - high Rural -Small town - Small town - Suburban -Suburban -Urban - high Urban - very poverty low poverty high poverty low poverty very low poverty high poverty average poverty poverty **District Type**

Chart 1: Average Percentage Difference in Formula ADM and Enrolled ADM by District Typology, FY 2019

Base cost

The proposed formula first determines a "base cost" and then determines how state funding for this cost is distributed to school districts. A district's base cost is made up of the following components: (1) teacher base cost, (2) student support base cost, (3) district leadership and accountability base cost, and (4) building leadership and operations base cost. The base cost components are calculated using various inputs, such as statewide average staff and teacher salary data, district-paid insurance costs, district spending data, and certain

Page | 4 H.B. 305, Fiscal Note

pupil-to-staff ratios. The average salaries and costs within the base cost computations are calculated using data from FY 2018 for FY 2020 through FY 2023 and updated periodically thereafter according to a specific schedule that uses either a measure of inflation or updated salary and cost data, depending on the fiscal year. The base cost, including state and local shares, amounts to an estimated \$11.05 billion if the formula were in place in FY 2019. Chart 2 below illustrates the proportion each of the four main components represent of the total base cost. The teacher base cost is the largest element, comprising \$6.44 billion (58%).

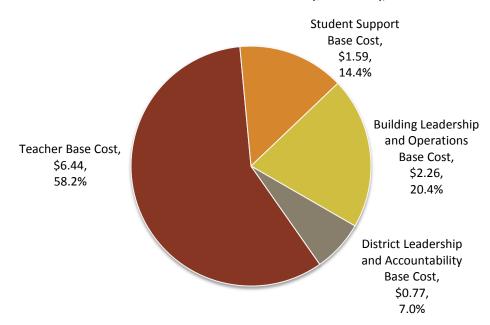


Chart 2: Elements of the H.B. 305 Base Cost (\$ in billions), FY 2019

The proposed formula calculates a unique base cost per pupil that is equal to the district's total base cost divided by the district's base cost enrolled ADM. The statewide average base cost per pupil in the FY 2019 simulation for traditional districts is \$7,186. While it ranges from about \$7,000 to about \$13,600 for individual districts (excluding a few small outliers), the base cost per pupil is between \$7,000 and \$8,000 for about 530 districts (87%). In contrast, the per-pupil formula amount used in the FY 2019 formula is a uniform \$6,020.

Per-pupil local capacity amount

Each school district's capacity to raise revenues at the local level for the students residing in the district varies widely, as it is largely dependent on the taxable property value per pupil of the district. A major goal of the state's school funding formula is to neutralize the effect of local property wealth disparities on students' access to basic educational opportunities. To achieve this goal, Ohio's school funding formula in current law uses an index, based on a district's three-year average property valuation and in some circumstances median and average income, to direct more state funds to districts with lower wealth. The proposed formula uses a different method to equalize wealth disparities. In general, it determines a district's capacity using a mix of a district's (1) valuation per pupil (60%), (2) federal adjusted gross income (FAGI) per pupil (20%), and (3) adjusted FAGI per pupil calculated by multiplying a district's median FAGI by the number of state income tax returns filed by district residents (20%). The three

P a g e | **5**

factors are added together to calculate the district's weighted capacity per pupil. For FY 2019, the statewide average weighted capacity per pupil was about \$169,000.

In essence, each district's per-pupil local capacity amount is calculated by multiplying the district's weighted capacity per pupil by a variable per-pupil local capacity percentage that ranges from 2.0% to 2.5%. The percentage is determined by multiplying a base percentage of 2.3% by a median FAGI index based on how the district's median FAGI compares to the median FAGI for all districts statewide. The statewide average per-pupil local capacity amount for FY 2019 is about \$3,900. As shown in the bottom portions of the bars in Chart 3 below, the per-pupil local capacity amount averages about \$2,200 for the lowest wealth districts and about \$5,800 for the highest wealth districts.²

State share of the base cost and state share percentage

In general, a district's per-pupil local capacity amount is subtracted from the district's base cost per pupil to determine the district's per-pupil state share of the base cost. Thus, districts with lower per-pupil capacity amounts receive higher per-pupil state shares of the base cost and vice versa, as also illustrated in Chart 3. In general, the state share of the base cost is calculated by multiplying the per-pupil state share of the base cost by the district's enrolled ADM for the current year. If the proposed formula were fully in effect in FY 2019, the state share of the base cost for traditional districts would be \$5.09 billion, representing over 61% of total estimated formula aid. A district's state share percentage is equal to the district's state share divided by the district's total base cost. This percentage is used in the calculation of certain formula components. The statewide average state share percentage under the proposed model in FY 2019 is about 46%.

