

Detailed Fiscal Analysis

Under current law, a school district may require a student to attend high school for a specified number of terms prior to granting the student a diploma. The bill prohibits a school district from imposing such a requirement if the student completes the required curriculum early through summer school or by taking more than the minimum number of courses in a school year.

The bill requires the Superintendent of Public Instruction to provide college tuition grants to students who earn a diploma and attend high school in fewer than eight semesters. Grants are payable on behalf of students to any Ohio institutions of higher education in which students are enrolled. The bill allows a school district to count a student receiving a grant in its average daily membership (ADM) for that year in accordance with the following table:

Number of semesters student took to attain diploma	Student counts in ADM as
7	0.5 student
6	1 student
5	1.5 students
4	2 students
3	2.5 students

The state would experience an increase in basic aid funding. The magnitude of the increase would depend on the number of students who graduate early and enroll in Ohio institutions of higher education. For every student who qualifies for a college tuition grant, state basic aid would increase equal to one-half the foundation level as adjusted by the district's cost-of-doing-business factor multiplied by the number of semesters fewer than eight that the student attended high school. Part of state basic aid funding for this student would be awarded as a grant to the student. The grant amount is calculated in accordance with the formula prescribed by the bill as follows:

$$1/2\{(\text{the foundational level} \times \text{cost-of-doing-business factor}) - [(0.023 \times \text{total taxable valuation})/\text{ADM}]\} \times \text{number of semesters fewer than eight that the student attended high school}$$

The grant amount would then be deducted from the state aid payments to the district that awarded the student a diploma and would be payable on behalf of the student to an Ohio institutions of higher education in which the student is enrolled. The remaining state basic aid for this early graduated student would go to the district granting the student a diploma. School districts granting a diploma to students who qualify for college tuition grants under the bill would therefore gain state basic aid funding.

According to the Department of Education, there were 417 students who graduated as 11th graders in the 1995-96 school year. However, it is unknown the number of high school semesters attended by these students and how many of these 417 students are enrolled in Ohio institutions of higher education. Assuming all 417 students qualify for college tuition grants proposed by the bill, state basic aid spending would be increased by \$1,539,773 (417 x 3,500 x 1.055) in FY 1997 by using the statewide average cost-of-doing-business factor of 1.055. Of this amount, \$595,476 [1/2(3,500 x 1.055 - 0.023 x \$98,478) x 834] would be awarded as college tuition grants to these 417 students by using the statewide average valuation per pupil of \$98,478. And \$944,297 would go to school districts granting a diploma to these 417 students.

Currently, juniors and seniors may enroll in the Post-Secondary Enrollment Options Program and receive credit for college courses. Tuition costs for the courses are paid for by subtracting monies from the school district's school foundation payments. Of 240,151 juniors and seniors statewide in FY 1995, 4,567 (or 1.9%) students enrolled in the program.

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