



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 21 of the 128th G.A.

**Date:** March 24, 2009

**Status:** As Introduced

**Sponsor:** Rep. Luckie

**Local Impact Statement Procedure Required:** No — Permissive

**Contents:** Allows school districts to surrender transportation of high school community school students to those community schools

### State Fiscal Highlights

STATE FUND	FY 2010	FY 2011	FUTURE YEARS
<b>General Revenue Fund</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Possible minimal decrease	Possible minimal decrease	Possible minimal decrease

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- Possible decrease equal to the state transportation cost of each community school student who no longer receives transportation services from either their resident school district or the community school they are attending.

### Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2010	FY 2011	FUTURE YEARS
<b>School Districts</b>			
Revenues	Possible minimal decrease	Possible minimal decrease	Possible minimal decrease
Expenditures	Possible minimal decrease	Possible minimal decrease	Possible minimal decrease

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- Potential decrease in state transportation aid received by a school district offset by the reduction in transportation costs associated with no longer transporting resident community school high school students.

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## **Detailed Fiscal Analysis**

The bill allows a school district to surrender its responsibility to transport its resident high school students that are attending community schools. If a district surrenders its transportation responsibility for these students, the community school may, but is not obliged to, provide transportation. If the community school elects to provide transportation, the community school may apply to the Department of Education for transportation funding. As when a community school unilaterally takes over student transportation under continuing law, the state payment to the community school for each high school student it transports will be the amount that would have been calculated for the district for the transportation mode the district would have used.

### **State fiscal effects**

When the transportation payments to school districts are based on the number of students transported, it is possible that the state could see a decrease in transportation aid expenditures.<sup>1</sup> This would occur if the community school declines to offer the affected students transportation. The decrease in state expenditures would be equal to the per pupil transportation payments associated with the students that are no longer receiving transportation from either their resident school district or the community school that they are attending.

### **Local fiscal effects**

Again, when the transportation payments to school districts are based on the number of students transported, school districts will experience a decrease in transportation aid if they surrender their responsibility to transport high school students attending community schools. Presumably, however, this decrease in state aid will be offset by the elimination of the cost of transporting those students. When state transportation payments to a school district are based on a uniform percentage increase over the district's payment from the previous school year, and the community school decides not to offer transportation to the affected students, it is possible that the school district could see a decrease in transportation costs while still receiving the same amount of transportation state aid.

If a community school elects to provide transportation to its high school students, the school's costs will increase as will its state aid. Since the state does not pay the full cost of transportation, it is likely the community school's increased costs will be higher than its increased state aid.

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<sup>1</sup> The current transportation aid formula depends on the number of students transported, however, this formula has been notwithstood since FY 2004 and districts have received uniform percentage increases in each fiscal year since then.