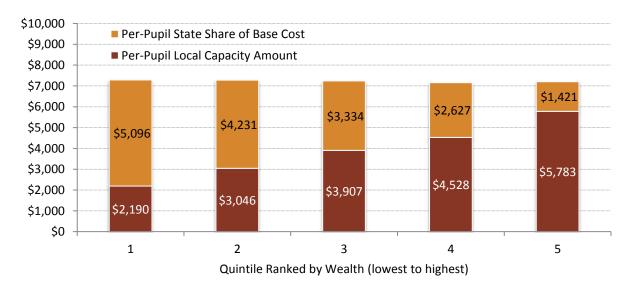


Chart 3: Estimated Average Per-Pupil State and Local Shares of the Base Cost by Wealth Quintile, H.B. 305 Fully Phased in, FY 2019

P a g e | **6** H.B. 305, Fiscal Note

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² To create the wealth quintiles, school districts are ranked from lowest to highest property value per pupil and separated into five quintiles with roughly the same number of pupils. Districts in quintile 1 have the lowest taxable property value per pupil, whereas districts in quintile 5 have the highest.

Targeted assistance and categorical components

While the state share of the base cost is the cornerstone of the proposed formula, it, like the formula in current law, also includes additional components to direct additional funding to districts with lower capacities to raise local revenues and to address students that have different needs and districts that face different challenges. These components account for students receiving special education and related services, economically disadvantaged students, gifted students, students receiving career-technical education services, and English learners, among others. Notable changes to these components are briefly listed below. The bill:

- Replaces targeted assistance and capacity aid with two main elements, a wealth amount based on a district's weighted wealth per pupil and a capacity amount based on a district's aggregate weighted wealth. The bill creates a supplemental tier of targeted assistance for lower wealth districts whose enrolled ADM is less than 88% of its total ADM for FY 2019, based on a scaled amount between \$75 and \$750 per pupil.
- Replaces the per-pupil dollar amounts in the formula under current law for special education additional aid, career-technical education aid, and English learner funds with multiples (also referred to as "weights"). The weights, when multiplied by the statewide average base cost per pupil (or, for career-technical education aid, the statewide average career-technical education base cost per pupil) are the equivalent of the current law per-pupil amounts for each component except special education additional aid. The table below summarizes the differences between current law and the bill with regard to special education aid category amounts and weights.

Table 2. Special Education Weights Under H.B. 305, FY 2019			
Special Education Category	Current Law Per-Pupil Amount	H.B. 305 Multiple	H.B. 305 Equivalent Per-Pupil Amount
Category 1	\$1,578	0.2440	\$1,753
Category 2	\$4,005	0.6192	\$4,450
Category 3	\$9,622	1.4877	\$10,691
Category 4	\$12,841	1.9855	\$14,268
Category 5	\$17,390	2.6888	\$19,322
Category 6	\$25,637	3.9640	\$28,486

Increases the base per-pupil amount used to calculate economically disadvantaged funds by \$150 (55%), from \$272 under current law to \$422. The school funding formula continues to include community school and STEM school students who are economically disadvantaged when calculating the statewide percentage of economically disadvantaged students.

P a g e | 7

- Modifies the students included in categories two and three of English learner students to consist of students who have been enrolled for more than 180 days until they successfully achieve proficiency on the assessments and students who have achieved proficiency for two successive school years, respectively.
- Provides new funding for gifted referrals and professional development, increases the salaries associated with gifted intervention specialist and coordinator units but equalizes all gifted funding elements according to a district's state share percentage (under the current formula, gifted funding is not subject to the district's state share index).
- Progressively increases the minimum state share of the transportation formula to 60% by FY 2025, adds nontraditional (i.e., nonpublic and community school) rider and efficiency adjustments, and includes riders that live less than one mile from school in transportation formula calculations.
- Eliminates K-3 literacy funds and performance bonuses.

