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S.B. 311
136th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Passed by the Senate

Primary Sponsor: Sen. Brenner

Local Impact Statement Procedure Required: Yes

Ryan Brown, Senior Budget Analyst, and other LBO staff

Highlights

- The bill may increase or decrease a school district's revenue from the sale of an unused school facility, as it requires such buildings to be appraised for their fair market value as an educational facility prior to sale but adds chartered nonpublic schools to the list of schools to which a district must offer its unused school facilities for sale or lease. It may also increase district expenditures to pay costs associated with shifting students to other buildings.
- The bill bars municipal, county, and township zoning authorities from prohibiting or restricting the location of public or chartered nonpublic schools in their territories. In cases where the most economically beneficial use of a property is not achieved, political subdivisions could see a loss in tax revenue.
- The bill likely will lead, on the whole, to decreased internet- or computer-based community school (e-school) costs by permitting e-school students to complete state tests remotely in an online format with a remote proctor.
- However, the Department of Education and Workforce (DEW) estimates the remote testing provision will increase state testing system costs, which are primarily funded by the GRF, by $67,000 in the first year remote tests are offered and by $25,000 each year thereafter, with additional costs for pilot programs for individual e-schools before they remotely administer state tests with accountability implications.
- The Occupational Licensing and Regulatory Fund (Fund 4K90) may gain a minimal amount of revenue from educator license fees as a result of the bill. The State Board of Education's administrative costs paid from Fund 4K90 may increase to process any additional license applications. These costs will be more or less offset by the gain in license fee revenue.

- The bill's criminal and civil law provisions may minimally increase workloads and related expenses for municipal courts, county courts, and courts of common pleas to hear additional criminal and civil cases. Additional expenses may be offset to some degree by fees if collected. The Attorney General may experience costs to investigate violations and bring forward civil actions.

Detailed Analysis

The bill makes changes to a variety of laws regarding the operation of public and chartered nonpublic schools. The bill's provisions with notable fiscal effects are discussed below.

Unused school facilities

The bill makes several changes regarding the sale of unused school facilities. For one, the bill clarifies the definition of an "unused school facility" to include buildings whose enrollment is less than 60% of either (1) the maximum student enrollment established for the building in its certificate of occupancy, or (2) the building's greatest student enrollment in the ten most recent school years. The bill exempts a building from involuntary disposal for several reasons, such as the building being the only building in the district that serves a certain grade level, being less than ten years old, being under repair or renovation (leading to enrollment decreases), being primarily used for career-technical education, or being located on or adjacent to a tract of land where other school district facilities are located.

Also, the bill alters the list of schools and order of which a district must offer its unused school facilities for lease or purchase. As under continuing law, a district must give first priority to high-performing community schools within the territory of the district. The bill provides high-performing community schools located outside the district with second priority. If no high-performing schools offer to purchase the property, the district must proceed with offers from all other community schools and science, technology, engineering, and mathematics (STEM) schools, as under current law, and, newly added by the bill, chartered nonpublic schools. In addition, the bill requires that a building's "fair market value" appraisal denote its value as an educational facility. The bill requires, rather than permits, a school district to offer an unused school facility for sale at a public auction if no qualifying school offers to purchase or lease the facility under the involuntary disposition law. The bill also requires that school buildings sold through this process be used as an educational facility for at least ten years. If the entity that purchased the building ceases to use the building as an educational facility within ten years, they must sell the building at its appraised fair market value. The bill gives first priority for purchase to the original seller, followed by, as described above, high-performing community schools, all other community schools, STEM schools, and chartered nonpublic schools. Further, the bill prohibits a school district from demolishing an unused school facility unless it has offered to lease or sell the facility under these involuntary disposition laws and establishes a penalty for noncompliance no less than the building's fair market value, to be paid to the Facilities Construction Commission (FCC). In addition, the bill prohibits a school district from redeveloping or otherwise substantially renovating an unused school facility for noneducational purposes without first offering the facility for sale through the required procedures.

Finally, each district must annually report to the Department of Education and Workforce (DEW) by November 30 which buildings are unused, and DEW must publish an annual report by

December 31 listing the unused school facilities in each school district.[1] Currently, compliance with the involuntary disposition of school buildings law is not monitored.

