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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

H.B. 82
134th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Passed by the House

Primary Sponsors: Reps. Cross and Jones

Local Impact Statement Procedure Required: No

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Highlights

- Permitting the parent or guardian of a high school student to opt the student out of the state-funded administration of the ACT and SAT college admissions tests may reduce GRF expenditures for these tests starting in FY 2025. Generally, for every 1% decrease in participation, the state's costs for the tests are projected to decrease by about \$49,000 each fiscal year.

Detailed Analysis

Opt out of state-funded administration of ACT and SAT

Current law generally requires all students in eleventh grade to take a college admissions test as part of the state's College and Work Ready Assessment System. The bill maintains this requirement, however, beginning with students who enter ninth grade for the first time on or after the first day of July following the bill's effective date, the bill permits a parent or guardian to opt their student out of participation in the state-funded administration of the college admissions test. The state contracts with ACT Inc. and the College Board to administer the ACT and SAT, respectively, to eleventh grade students in the spring of each school year. School districts choose annually which of the two college admissions examinations that their students will take. The state pays \$40 per student for the ACT and \$36.35 per student for the SAT. The ACT is, by far, the most popular option. For FY 2019, the state spent approximately \$4.9 million from the GRF to administer both tests. A large majority of this amount, \$4.4 million, was for the ACT. That year, about 122,600 eleventh grade students in public and nonpublic schools took either the ACT or SAT.

For every 1% decrease in participation, GRF expenditures for the tests are projected to decrease by approximately \$49,000 annually assuming no change in the state's cost per test. The

table below estimates the state's annual costs of administering the ACT and SAT at various hypothetical student participation rates, starting with a baseline of 100% under current policy, and the state savings under various reduced participation rate scenarios. The upper bound on potential savings in the table is based on a minimum participation rate of 60%, the percentage of high school graduates that go directly to college according to the Pell Institute.¹

If the bill goes into effect during the 2021-2022 school year, the class of 2026 would be the first class affected. Under that scenario, any reduction in state costs for these tests would begin to accrue in FY 2025, when the class of 2026 is generally required to take one of the college admissions tests under current law.

Estimated Cost of State-Administered ACT/SAT Under Various Participation Scenarios						
Test	100% of 11 th Graders	95% of 11 th Graders	90% of 11 th Graders	80% of 11 th Graders	70% of 11 th Graders	60% of 11 th Graders
ACT	\$4,394,080	\$4,174,376	\$3,954,672	\$3,515,264	\$3,075,856	\$2,636,448
SAT	\$465,062	\$441,809	\$418,556	\$372,050	\$325,543	\$279,037
Total	\$4,859,142	\$4,616,185	\$4,373,228	\$3,887,314	\$3,401,399	\$2,915,485
Difference from 100% Scenario		-\$242,957	-\$485,914	-\$971,828	-\$1,457,743	-\$1,943,657

¹ Ohio Legislative Service Commission, *Ohio Facts 2020*, page 66.