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## ***Detailed Fiscal Analysis***

Ohioans who are 16 or 17 years old may apply for a probationary driver's license. To receive one, they must, among other things, successfully complete a driver education course approved by the state. Currently, the state provides a \$50 subsidy (through line item 200-412, Driver Education) for every public and nonpublic high school student who completes an approved driver education course. Current law also allows school districts to charge students up to additional \$50 to cover the costs of driver education.

The bill removes the \$50 fee cap on driver education. But school districts would still be limited to charging only the difference between the actual per pupil cost and the \$50 per pupil subsidy they receive from the state. However, if the difference exceeds \$50, they could charge up to the full amount of the difference under the bill. Therefore, school districts that wish to charge students more than \$50 to recover the costs of driver education could potentially gain revenues. The magnitude of revenue increases would depend on the new fee schedules individual school districts might establish. Since most school districts set their course fees at the beginning of a school year, the bill is unlikely to have an impact on school districts until fiscal year 2000.

There are three ways for school districts to meet the driver education requirements. Based on the most recent available FY 1997 data, 165 school districts offered their own driver education programs (or standard service), 186 school districts contracted with commercial schools for services (or commercial by contract), and the remaining 260 school districts simply transferred \$50 in per pupil state subsidy to students going to commercial schools for driver education (or commercial by letter). Most major urban school districts fell into the category of commercial by letter.

A total of 114,997 students successfully completed driver education courses in FY 1997. Of these students, 14,757 students were in the standard service category, 14,095 students were in the commercial by contract category, and the other 86,145 students were in the commercial by letter category. The average per pupil cost for school districts offering standard and commercial by contract services was \$166.50 in FY 1997. If they had charged the full amount of the difference between the average per pupil cost and the state subsidy, these 351 school districts could have potentially gained revenues at approximately \$1.9 million  $[(\$166.5 - \$100) \times (14,757 + 14,095)]$  in FY 1997.

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