LBO estimates that between 15 and 20 public school buildings may qualify as unused under the bill based on having an FY 2025 enrollment of less than 60% of their greatest enrollment over the last ten school years.[2] Roughly 4,600 students were enrolled in these buildings in FY 2025. About 75% of these 15 to 20 traditional buildings are part of urban districts and served about 3,900 students. The actual number of buildings that will be subject to the bill's involuntary disposal provisions depends on individual building circumstances and whether an exemption applies. Due to data limitations, LBO was not able to determine with certainty whether some exemptions apply, most notably whether a building is adjacent to other school district facilities (though LBO did a limited review of satellite imagery and maps for this purpose), whether a building's enrollment decrease was due to building repairs or renovations, or whether it is primarily used for career-technical education. In addition to the stated exemptions, a school district board of education may appeal a determination to DEW if it believes extraordinary circumstances should exempt it from offering an unused facility for sale or lease.

The buildings identified as an unused school facility under current law are not known, as current law, in part, defines one as a school building that has been used for direct academic instruction but less than 60% of the building was used for that purpose in the preceding school year. It is unclear what metric the 60% threshold refers to.

Fiscal effects

The bill may increase the number of facilities a school district board of education has to offer for sale or lease to other schools, though the fiscal effects will be highly dependent on the circumstances of the district and school. While more buildings may be offered for sale or lease, the bill may increase or decrease a district's sales proceeds from the sale of an unused school facility. Under current law, an unused school building must be appraised for its fair market value prior to sale. In general, the appraisal under current law would use a "highest and best use" analysis (the most profitable and legally permissible use of the property), which could be redevelopment of the school into a more profitable use, like housing or offices, under certain circumstances. The bill restricts a building's appraisal value to what it is worth as an educational facility, which could cause the building's fair market value to be lower than it would be under current law, depending on individual circumstances and real estate markets. On the other hand, requiring the building to be offered for sale to more types of schools compared to current law may present a better financial return by potentially increasing competition for a property at public auction.

If a building is subject to closure under the bill, its students presumably will be relocated among other schools in the district. Thus, there may be costs associated with shifting students to other buildings, including for bussing and potentially modular units. However, the provisions may

[1] For the 2026 report only, districts may report the information on unused school facilities by February 28, 2027. In this case, DEW must update the annual report within 30 days of the receipt of the information.

[2] Records of each building's maximum occupancy based on architectural specifications or master design plan are kept by individual districts or local building departments. As a result, LBO did not take this factor into account and the number of buildings meeting the bill's criteria may be higher.

lead to more cost-efficient use of school facilities for affected districts in the long run. State foundation aid will only be affected to the extent that the closure of a building under the bill results in an enrollment change to the district as a whole, such as a student leaving the newly assigned resident district school to enroll in a community school.

Sale of other school district property

The bill adds the governing board of an educational service center (ESC) to the list of entities to which a board of education may sell district real or personal property whose value exceeds $10,000 through a private sale, instead of selling the property at public auction. In adding ESCs to the permissible list of potential buyers without having to go to auction, the bill expands districts' opportunities to sell qualifying property and additionally expands the opportunities for ESCs to purchase school district property for which they previously would have had to bid at auction.

Zoning

The bill prohibits counties, townships, and municipal corporations from denying an application related to land use for the sole reason that the requesting entity is seeking to establish a public school or chartered nonpublic school. Additionally, it bans prohibiting or restricting the location of a public school or chartered nonpublic school in any district or zone. The fiscal impact of this change on counties, townships, and municipal corporations will vary case by case. Removing local zoning authority could result in some instances where the most economically beneficial use of a property is not achieved. In these situations, there would be a loss of tax revenue.

Remote administration of state assessments

The bill permits students enrolled at an internet- or computer-based community school (e-school) to complete any state assessment remotely in an online format under certain criteria intended to ensure test security and prevent cheating. Also, the bill requires that e-schools provide information on testing and proctoring options to parents, conduct a meeting with parents or legal guardians to discuss testing options, and accommodate each parent or guardian's preferred testing option to the best of their ability. The bill requires e-schools to administer an in-person test to students with an individualized education program that specifies that an in-person test is preferred. Currently, students must take state tests in person in rooms designated for test administration. E-schools in particular must provide their students a location within a 50-mile radius of the student's residence at which to complete the state tests. The bill limits this 50-mile radius requirement to students who elect to test in person. The bill requires that DEW, by September 15 each year, publish a report analyzing the results of these remote assessments to identify whether there were any signs of cheating or anomalous results.

