



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 41 of the 128th G.A.](#)

Date: May 5, 2009

Status: As Introduced

Sponsor: Rep. Gerberry

Local Impact Statement Procedure Required: No — No local cost

Contents: Requires that a portion of lottery profits be distributed annually on a per pupil basis to public and chartered nonpublic schools

State Fiscal Highlights

- The bill requires that a portion of lottery profits be distributed to public and nonpublic schools on a per pupil basis instead of being available to support other education appropriations. In FY 2010, approximately \$73.0 million will be distributed in this way under the bill. In future years, the amount may increase or decrease depending on the total amount of lottery profits in each year.

Local Fiscal Highlights

- Under the bill, public and chartered nonpublic schools receive a portion of lottery profits distributed on a per pupil basis. In FY 2010, each school will receive approximately \$36 per pupil. In future years, the amount may increase or decrease depending on the total amount of lottery profits in each year.
- The bill prohibits schools from using these funds for the payment of salaries and benefits.

Detailed Fiscal Analysis

In general, the bill requires that annual lottery profits in excess of \$667.9 million be distributed on a per pupil basis to public and chartered nonpublic schools. The bill prohibits schools from using these funds for the payment of salaries and benefits. Under current law, lottery profits must be used for education, but within this constraint, the General Assembly has discretion as to how they are appropriated. Historically, most lottery profits have been appropriated for foundation funding for public schools. Foundation funding is largely distributed to school districts based on a formula that equalizes a portion of each district's local tax effort. Under current law, most foundation funding is "unrestricted" meaning schools can use the funds for any operating expense.

The Office of Budget and Management projects lottery profits of \$740.9 million in FY 2009.¹ Under the bill, therefore, excess profits of approximately \$73.0 million must be distributed in FY 2010 to public school districts and chartered nonpublic schools on a per pupil basis. Based on current enrollments, this is approximately \$36 per pupil.

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¹ As of April 2009, the Office of Budget and Management certified that lottery profits are 6.15% less than projected for the year to date.