



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [S.B. 172 of the 128th G.A.](#) **Date:** January 20, 2010
Status: As Introduced **Sponsor:** Sen. Grendell

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 |
|---|--|---------|--------------|
| State Special Revenue Fund (Fund 4540) – Department of Education | | | |
| Revenues | 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) will lose 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 who would have otherwise paid the fee. 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.

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.

Background

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. This appropriation 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 appropriated in both FY 2010 and FY 2011 about \$400,000 less to line item 200447 than was actually spent in FY 2009. On September 1, 2009, ODE discontinued the waiver program and reduced the test fee from \$65 to \$40 with an additional \$10 fee for those applicants required to retake any one section of the test.

According to ODE data, the average number of test takers in each of calendar years 2007 and 2008, when the fee waiver was in place, was approximately 23,500. Presumably, fewer people will take the test under current law without the fee waiver. A spokesperson for ODE indicated that approximately 85% (about 20,000 in 2007 and 2008) of test takers qualified for and utilized a fee waiver under the previous waiver program.

State fiscal impact

ODE estimates that implementation of the fee waiver program proposed under the bill and the associated loss of revenue will cost approximately \$650,000 over the FY 2010-FY 2011 biennium.