According to a representative from the Ohio Online Learning Coalition, e-schools carry costs associated with facilities fees, travel cost reimbursements for students and staff, and other costs associated with testing. The bill may substantially decrease these costs. However, the implementation of remote testing may increase information technology (IT) costs for e-schools, and the requirement that e-schools conduct meetings with parents and guardians may increase their administrative workload. Any increases in IT or administrative costs are expected to be less than the savings associated with testing facilities.

Implementation of remote testing will increase costs for DEW depending on specifications for test administration. According to DEW, the current testing platform supports integrated camera proctoring and is an available option under the state's current testing contract. DEW estimated, following a remote test administration pilot program required by S.B. 168 of the 135th General Assembly,[3] that state testing system costs to implement remote test administration for e-schools will be $67,000 for the first live remote administration and $25,000 annually thereafter. In addition, DEW recommends that e-schools desiring to participate in remote administration conduct a pilot program prior to implementing live administration of state tests with accountability implications, which would result in some additional annual cost.[4] The reporting requirement also may add to the cost, but likely by no more than a minimal amount. State testing system costs are mainly funded by the GRF.

Educator licensure provisions

The bill may lead to a minimal increase in the State Board of Education's administrative costs paid from the Occupational Licensing and Regulatory Fund (Fund 4K90) to process additional license applications. Those costs will be more or less offset by a gain in fee revenue to Fund 4K90 from educator license fees. The fee for an educator license varies by license type and duration. Typically, the fee for an educator license equates to $40 per year, with the fee for a multi-year credential paid up front.

The bill may lead to more license applications by establishing new exemptions from reading instruction coursework requirements for out-of-state educator license holders. The bill exempts an applicant for a one-year nonrenewable out-of-state educator license from completing semester hours of coursework in the teaching of reading if the applicant passed the Ohio Foundations of Reading exam on the first attempt prior to receipt of the license. The bill further exempts such a license holder from completing any reading instruction coursework otherwise required for a resident educator license or a professional educator license. The provision appears to affect a small group of individuals. As a point of reference, as of early June 2026, 192 individuals statewide hold an active one-year out-of-state educator license.

A few other provisions appear to have minimal or no fiscal effect. The bill permits school districts, educational service centers, community schools, chartered nonpublic schools, and other employers to designate an agent or contractor to receive Retained Applicant Fingerprint Database (RAPBACK) notifications. The intent appears to be to allow the State Board to directly provide RAPBACK notifications to nontraditional schools for staff whom the State Board currently must notify the traditional school district in which the nontraditional school is located. The bill also authorizes the State Board to suspend, revoke, or limit the license of a superintendent who knowingly violates any provision of education law (R.C. Title XXXIII) or any other Revised Code provision related to school districts, their schools, or students they serve, unless the

[3] See DEW's September 2025 Remote Proctoring Pilot Report (PDF).

[4] DEW used "benchmark" tests, which it described as full-length tests that cover the same grade levels and subject areas as Ohio's State Tests, are aligned to Ohio's Learning Standards, and report student results using familiar measures such as scale scores and performance levels. These tests do not have accountability implications but still closely mimic a live administration of a state test. Presumably, the pilot programs for individual e-schools would be similar.

superintendent is acting under the direction of the board of education or a majority of its members. The State Board already investigates educator misconduct and administers licensure sanctions. Under current practice, district superintendents can have their license suspended, revoked, or limited due to violations of the law under the Licensure Code of Professional Conduct.[5]

Enforcement provisions

The criminal and civil law provisions of the bill may minimally increase workloads and related expenses for local courts to hear additional criminal (contributing to the unruliness or delinquency of a child) and civil cases (cheating resource cases). In such cases, additional expenses may be offset to some degree by fees if collected. There may also be additional work for the juvenile courts, which are a division of courts of common pleas, to retain jurisdiction of truant students and process additional complaints filed by attendance officers for nonattendance. The Attorney General may experience increased costs to investigate and pursue civil actions as authorized under the bill. In addition, the bill's removal of qualified immunity for school districts or board members who knowingly instruct a superintendent to violate Ohio law may increase the likelihood that a civil action is filed, resulting in some increase in caseloads and related expenses of local trial courts.

