



Ohio Legislative Service Commission

Mary Turocy

Fiscal Note & Local Impact Statement

Bill: [H.B. 168 of the 130th G.A.](#)

Date: June 17, 2013

Status: As Introduced

Sponsor: Rep. Hagan

Local Impact Statement Procedure Required: Yes

Contents: Creates an apprenticeship subprogram to the Post-Secondary Enrollment Options Program

State Fiscal Highlights

- The Board of Regents (BOR), the Department of Education (ODE), the Development Services Agency, and the Bureau of Workers' Compensation may incur minimal expenditures for the creation of a proposal to implement a Post-Secondary Enrollment Option (PSEO) subprogram for apprenticeships.
- BOR and ODE may incur minimal expenditures for the creation of the report on the effectiveness of the PSEO apprenticeship subprogram.

Local Fiscal Highlights

- The apprenticeship subprogram is to be funded by deductions from students' school districts, community schools, or STEM schools, resulting in lower revenues for these schools. The per pupil deduction amounts will be determined by a formula established in rules by the State Board of Education.

Detailed Fiscal Analysis

The bill creates an apprenticeship subprogram under the existing Post-Secondary Enrollment Option (PSEO) education program. Under current law, the PSEO program allows qualified Ohio high school students to take college courses at state expense for both college and high school credit. Beginning in the 2014-2015 school year, the bill's subprogram will permit students, age 16 or older and enrolled in a school district or community school, to participate in apprenticeships certified or registered by the U.S. Department of Labor and not offered by the student's secondary school.

The bill requires the Chancellor of the Board of Regents and the Superintendent of Public Instruction, in consultation with the Director of Development, and the Administrator of Workers' Compensation to develop a proposal to implement the apprenticeship subprogram by December 31, 2013. The Board of Regents (BOR), the Department of Education (ODE), the Development Services Agency, and the Bureau of Workers' Compensation may incur minimal additional expenses for the creation of the proposal. BOR and ODE will also incur minimal additional expenses to create a report on the effectiveness of the subprogram, to be submitted to the Governor and the General Assembly by July 1, 2016 and every July 1 thereafter.

The bill also requires the State Board of Education to adopt rules to implement the apprenticeship subprogram. The State Board may incur expenses in the establishment of these rules. The rules must include, among other things, a funding formula to pay businesses for the costs associated with employing students under the apprenticeship subprogram. The funding structure of the subprogram will function similarly to PSEO. The PSEO program funds public school students through a deduction from the state aid allocated to the school district, community school, or STEM school that the student attends. Under current law, the deduction and transfer for PSEO is based on the amount of \$5,704 per student, the student's full-time equivalency at their secondary school, and the percentage of the student's school day apportioned to the college. Students attending nonpublic schools are funded through a set-aside in GRF appropriation item 200511, Auxiliary Services. This set-aside totaled about \$1.79 million in FY 2013.

The apprenticeship subprogram will continue to fund public school students through a deduction. As a result of the deductions, school districts, community schools, and STEM schools that enroll apprenticeship participants will likely experience lower revenues. However, because the formula is determined in rules and not by the bill, it is unclear how much will be transferred from public schools to fund the program. Likewise, nonpublic school students will be funded from the GRF set-aside for the PSEO program, but the amount per student will depend on the rules established by the Board.