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# OHIO LEGISLATIVE SERVICE COMMISSION

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Legislative Budget  
Office

H.B. 154  
133rd General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 154's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsors:** Reps. J. Miller and Jones

**Local Impact Statement Procedure Required:** Yes

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### Highlights

- The bill's prohibition on new academic distress commissions (ADCs) and elimination of current ADCs may lower Ohio Department of Education (ODE) expenditures by approximately \$1.17 million in FY 2020 and \$1.76 million in FY 2021 with annual savings increasing each year because the state will no longer need to pay the salary of the chief executive officer (CEO) of an ADC.
- These state savings may be offset somewhat by the bill's requirement that ODE provide administrative and organizational support in the implementation of the community learning center (CLC) model required by the bill.
- Operational and administrative costs for certain schools required under the bill to implement the CLC model will increase. The magnitude of such costs will ultimately depend on the type of CLC model chosen and the services provided. Some costs may be offset by services and funding provided by other community organizations.

### Detailed Analysis

The bill dissolves existing academic distress commissions (ADCs); returns managerial, operational, and instructional authority to the affected districts' boards of education; and requires that such districts transition their low-performing schools to a community learning center (CLC) model. The bill also repeals the law for the establishment of ADCs, effectively prohibiting the creation of any new ADCs, and requires school buildings designated as low-performing to develop an improvement plan in conjunction with community stakeholders and, if designated low-performing for three consecutive years, to implement a CLC model and create a school action team. Please refer to [LSC's Bill Analysis](#) for a more detailed description of the bill's provisions.

## Ohio Department of Education

Under current law, the state pays the compensation of an ADC's CEO. According to the Ohio Department of Education (ODE), total annual compensation for each of the current CEOs is estimated at \$305,000 in FY 2019 and is expected to increase to approximately \$352,000 in future years. There are currently three established ADCs and, under current law, ODE expects a fourth ADC to be established in FY 2020 and an additional three ADCs to be established in FY 2021. During the year in which an ADC is established, ODE estimates paying about  $\frac{1}{3}$  of the annual compensation cost. Therefore, total state costs under current law for CEO compensation are estimated to be approximately \$1.17 million in FY 2020 and \$1.76 million in FY 2021.<sup>1</sup> Presumably these costs will increase each year as CEO compensation increases and the number of ADCs potentially increases. The bill's elimination of existing ADCs and prohibition on new ADCs will decrease state expenditures by these amounts.

The bill requires ODE to develop appropriate CLC interventions, publish a list of programs and services that may be offered by CLCs, offer information on program implementation, and develop rules establishing the criteria for a low-performing school designation. These requirements may increase ODE's workload, though the state currently provides similar types of services to struggling districts and those subject to an ADC. For example, ODE has conducted multiple site visits and comprehensive district reviews for both the Lorain and Youngstown city school districts. These districts are two of the three districts currently subject to an ADC (East Cleveland only recently became subject). The reviews look at the strengths and challenges of a district using ODE's six district standards as a guide, and offer recommendations.

The bill also permits ODE to provide assistance to schools required, under the bill, to implement the CLC model in conducting the audits required by the bill, facilitate opportunities for schools to share improvement strategies, and provide financial support through the creation of a grant program to assist schools with implementation of qualified CLC plans. Additional state costs will depend on the extent ODE chooses to engage in these permissive activities.

## School districts

### Community Learning Centers

A CLC is defined in the Revised Code as a school that "participates in a coordinated, community-based effort with community partners to provide comprehensive educational, developmental, family, and health services to students, families, and community members during school hours and hours in which school is not in session." (R.C. 3302.16.) The bill requires all school buildings in districts subject to an existing ADC and school buildings in other districts that are designated as low-performing to begin to implement a CLC model. In the first year of the low-performing designation, the school must convene a group of community stakeholders to conduct a performance audit and begin to develop an improvement plan. In the second year, the district board must finalize the improvement plan and hire a resource coordinator for the school. Hiring the resource coordinator will increase costs for the district,

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<sup>1</sup>  $(3 \text{ ADCs} \times \$352,000) + (1 \text{ ADC} \times \frac{1}{3} \times \$352,000) = \$1.17 \text{ million in FY 2020}; (4 \text{ ADCs} \times \$352,000) + (3 \text{ ADCs} \times \frac{1}{3} \times \$352,000) = \$1.76 \text{ million in FY 2021.}$

although, as the coordinator is permitted to be a current employee of the school, district, or a community partner, these costs may be offset by using existing or community resources.

If the school is still designated as low-performing for a third consecutive year, it must use the improvement plan to implement the CLC model at the school. The bill requires districts to conduct public information hearings at each school required to implement the CLC model to inform the community of the process and to conduct follow-up hearings at least once per year while the school remains low-performing. The bill also requires schools that must initiate a CLC to create school action teams, which must conduct its own performance audit and a review of the school's needs. As the team does its work, the bill requires it to provide quarterly updates in public hearings, and after completion of the audit and review process, the team must present its findings at a public hearing. As defined under current law, school action teams are made up of a mix of parents and teachers and serve without compensation. While the creation of such teams will not increase hiring or payroll costs, these activities could increase the administrative workload for a school. On the other hand, it is possible some schools already have such teams or improvement plans in place, particularly schools subject to an ADC. Lorain City Schools, for example, has initiated the "Lorain Promise" plan, and reports quarterly to its ADC on the plan's implementation.

Actual implementation of the improvement plan and the CLC model may increase costs for schools. The CLC model could include activities such as mentoring, arts programs, college access services, and, among others, mental health supports. CLCs are broad in scope and thus, the costs of operation will depend on an individual school building's unique community needs and the CLC model the school and community choose to meet those needs.

### **Community Learning Centers in practice**

The bill permits district boards whose buildings are subject to these provisions to enter into agreements with community partners in support of implementing a CLC. Some districts, such as Cincinnati Public Schools (CPS), already utilize CLCs and have entered into such agreements. For these districts, there likely would be minimal to no additional costs should they become subject to the provisions of this bill. CPS also provides an illustrative example of how the costs of implementing a CLC can vary depending on the type and scale of a CLC and the level of involvement of local partners. Since launching in 2002, Cincinnati's CLC model has received support from over 600 local partners that have provided greater than \$1 million in services to CPS students and families.<sup>2</sup> CPS has also leveraged federal funding to support these initiatives and entered into agreements with local service providers to use Cincinnati Public School facilities.

Districts required to implement the model in their schools may also incur expenditures related to additional staff for new research and data-based initiatives. A district's location may also play a role in any costs to implement a CLC. Districts and schools in nonurban areas may not have as many available community partners or funding sources. Partnering with local alcohol, drug and mental health (ADAMH) boards could be an option for these types of schools. As such, costs to school districts and buildings will depend on the CLC model chosen for implementation, the availability of local partners, and the availability of funding support.

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<sup>2</sup> Community Learning Centers <https://www.cps-k12.org/community/clc>.

## **Educational Choice Scholarship**

Current law qualifies all residents of a district with an ADC to participate in the Educational Choice Scholarship Program. Under the program, students may obtain vouchers to attend chartered nonpublic schools. The vouchers are funded through deductions from a school district's state education aid. As a result of the bill's provisions dissolving current ADCs and prohibiting new ADCs, there may be fewer scholarship students in such districts, resulting in higher expenditures for the district to educate the students as well as higher revenues from the state.