It is likely that the bill's provisions will affect few civil or criminal cases, as the applicable circumstances are expected to be relatively infrequent. Additional details concerning these provisions are provided below.

Truancy

Under current law, a person may be found guilty of contributing to the unruliness or delinquency of a child if they act in a way that contributes to an adjudication of the child as a delinquent child based on the child's violation of a court order adjudicating the child an unruly child for being a habitual truant. Under the bill, a person may be found guilty of the offense, if the person acts in a way that contributes to the child being a habitual truant; an adjudication of a child as being unruly or delinquent is unnecessary. Under continuing law, unchanged by the bill, contributing to the unruliness or delinquency of a child is a first degree misdemeanor punishable by not more than 180 days in jail and a fine of up to $1,000. Each day of violation is a separate offense.

Additionally, the bill allows a juvenile court to maintain jurisdiction over a child adjudicated an unruly child for being a habitual truant during the subsequent school year for the purpose of monitoring the child's attendance.

Complaints filed in juvenile courts for nonattendance

The bill removes the requirement, for an attendance officer to be required to file a complaint in juvenile court against a student for nonattendance, that the student's district or school determine if the student and the student's family are making satisfactory progress in improving the student's attendance at school and instead requires attendance officers to file when the student is subsequently absent from school after the student, within the same school year, has already been absent from school without a legitimate excuse for 30 or more consecutive hours, 42 or more hours in one school month, or 72 or more hours in a school year. Chronic

[5] See the Licensure Code of Professional Conduct for Ohio Educators (PDF).

absenteeism, which is defined in Ohio as missing 10% or more of school for any reason, tends to be higher in large, urban school districts, so the courts in those areas may see a more significant increase in cases and related expenses in comparison to courts in other areas under the bill. Workload for district and school attendance officers may increase or decrease, as the bill may result in the preparation of more case filings but less work associated with monitoring for satisfactory progress in student attendance.

Cheating resources

The bill prohibits any organization or individual from, for a fee or other compensation, (1) preparing[6] any work product for or on behalf of a learner, (2) sell[7] any work product to a learner, or (3) completing or otherwise performing an assigned task for or on behalf of a learner. The bill prohibits an organization or individual from selling or advertising for a sale a confidential exam or part of an exam, or a detailed description of its contents when they reasonably should know the sale is a violation of state law. The bill prohibits an organization or individual from issuing a disclaimer or contractual language which attempts to exempt them from these prohibitions.

The bill allows the Attorney General to investigate alleged violations and to bring civil actions against alleged violators in the appropriate common pleas court. An individual or organization that violates any of the above prohibitions is subject to a civil penalty of not more than $5,000 per violation, to be deposited to the credit of the General Revenue Fund. The bill allows a sponsor[8] to bring a civil action in a court of competent jurisdiction and may recover liquidated damages up to the greater of $2,500 or actual damages, reasonable attorney fees and costs, injunctive relief, punitive damages, and any other relief determined to be appropriate by the court. The courts are required to preserve the secrecy of an alleged confidential examination or assignment by reasonable means.

School district qualified immunity

The bill eliminates a school district's or its board of education members' qualified immunity when the district board or a majority of its members knowingly instructs the district superintendent to violate Ohio law. However, the bill exempts a board member who does not knowingly instruct the superintendent to violate the law or who votes against instructing the superintendent to do so. The bill clarifies that these changes do not eliminate, limit, or reduce any other immunity or defense that a school district or board member may be entitled to under the law.

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[6] Prepare, advertise to prepare, offer to prepare, or cause to be prepared.

[7] Sell, advertise to sell, offer to sell, or cause to be sold.

[8] Any state institution of higher education; any organization that owns, sponsors, grants, awards, or otherwise issues professional licenses; organization that owns, sponsors, grants, awards, or otherwise issues credentials or certifications; any organization that owns, sponsors, administers, or otherwise delivers examinations.