Ohio Legislative Service Commission

www.lsc.ohio.gov

Office of Research and Drafting

Legislative Budget Office

H.B. 326
(with AM1338-1)
136th General Assembly

Fiscal Note & Local Impact Statement

Click here for H.B. 326's Bill Analysis

Version: In House Education

Primary Sponsors: Reps. Ritter and Newman

Local Impact Statement Procedure Required: No

Patrick Campbell, Budget Analyst, and other LBO staff

Highlights

- Allowing public and nonpublic schools to administer any nationally standardized college admissions test, including the Classic Learning Test, under the College and Work Ready Assessment System for high school students may decrease Department of Education and Workforce GRF expenditures by up to tens of thousands of dollars annually.
- The Ohio State University and any other public college and university that chooses to require standardized test scores for admissions may experience increased administrative workload to develop new admission criteria.

Detailed Analysis

Under continuing law, school districts and other schools each must select one nationally standardized college admissions test from the College and Work Ready Assessment System (CWRAS) to administer to eleventh grade students in the spring of each school year. Currently, the test options are the SAT and the ACT exams. The state pays the costs of the college admissions tests administered under the CWRAS. However, a parent or guardian may elect for their student not to participate in the test. In general, the state-funded administration of the college admissions test is available to students attending public and chartered nonpublic schools[1] as well as home-educated and nonchartered nonpublic school students that request to take the test at their resident district. Under current law, the Department of Education and Workforce (DEW) and Chancellor of Higher

[1] According to DEW, the state will pay for the ACT or SAT for all eleventh grade students attending a chartered nonpublic school that is not accredited by the Independent Schools Association of the Central States (ISACS). The state will only pay for the ACT or SAT for an eleventh grade student that attends an ISACS-accredited school with a state scholarship.

Education select the nationally standardized college admissions tests from which districts and schools must choose. The bill, instead, requires each district or school to select one nationally standardized test to administer under the CWRAS, which may be the ACT, SAT, Classic Learning Test (CLT), or any other valid, reliable, nationally norm-referenced college admissions test.

The state-funded administration of the college admission tests is funded by GRF line item 200437, Student Assessment, in the DEW budget. DEW's current contracts to offer the state-funded ACT and SAT exams, respectively, provide for up to 100,000 ACT exams and up to 25,000 SAT exams to be administered each year, for a total of up to 125,000 exams per year. Under those contracts, DEW pays $45 per ACT test and $51 per SAT test for the 2025-2026 and 2026-2027 school years, for a total cost of up to $5.8 million annually.

The CLT is a relatively new nationally standardized college admissions test that currently has limited acceptance (the CLT website lists 12 partner institutions in Ohio, all private colleges or universities) but has been gaining popularity in recent years according to various media reports. LBO staff are unaware of any major ACT or SAT exam competitors other than the CLT. Therefore, this analysis focuses on the potential fiscal effects of the CLT's inclusion in the CWRAS. The bill may decrease DEW's assessment system costs by up to tens of thousands of dollars annually. According to committee testimony from a representative of the CLT's vendor, the state's cost per test for the CLT will be up to $38, which is less than the fees for the ACT or SAT under DEW's current testing contracts. Assuming the maximum 125,000 tests are taken and, hypothetically, 1% (1,250) of students switch to the CLT from the ACT or SAT (in the same proportions that are assumed in the current contracts), the cost differentials between the tests yield a decrease of $10,250 (see the table below). The actual number of students that will take the CLT is uncertain. As a point of reference, for every 1% of students that switch, state costs will decrease by the same marginal $10,250 amount. Therefore, the net state cost decreases by $51,250 annually if 5% of the 125,000 students switch and by $102,500 annually if 10% switch. Ultimately, the magnitude of any new costs to administer the CLT will depend on the number of tests administered, the test a student would have otherwise taken (if any), and the terms of the state's contract with the testing vendor. DEW and Department of Administrative Services' administrative workload may increase to enter into contracts for the CLT and possibly other tests.

Estimated Costs of State-Administered Classic Learning Test Under Various Participation Scenarios

Test	Cost Per Test	Test Count (Current Law)	Test Count (1% CLT)	Test Count (5% CLT)	Annual Cost (Current Law)	Annual Cost (1% CLT)	Annual Cost (5% CLT)
ACT	$45	100,000	99,000	95,000	$4,500,000	$4,455,000	$4,275,000
SAT	$51	25,000	24,750	23,750	$1,275,000	$1,262,250	$1,211,250
CLT	$38	0	1,250	6,250	$0	$47,500	$237,500
Total		**125,000**	**125,000**	**125,000**	**$5,775,000**	**$5,764,750**	**$5,723,750**
Total Marginal Cost Compared to Current Law					**--**	**-$10,250**	**-$51,250**

Public colleges and universities that require standardized test scores for admissions may experience increased administrative workload to develop new admission criteria that includes the CLT or any other valid, reliable, nationally norm-referenced examination – mainly updating procedures and training staff. As of the 2025-2026 admissions cycle, only the Ohio State University requires either ACT or SAT scores for all first-year applicants.

FNHB0326H1-136/zg