



Ohio School Boards
Association

TO: Terry Steele, Senior Budget Analyst

FROM: Richard Lewis, Chief Executive Officer
Jennifer Hogue, Director of Legislative Services

DATE: July 11, 2022

RE: **2022 LOCAL IMPACT STATEMENT REPORT**

The Ohio School Boards Association (OSBA) is pleased to take advantage of the opportunity to review the 2022 Local Impact Statement Report on bills enacted in 2021. The Legislative Service Commission (LSC) report to the Ohio General Assembly and to the public on the fiscal impact of certain specific bills is a valuable service.

The 2022 Local Impact Statement Report highlights 8 bills enacted during 2021 that require local impact statements. Three of the 8 bills have potentially negative fiscal impact on the level of revenues available to support public school districts. These three bills are House Bill (HB) 244, Senate Bill (SB) 1 and SB 57.

OSBA strongly believes and reiterates its longstanding desire to see even more bills subject to having fiscal impact statements prepared. This is particularly true for omnibus bills, such as the biennial budget bill. We do, however, appreciate the opportunity to review and comment on these specific bills.

HB 244 requires school districts to allow students from military families to participate in remote, technology-based education when their families are transitioning from one military base to another. Districts that offer remote education may have additional costs to serve students from military families. Costs are estimated to range from \$2,400 to \$4,200 per semester for each student that chooses to participate in the remote option.

SB 1 requires student entering ninth grade for the first time during or after the 2022-2023 school year to take one-half unit of financial literacy instruction. While we support financial literacy instruction, we are concerned about the costs of implementing the unfunded mandates in this bill.

Some districts will need to hire new teachers and/ or update their curriculum to meet the requirements of SB 1. It is estimated that new staffing costs could be in the millions of dollars statewide. No estimated cost for curriculum updates has been provided since there will be so much variation from district to district.

OSBA leads the way to educational excellence by serving Ohio's public school board members and the diverse districts they represent through superior service, unwavering advocacy and creative solutions.

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SB 1 also requires, beginning with the 2024-2025 school year, that instructors have either a license validation in financial literacy or a license in social studies, business education, marketing education or family and consumer sciences. SB 1 requires that districts cover any costs necessary for an individual to meet the license validation requirements. The bill creates the High School Financial Literacy Fund and provides up to \$1.5 million in unclaimed funds to reimburse districts the lesser of \$500 or the actual cost of the validation. While we appreciate the creation of the fund, it is unknown if this appropriation will be enough to cover the cost of this requirement. If funding is not sufficient, districts will need to bear the excess cost of this mandated provision.

SB 57 makes several changes to property tax law. The bill allows special reductions in property tax value for circumstances related to COVID-19. It is estimated that, based on this change, tax revenue to school districts and other local government units will decline by around \$35 million.

The bill also allows certain commercial and industrial property tenants to file property tax valuations complaints if the tenants are required under the lease agreement to pay the entire amount of taxes charged against the property, and the landlords allow the tenants to file the complaints or counterclaims. This provision applies to tax year 2021 and any tax year thereafter. This new provision very well could lead to lower tax valuations and in turn lower revenue for local governments including school districts.

Additionally, the tax exemptions and credits made available through individual bills continue the trend of lower and lower state revenues available to support common and public purposes, including the education of Ohio's children. Appropriate funding for the education of Ohio's children is an ongoing concern for boards of education and should be shared by all of Ohio's citizens.

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.