

statewide weighted average cost-of-doing-business factor of 1.055, an eligible student receiving a diploma from a district with a \$160,543 valuation per pupil would not receive any college tuition grant moneys in FY 1997.

- According to the grant formula prescribed by the bill, of the possible \$1,539,993 increase for basic aid funding in FY 1997, \$595,476 would be awarded to 417 students who graduated as 11th graders and \$944,297 would go to school districts granting these students a diploma by using the statewide average valuation per pupil of \$98,478.

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 public school and chartered nonpublic 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 or certain nursing schools in which students are enrolled.

College Grants for Eligible Public School Students

The bill allows a public 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 spending. The magnitude of the increase would depend on the number of students who graduate early and enroll in Ohio institutions of higher education or certain nursing schools. 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:

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

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 or a nursing school 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. Furthermore, an eligible student receiving a diploma from a high property wealth district might not receive any college grant moneys since the "state share of the tuition base" college grant could be zero for the district. The full amount of basic aid increase as a result of the bill would go to the district. By using the statewide weighted average cost-of-doing-business factor of 1.055, an eligible student receiving a diploma from a district with a \$160,543 valuation per pupil would not receive any actual college grant moneys in FY 1997.

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 ($417 \times \$3,500 \times 1.055$) in FY 1997 by using the statewide average cost-of-doing-business factor of 1.055. Of this amount, \$595,476 [$1/2(\$3,500 \times 1.055 - 0.023 \times \$98,478) \times 834$] 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.

College Grants for Eligible Chartered Nonpublic School Students

If an eligible student attends a chartered nonpublic school, grant moneys would be taken from the Post-Secondary Enrollment Options program set-aside in line item 200-501, Auxiliary Services, on a first come, first served basis until the available funds are expended. There would be no additional net cost for the state. For the current biennium \$1,000,000 is set aside in each fiscal year (FY 1996 and FY 1997) to pay for the costs of the Post-Secondary Enrollment Options program for students attending chartered nonpublic schools. In FY 1995, of 25,190 statewide juniors and seniors attending chartered nonpublic schools, 1,788 (or 0.71%) students enrolled in the Post-Secondary Enrollment Options program. The total cost of the program was \$114,166 in FY 1995.

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