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OHIO LEGISLATIVE SERVICE COMMISSION

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Legislative Budget
Office

H.B. 62
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 62's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Pizzulli and Bird

Local Impact Statement Procedure Required: No

Jason Glover, Senior Budget Analyst

Highlights

- The bill reduces the amounts deducted from the state foundation aid of a student's educating district or school and paid to the institution of higher education attended by the public student for courses delivered online or on a public or private institution campus when a course is also offered at the participant's secondary school under the College Credit Plus (CCP) Program.
- Expenditures paid by the state directly through earmarks of GRF line items 200511, Auxiliary Services, and 200550, Foundation Funding – All Students, for nonpublic and home-educated CCP students, respectively, may also decrease.
- State institutions of higher education will lose revenue if the amounts deducted from a student's educating district or school to pay the institution decrease.
- The bill also removes the general requirement that secondary schools pay for the cost of textbooks for participants enrolled in college courses through CCP, shifting most of this cost to institutions of higher education and reducing costs to school districts.

Detailed Analysis

The bill makes various changes to the law regarding the College Credit Plus (CCP) Program, which allows students in grades 7-12 or who are home instructed to attend classes at postsecondary education institutions and earn both high school and college credits at state expense. Public school students participating in CCP are counted in the district or school in which they are educated for state funding purposes. The tuition amounts for the college classes the student attends are deducted from the educating district or school's state funding and paid to the institution attended by the student. For nonpublic and home-educated students, the costs of taking college classes under CCP are paid by the state directly through earmarks of GRF

appropriation line items (ALIs) 200511, Auxiliary Services, and 200550, Foundation Funding – All Students, respectively. According to the Ohio Department of Higher Education (ODHE), nearly 88,000 students participated in the program for the 2023-2024 school year. Payments to higher education institutions for that school year totaled \$67.1 million according to a report from the Department of Education and Workforce (DEW). Provisions of the bill with notable fiscal effects are discussed below.

Payments to institutions of higher education

Generally, the amount of state deductions for a CCP student depends on several factors, including the type of high school and institution of higher education in which the participant is enrolled, how the participant receives instruction, and whether the high school and institution are operating under the default payment structure or an agreement specifying an alternate payment structure. The bill modifies the default state payment structure for a public or nonpublic school student taking a CCP course through a public or private institution and reduces the permitted maximum amount charged to a public school student taking an online course through a private institution of higher education with which the student's school has entered an alternative payment agreement. Altogether, these changes will reduce the state foundation aid amounts deducted from a student's educating district or school and paid to the postsecondary institution attended by the student. Expenditures paid by the state from earmarks of ALIs 200511 and 200550 for nonpublic and home-educated students may also decrease. State institutions of higher education, on the other hand, are likely to experience a loss in revenues received through CCP.

Default payment structure changes

Under current law, if a student is enrolled in a CCP course delivered by a public or private institution of higher education either online or on the institution's campus, the state pays the institution the lesser of the default ceiling amount (\$167 per credit hour) or the institution's standard rate (which is generally higher than the default ceiling). The bill modifies these default payment structures in the following ways:

- Requires the lesser of 50% of the default ceiling amount (\$83 per credit hour) or the institution's standard rate instead of default ceiling amount, to be paid for a public student that takes a course delivered online by a public or private institution of higher education. For example, CCP courses delivered online to public, private, and home-schooled students comprised 35.9% of total courses taken in FY 2023 (the latest year for which this data is available), which represented roughly \$35.3 million in CCP payments assuming the default ceiling amount was used for all payments that fiscal year. Under the bill, payments to colleges will decrease by up to 50% of that amount, or approximately \$17.7 million under this scenario, most of which will likely impact public schools through reductions in state foundation aid payments.
- Requires the default floor amount (\$42 per credit hour), instead of the lesser of the default ceiling amount or the institution's standard rate to be paid for a course taken by a public student on a public or private institution of higher education's campus or another location operated by the public institution when a course is also offered at the participant's secondary school and taught by a high school teacher. CCP courses delivered

on an institution's campus comprised 15.6% of total courses taken in FY 2023,¹ which represented approximately \$15.4 million in CCP payments at the default ceiling rate that fiscal year. Under the bill, districts and schools will save up to 75% of the amount that would have otherwise been deducted from their state foundation aid payments under the current CCP payment structure.

Maximum payments under an alternative payment agreement

The bill also prohibits the total amount of DEW payments and the amount separately charged to a public student attending a private institution of higher education under an alternative payment arrangement for a course delivered online from exceeding \$125 per credit hour, instead of the maximum per-participant charge (\$201 per credit hour), if the course in which the student is enrolled is offered online and taught by college faculty. For any alternative agreement in which a district or school pays less than \$125 per credit hour, this provision will have no effect (the reduction will be applied to the student's cost). However, the district or school would have less deducted from its state foundation aid for an agreement in which the school district pays between \$125 and \$201 per credit hour.

Textbook costs

The bill removes the general requirement that secondary schools pay for the cost of textbooks for students enrolled through CCP and shifts this cost to the participating institutions of higher education. The exception to this change is when an institution chooses to use a purchase-only textbook in a course because no suitable open source instructional materials are available. In that instance, the cost of the textbook is evenly split between the institution and secondary school. The bill also requires institutions to strive to use open source materials in lieu of purchase-only textbooks in each course offered through CCP. According to a survey reported in April 2022,² it is estimated that, nationally, 40% of faculty use open source instructional materials as either required (14%) or supplemental (18%) or both (8%). The rates of adoption for use in CCP courses may be higher since the use of open source materials by faculty is generally higher (59% overall) in introductory courses. Adoption rates of open source material among institution courses offered through CCP may increase, as institutions would be required to pay for most purchase-only textbooks under the bill.

These changes will likely significantly reduce the textbook costs school districts presently pay for CCP participants, as at least half the cost will be paid by the institutions under the bill. Data on the textbook costs currently paid under CCP are not robust. Some districts and schools voluntarily reported these costs to DEW over the 2016-2017 through the 2021-2022 school years. On average, over this period, these voluntary cost reports represent about 23% of the total number of students participating in CCP and result in an average annual cost for each of these students of about \$150. If this average held true for all CCP participants, the current total textbook costs paid by districts and schools would be approximately \$13.2 million (87,860 CCP

¹ It is unclear what percentage of those courses were also offered at the participant's secondary school and taught by a high school teacher.

² See pages 40-41 of Bay View Analytics' 2022 [report \(PDF\)](#), supported by the William and Flora Hewlett Foundation, entitled *Turning Point for Digital Curricula*.

participants in FY 2024 x \$150) annually. However, given the nature of these data, this estimate should be considered very rough.