



**Ohio School Boards
Association**

The Ohio School Boards Association (OSBA) appreciates the opportunity to review the 2012 Local Impact Statement Report prepared by the Legislative Service Commission (LSC) for members of the Ohio General Assembly and the general public. The document clearly outlines 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 implications of selected bills.

The 2012 Local Impact Statement Report indicates that seven bills were enacted during 2011 requiring local impact statements. Three of the seven bills do have a fiscal impact on local school districts. These bills are Sub. H.B. 58, Am. H.B. 167, and Am. S.B. 71.

OSBA, along with other educational stakeholders, is very active throughout the legislative process. However, the purposes of these bills were specific to personal income tax reduction and, as such, offered only limited opportunity for any modifications that would have lessened the burden on school districts.

Two of the bills, Sub. H.B. 58 and Am. H.B. 167, reduce the total state tax revenues available through a reduction in taxable income. As noted in the Report, not all school districts employ a school district income tax. To the extent that the application of these bills does reduce the personal income tax base, these districts will experience a loss in tax revenues. However, as the Report notes, the projected losses are not large for any one district. It should be noted though that any losses ultimately impact the quality of education at the local level.

The third bill, Am. S.B. 71, affects only one district, Avon Local School District, due to a tax exemption for a stadium in that district. Normally, the loss in property tax valuation would be offset through an increase in state foundation payments to the district. However, due to the fact that Avon Local receives transition payments that exceed the loss, they will actually see a reduction of nearly \$210,000 in tax revenues. Again, this change will impact the dollars available for public education in that community.

Am. H.B. 21, the Teach for America enabling legislation, does not have a direct fiscal impact on districts. While it will provide school districts with an additional source of teacher candidates and may be valuable in attracting talented young people into the teaching profession, the actual results of Teach for America are mixed. Typically, the Teach for America teachers only stay in teaching for a limited time, so the long-term benefit is muted. In addition, data on student achievement does not provide evidence that Teach for America teachers are any more successful than the more traditionally trained teachers. It is appropriate that the choice of using Teach for America candidates remains a local decision.

Finally, it should be noted that the most significant legislative fiscal impact on schools was contained in Am. Sub. H.B. 153, the biennial budget bill, which is exempt from the requirement for a fiscal impact statement. Through a loss of federal stimulus dollars and changes in state reimbursement for local dollars lost by elimination of tangible personal property taxes and public utility property taxes, Ohio's public school districts lost nearly \$2.8 billion in funds during the current biennium.

We continue to believe that the fiscal impact statements are necessary and would continue to support legislation to require the General Assembly to consider the local impact of any bills adopted, including the biennial budget, capital appropriations bill, and any budget corrections bill which are now exempted from such local 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.