Final aid

The proposed formula is phased in over six years, except for certain exempt components. In general, the phase-in is based on a district's FY 2019 foundation aid after school choice program transfers but excludes base and other transportation aid and career-technical education funding (the "phase-in funding base"). The phased-in amount is the district's phase-in funding base plus the difference between the district's phase-in funding base and the sum of the district's foundation funding components subject to the phase-in multiplied by the phase-in percentage. The phase-in percentages for each fiscal year are as follows: 16.67% for FY 2020, 33.33% for FY 2021, 50% for FY 2022, 66.67% for FY 2023, 83.33% for FY 2024, and 100% for FY 2025 and each fiscal year after.

For FY 2020 and FY 2021, the bill provides temporary transitional aid to guarantee each district a total amount of foundation funding equal to its phase-in funding base minus the current law transportation supplement. For FY 2022 and for each fiscal year thereafter, the bill guarantees each district a per-pupil amount of foundation funding equal to the district's "guaranteed funding" for the third preceding fiscal year divided by the average of the district's enrolled ADM for the third, fourth, and fifth preceding fiscal years. For example, the FY 2023 calculation would guarantee a per-pupil amount equal to the district's FY 2020 funding divided by the average of the district's enrolled ADM for FY 2018, FY 2019, and FY 2020.

Components exempt from the phase-in and guarantee, consisting of supplemental targeted assistance, transportation (which is guaranteed separately in FY 2020 and FY 2021 for districts receiving temporary transitional aid), and career-technical education aid, are added to the phased-in amount and temporary transitional aid to determine a district's final aid. Since transportation and career-technical education aid are exempt from the guarantee, some districts may receive less state aid under the proposal than under the FY 2019 formula after accounting for school choice transfers.

JVSDs

The bill's funding formula for JVSDs is similar to the formula for traditional districts, with several modifications, including to components used to calculate the base cost. Additionally, a JVSD's state share continues to be calculated using a $\frac{1}{2}$ of one mill charge-off but the

Page | 8 H.B. 305, Fiscal Note

charge-off rate is multiplied by the lesser of the district's three-year average taxable property value or its most recent year's taxable property value. As under current law, JVSDs do not receive targeted assistance, gifted funding, or transportation aid under the bill.

Community and STEM schools

The bill funds community and STEM schools directly rather than through transfers of state aid from the students' resident districts. Community and STEM schools receive a base cost per pupil, which is equal to a uniform \$6,179 for FY 2020 and \$6,338 for FY 2021 and each fiscal year after. The bill continues to limit the funding components received by e-schools to the base cost, special education additional aid, and career-technical education additional aid.

Scholarship programs

The Educational Choice Scholarship Program (EdChoice), the Autism Scholarship Program, and the Jon Peterson Special Needs Scholarship Program are also directly funded under the bill, rather than deducting the amounts of those scholarships from students' districts of residence. The bill maintains the maximum scholarship amounts specified in current law. The bill earmarks portions of GRF line item 200550, Foundation Funding, to fund the scholarship programs. As under current law, the Cleveland Scholarship Program is funded by both a deduction from Cleveland Municipal School District's foundation funding and direct state payments through an earmark of GRF line item 200550, Foundation Funding, and the income-based EdChoice Program is paid directly by the state through GRF line item 200573, EdChoice Expansion.

Comparison of FY 2019 funding without gain caps or phase-ins

Table 3 below summarizes the differences in cost between the two formulas in FY 2019 in the scenario without gain caps or phase-ins by formula component. Each component's total consists of funding for traditional districts, JVSDs, community and STEM schools, and scholarship programs. As the table illustrates, the proposed formula's overall marginal cost of \$1.04 billion in this scenario is driven by the state share of the base cost. This component is about \$1.06 billion (20.3%) more than the analogous Opportunity Grant in the FY 2019 formula. Changes in other formula components largely offset each other.

