



**Ohio School Boards
Association**

The Ohio School Boards Association (OSBA) appreciates the opportunity to review the *2013 Local Impact Statement Report* on bills enacted in 2012 prepared by the Legislative Service Commission (LSC) for members of the Ohio General Assembly and the general public. We believe that the document provides a clear analysis of the fiscal impact of various bills on local government units, including public schools. The report provides the reader with valuable understanding of the cost and programmatic implication of the selected bills.

The *2013 Local Impact Statement Report* indicates that twelve bills were enacted during 2012 requiring local impact statements. Two of the twelve bills do have a fiscal impact on local school districts. These bills are Am. Sub. S.B. 316 and Sub. S.B. 342.

OSBA, along with other educational stakeholders, is very active throughout the legislative process. While supportive of the overall purposes, we were very engaged in seeking modifications to the provisions that were contained in Am. Sub. S.B. 316 and in pointing out the fiscal and administrative burden on local school districts posed by those requirements. In our testimony, we noted that the requirements for the new Third Grade Reading Guarantee call for additional assistance in the form of assessment, diagnosis, intensive intervention and remediation programs, as well as additional reporting requirements. Such assistance cannot be readily provided through existing staff and other resources. Our estimates, as detailed in our testimony conclude that the cost of the program will exceed \$100 million in new costs to districts. Not included in this estimate is any attempt to quantify the cost of retention for those students who fail to attain reading competency and the costs of screening and providing outside vendors who may offer services to these children. Only limited additional dollars were contained in the final version of the bill, but the new budget appropriations in Am. Sub. H.B. 59 do contain some welcome new resources for the program.

We also noted that the reading credentials required for teachers who will be working with students with reading deficiencies will require new staffing or retraining of existing staff to meet the requirements. Such training will take time and money and will not be completed to permit all school districts to meet the staffing requirements.

Fortunately, S.B. 21 in the current session did address this issue and provides alternative methods for achieving the necessary credentials.

Other provisions in the bill, as enacted, pose additional requirements on school districts to report operating expenditures, broken down by classroom vs. non-classroom purposes. This may also require new or modified software for financial reporting, which comes with additional cost and time.

The second bill, Sub. S.B. 342, makes changes to the law governing the State Teachers Retirement System (STRS). The most significant concern of OSBA was to retain or reduce the current employer contribution rate of 14% of salary. We believe that this rate is sufficient and that employers should not be taxed any further to reduce STRS liabilities. While not directly affected, we did not oppose the increase in the contribution level of employees or changes to age and service requirements. We believe that benefit reductions are preferable to increased contributions. We supported these changes as they increase the solvency level of the fund. However, we cautioned that the increased employee contributions could lead to pressure at the bargaining table.

We continue to believe that fiscal impact statements are necessary and would continue to support legislation to require the General Assembly to consider the local impact of all bills prior to being enacted. This would include the biennial budget, capital appropriations bill and any budget corrections bill which are now exempted from such local impact statements. As in prior years, we would encourage that fiscal impact statements be issued at each step of the legislative process as changes occur from the "As Introduced" version of a bill.

Once again, OSBA wishes to express appreciation to the Legislative Service Commission for its hard work and diligence on this important task. We look forward to working with you now and in the future.