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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

H.B. 239
133rd General Assembly

Fiscal Note & Local Impact Statement

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Version: As Reported by House Primary and Secondary Education

Primary Sponsors: Reps. G. Manning and Crawley

Local Impact Statement Procedure Required: No

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Highlights

- Permitting parents or guardians to opt out their eleventh grade children from the state-funded administration of the ACT and SAT college admissions tests may reduce GRF expenditures for these tests. For every 1% decrease in participation, the state's costs for the tests are projected to decrease by about \$49,000 each fiscal year.
- GRF costs to develop and provide a new, condensed end-of-course examination in American history and government will likely offset any cost savings to provide one less examination, at least in the near term. There may be some administrative costs for the Ohio Department of Education to implement the change in the state accountability system and graduation requirements and for districts and schools to realign curriculum or course offerings.
- School districts and other public schools may avoid the costs of providing additional reading supports to students who otherwise would have been retained in the third grade due to performance on the third grade English language arts state test for the 2020-2021 school year.
- School districts may incur minimal administrative costs to form testing work groups that will examine testing and report findings and recommendations for testing reductions.

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 permits a parent or guardian of a student in the Class of 2022 and onward to opt out their child from the test by submitting an opt-out notice to the student's school. The Ohio Department of

Education (ODE) must prescribe procedures to opt out. 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.

Not all high school students intend to or will enroll in college. According to data from the Pell Institute, around 60% of Ohio high school graduates go directly to college. However, the percentage that will take the test is likely higher (perhaps substantially so) than 60%. Some students may plan to defer enrollment in college but still would be interested in taking one of the tests as a junior. In addition, the parental opt-out notice requirement makes it somewhat more difficult for students to forego the test than if it was purely voluntary. Ultimately, for every 1% decrease in participation, the state's costs for the college admissions tests are projected to decrease by about \$49,000 each fiscal year, 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 reduced participation rate scenarios. Any reduction in state costs for these tests would begin to accrue in FY 2021, when the Class of 2022 is generally required to take one of the college admissions examinations 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

End-of-course examinations

Effective for students entering the ninth grade on or after July 1, 2019 (the Class of 2023), the bill reduces the required number of end-of-course examinations from five to four by combining the American history and American government end-of-course examinations into one examination. Each examination costs the state \$1.2 million annually to provide to school districts, other public schools, and nonpublic schools; however, ODE will incur costs to develop and provide the new, condensed examination and does not envision any cost savings due to the combination. It is possible that the state may realize savings in future years. The costs for these end-of-course examinations are paid from the GRF. ODE may also incur some related

administrative costs to implement the change in the report card and accountability system (including educator value-added reports used for evaluation purposes) and citizenship diploma seal requirements. There also may be some minimal costs for school districts and other public schools to realign curriculum or course offerings depending on how classes currently are structured. The bill does not change the state minimum curriculum students must successfully complete in order to graduate. High school students must complete one-half unit each of American history and American government.¹

Third grade reading guarantee

The bill prohibits, for the 2020-2021 school year only, any school district, community school, STEM school, or chartered nonpublic school from retaining in the third grade a student who fails to attain the required promotion score on the third grade reading English language arts state test for that school year. A similar provision, enacted in H.B. 197 of the 133rd General Assembly, applies to the 2019-2020 school year. Under the third grade reading guarantee, schools provide additional supports in reading comprehension for a student in grades K-3 determined to be off track in order to help the student meet the promotion score by the end of the third grade. In general, students who do not meet the promotion score are retained in the third grade. Students retained in the third grade receive intensive reading intervention services. Therefore, since fewer students will be retained in the third grade under the bill, schools may avoid costs associated with providing extra supports to the students who otherwise would have been retained (schools may opt to continue providing additional supports for students who do not meet the promotion score). As a point of reference, 5% (about 5,700) of third grade students statewide who were subject to the third grade reading guarantee in the 2018-2019 school year did not meet the promotion score.

School district testing workgroups; ODE report

The bill also may minimally increase the administrative costs of school districts due to a requirement that each school district form a work group within 90 days of the bill's effective date to examine the amount of time students spend on required testing and various other aspects of testing and to make recommendations within six months of forming on how to reduce testing amounts. Districts may incur at least one-time costs to start these work groups, which, in general, are to consist of the following individuals: (1) the district superintendent, (2) a district curriculum or testing administrator or designee of the superintendent, (3) three principals, (4) three teachers selected by the local teacher's association, and (5) three parents of students enrolled in the district selected by the local parent teacher organization (or similar organization). If a district does not employ enough of the specified work group members, the bill exempts the district from the requirements it cannot meet. Upon completion of the report, a district's work group may be dissolved, continue to meet, or be reconstituted in the future based on local need. Additionally, the bill requires a district board of education to consider the work group's recommendations and to adopt an annual (instead of a single) resolution if it wishes to exceed statutory limitations on testing time.

¹ One-half unit is generally equivalent to 60 hours of course instruction.

The bill will increase ODE's administrative workload by requiring the Department to annually publish a report on the amount of time students spend on required state and district testing, including the following: (1) a disaggregation of testing required by the state and additional testing required by a district, (2) efforts to reduce testing time and increase instructional time, (3) caps on testing as described in current law and a list of districts that exceeded them, (4) the purpose and use of the required state and district tests, and (5) resources for parents.