Table 3. Comparison of Estimated Formula Aid Under H.B. 305 Fully Phased in by Formula Component, FY 2019 (\$ in millions)				
Component	Uncapped H.B. 305 FY 2019 Formula FY 2019		\$ Change FY 2019	% Change FY 2019
State share of base cost	\$5,187.4	\$6,242.7	\$1,055.3	20.3%
Targeted assistance/capacity aid	\$1,165.6	\$885.1	-\$280.5	-24.1%
Special education additional aid	\$917.9	\$1,044.6	\$126.7	13.8%
Transportation funds	\$506.1	\$595.3	\$89.1	17.6%

P a g e | **9** H.B. 305, Fiscal Note

Table 3. Comparison of Estimated Formula Aid Under H.B. 305 Fully Phased in by Formula Component, FY 2019 (\$ in millions)

Component	Uncapped FY 2019 Formula	H.B. 305 Fully Phased in FY 2019	\$ Change FY 2019	% Change FY 2019
Economically disadvantaged aid	\$456.9	\$686.0	\$229.2	50.2%
Career-technical education aid	\$160.6	\$172.4	\$11.8	7.4%
K-3 literacy funds	\$111.7	\$0	-\$111.7	-100%
Gifted funds	\$80.8	\$95.8	\$15.0	18.6%
Performance bonuses	\$37.3	\$0	-\$37.3	-100%
English learner funds	\$36.5	\$42.4	\$5.9	16.1%
Temporary transitional aid	\$277.6	\$211.9	-\$65.7	-23.7%
Total	\$8,938.3	\$9,976.2	\$1,037.9	11.6%

Effects on other state subsidies

Special education for school-age children at county DD boards

The state provides GRF funds for special education and related services for school-age children educated by county developmental disabilities (DD) boards. Currently, for each child, a county DD board receives the full per-pupil formula amount plus the applicable special education category amount for that child's disability category, the latter of which is adjusted by the state share index of the child's resident district. In general, the bill makes conforming changes for consistency with the proposed formula for school districts. Accordingly, it replaces the formula amount with the statewide average base cost per pupil, the applicable special education category amount with the applicable weight multiplied by the statewide average base cost per pupil, and the state share index with the state share percentage. As a result of these changes, state aid to county DD boards in FY 2019 would have been higher than current law by about \$4.0 million.

Preschool special education

The bill makes similar changes to the formula for determining state aid to school districts for preschool special education services. Under current law, each school district receives \$4,000 for each preschool student with disabilities plus additional special education aid based on the applicable special education category amount for each student and the resident district's state share index. The bill replaces the applicable special education category amount with the applicable weight multiplied by the statewide average base cost per pupil and the state share index with the state share percentage. This GRF funding was prorated in FY 2019 to fit within the appropriation. Compared to the current law amount before proration, the bill's changes increase state aid for preschool special education in FY 2019 by about \$1.2 million.

P a g e | **10** H.B. 305, Fiscal Note

Educational service center operating support

Under current law, educational service centers (ESCs) receive per-pupil operating support from the GRF according to the enrollment of the school districts with which the ESC has entered into a service agreement (the ESC's "student count"). ESCs designated as "high performing" receive \$26 per pupil while those ESCs not designated as such receive \$24 per pupil. Currently, all ESCs are designated as high performing. The bill creates a tiered system of per-pupil funding for ESCs based on the ESC's student count, as follows:

- \$32 per pupil for the first 5,000 students in the ESC's student count;
- \$30 per pupil for the next 10,000 students in the ESC's student count;
- \$28 per pupil for the next 10,000 students in the ESC's student count; and
- \$26 per pupil for any students over the first 25,000 students in the ESC's student count.

If this formula were in effect for FY 2019, ESC funding statewide would have amounted to an estimated \$43.6 million, or \$3.6 million more than actual allocations.

Career awareness and exploration aid

The bill creates a separate GRF per-pupil subsidy outside of the main formula for career awareness and exploration. This aid equals a district's or school's enrolled ADM times \$2.50 for FY 2020, \$5 for FY 2021, \$7.50 for FY 2022, or \$10 for FY 2023 and each fiscal year after. The funds are first transferred from the district or school to the lead district of the career-technical planning district (CTPD) with which the district or school is affiliated. The lead district then disburses the funds to districts and schools receiving services from the CTPD that provide plans for the use of the money that are consistent with the CTPD's plan on file with ODE. The funds are restricted to certain purposes specified by the bill. If the payment were fully phased in for FY 2019, the payment would have generated a total of \$16.7 million for school districts, community schools, and STEM schools.

