



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 305 of the 128th G.A.      **Date:** December 1, 2009  
**Status:** As Introduced      **Sponsor:** Rep. Newcomb

**Local Impact Statement Procedure Required:** No — No local cost

**Contents:** Requires the Department of Education to waive fees for certain Ohio residents taking the GED test

### State Fiscal Highlights

STATE FUND	FY 2010	FY 2011	Future Years
<b>State Special Revenue Fund (Fund 4540) – Department of Education</b>			
Revenues	Potential substantial loss based on the number of waivers issued		
Expenditures	- 0 -		

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- The Ohio Department of Education (ODE) may realize a substantial loss of revenue due to the waiving of the \$40 application and test fee for certain Ohio residents taking the GED test. The actual loss of revenue will depend on the number of GED takers that qualify for and utilize a fee waiver. ODE estimates the loss at approximately \$650,000 over the two years of the FY 2010-FY 2011 biennium.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## Detailed Fiscal Analysis

The bill requires ODE to reinstate the GED testing and application fee waiver program that it discontinued on September 1, 2009. Under the waiver program, ODE is required to waive the application and test fee for each applicant that is an Ohio resident and attains on the official practice GED test at least the score or scores prescribed by the State Board of Education. In order to qualify, the practice test must be administered through a public or private nonprofit adult education program and the scores must be certified to ODE by the director of that program.

### Funding for GED testing

Fees charged for taking the GED are deposited into State Special Revenue Fund 4540 which is used to fund appropriation item 200610, Guidance and Testing, which is used to pay for the administrative costs of the GED. In addition, a portion of GRF appropriation item 200447, GED Testing, is used to reimburse expenses incurred by testing centers. Am. Sub. H.B. 1 of the 128th General Assembly provided an increase over FY 2009 actual expenditures of approximately \$65,000 in line item 200610 for each of FYs 2010 and 2011 and a decrease of approximately \$400,000 in line item 200447 in each fiscal year. Over the biennium, funding for these two line items was reduced by approximately \$670,000.

### State fiscal impact

According to ODE data, the average number of test takers in each of calendar years 2007 and 2008 was approximately 23,500. In addition, a spokesperson for ODE indicated that approximately 85% of test takers qualified for and utilized a fee waiver under the previous waiver program. Because the language of the bill closely follows the State Board's current administrative rule relating to fee waivers, it can be estimated that the percentage of test takers qualifying for a waiver under the program proposed in the bill should be similar to the approximately 85% that qualified historically.<sup>1</sup>

Prior to September 1, 2009, the application and test fee for the complete GED test was \$65. However, in conjunction with the discontinuation of the waiver program, the fee was reduced to its current level of \$40 with an additional \$10 fee for those applicants required to retake any one section of the test. ODE estimates that implementation of the fee waiver program proposed under the bill and the associated loss of revenue would cost the Department approximately \$650,000 over the FY 2010-FY 2011 biennium.

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<sup>1</sup> O.A.C. 3301-41-01(D) which is still in effect in Ohio and which contains provisions under which ODE operated the waiver program that was discontinued on September 1, 2009.