Appropriation summary

The bill makes appropriations for programs and line items directly affected by the bill's provisions (but does not make appropriations for other line items and earmarks in ODE's budget). Altogether, these appropriations, listed in Table 4 below, amount to \$9.00 billion in FY 2020 and \$9.25 billion in FY 2021 from the GRF and lottery profits. An additional \$20 million is appropriated for school bus purchases in FY 2021 (see additional details below) from a dedicated purpose fund, which is supported by a cash transfer of the same amount from the GRF. The bill's GRF and lottery profits appropriations are in contrast to an appropriation of \$8.62 billion in each of FY 2020 and FY 2021 for like purposes in H.B. 166 for the current school funding formula. Assuming the bill's appropriations replace those appropriations, the bill's appropriations are higher than those in H.B. 166 by about \$380 million in FY 2020 and by about \$630 million in FY 2021.

P a g e | **11** H.B. 305, Fiscal Note

Table 4. H.B. 305 Appropriation Summary by Fund Group			
Fund	FY 2020	FY 2021	
State General Revenue Fund			
200502, Pupil Transportation	\$482,821,659	\$513,821,659	
200540, Special Education Enhancements	\$148,000,000	\$148,000,000	
200545, Career-Technical Education Enhancements	\$4,200,000	\$8,400,000	
200550, Foundation Funding	\$7,288,608,845	\$7,453,258,845	
GRF total	\$7,923,630,504	\$8,123,480,504	
State Lottery Fund Group			
200612, Foundation Funding	\$1,077,400,000	\$1,128,400,000	
Dedicated Purpose Fund Group			
230646, School Bus Purchase	\$0	\$20,000,000	
Total appropriations	\$9,001,030,504	\$9,271,880,504	

Note: The state or school district fiscal year runs from July 1 through June 30 and is designated by the calendar year in which it ends

Other provisions

Subsidy for school bus purchases

As noted above, the bill appropriates \$20 million in FY 2021 for the Ohio Facilities Construction Commission, in partnership with the departments of Administrative Services and Public Safety, to develop a program to provide school bus purchase assistance to school districts. The assistance must be provided to school districts in a manner comparable to the method in which school facilities assistance is provided under the Classroom Facilities Assistance Program. However, H.B. 166 enacted similar provisions. H.B. 166 appropriated the same amount in FY 2021 under ODE's budget and requires ODE, in partnership with the Department of Public Safety, to develop a bus purchase assistance program. The program in H.B. 166 is supported by a cash transfer from FY 2019 GRF surplus revenues.

Required studies

The bill requires several state agencies, including ODE and the Joint Education Oversight Committee (JEOC), to conduct or consult on several education-related studies.³ The bill's required studies will increase administrative costs for the participating agencies. Table 5 below

Page | 12 H.B. 305, Fiscal Note

³ H.B. 166 of the 133rd General Assembly abolished JEOC on October 1, 2019.

lists the studies required by the bill along with the agencies participating in them. Somewhat similar study requirements on the topics of preschool education and economically disadvantaged students were enacted in H.B. 166.

Table 5. Studies Required By H.B. 305			
Study	Participating Agencies		
Community schools operation cost	ODE		
Economically disadvantaged students	ODE, in consultation with JEOC		
Educational service centers	JEOC, in consultation with ODE and the Auditor of State		
English language learners	ODE, in consultation with JEOC		
Gifted services	JEOC, in consultation with ODE and the Auditor of State		
Incentives for rural districts serving identified gifted children	JEOC, in consultation with ODE		
Inventory of state budget line items that provide funding services to children	Office of Budget and Management, in consultation with ODE		
Preschool education	ODE, in consultation with JEOC, the Department of Job and Family Services, and the Auditor of State		
Special education	ODE, in consultation with JEOC		
Transportation of community school and nonpublic school students	Joint legislative task force, in consultation with the Superintendent of Public Instruction and the Auditor of State		

P a g e | **13** H.B. 305, Fiscal Note