



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 383 of the 131st G.A.

Date: February 22, 2016

Status: As Introduced

Sponsor: Reps. Hagan and McColley

Local Impact Statement Procedure Required: No

Contents: Requires the Chancellor of Higher Education to prepare an informed student document for each state institution of higher education and requires one-half unit of economic and financial literacy in the high school social studies curriculum

State Fiscal Highlights

- The Department of Higher Education (DHE) will likely incur increased administrative costs for preparing an informed student document for each of the 61 state institutions of higher education each year. According to DHE, this work is not expected to require any more than one new employee to be hired; costs could be less if existing employees take on the additional responsibilities.
- State institutions of higher education may incur increased administrative costs to support any additional data reporting required under the bill.
- The Ohio Department of Education may incur minimal increased costs to update the financial literacy and entrepreneurship education academic content standards and model curricula to include information in the informed student document.

Local Fiscal Highlights

- Some school districts and community schools may incur minimal costs to update their social studies high school curriculum to meet the bill's requirement that at least one-half unit of the two required social studies units include instruction in the study of economics and financial literacy. Under current law, the study of this material must already be integrated into one or more existing social studies credits or into the content of another class.

Detailed Fiscal Analysis

The bill requires the Chancellor of Higher Education to prepare an "informed student document" for each state institution of higher education that includes a variety of cost, student success, employment, and admissions information. The bill also requires one-half unit of instruction in economics and financial literacy in the high school studies curriculum. These provisions are discussed in more detail below.

Higher education informed student document

Chancellor's responsibilities

The bill requires the Chancellor to prepare an "informed student document" for each of the 61 state institutions of higher education¹ to be used by potential students and their families. Generally, each of the documents will be developed to inform students and parents of the financial and academic aspects of attending the specific institution, the performance of the institution's graduates in the workforce, and certain data from comparable institutions of higher education. The document must also include a variety of information covering certain items under the four categories of costs, student success, employment, and admissions for each of the five preceding fiscal years. Each of the documents must be updated each year and be posted on the websites of the Department of Higher Education (DHE) and the institution for which it is prepared.

Currently, DHE prepares several reports each year that contain information for each institution on topics covering tuition, enrollment, and degrees awarded. However, the bill adds several topics on which data may need to be collected. Overall, DHE will likely incur increased administrative costs to prepare an informed student document for each state institution of higher education each year. According to DHE, any new staff-related costs could range from expanding the duties of current staff to the potential of having to hire no more than one new employee.

State institution of higher education responsibilities

The bill requires each institution to provide, upon request from the Chancellor, the information necessary to allow the Chancellor to compile the informed student document. As mentioned above, each institution currently provides DHE with information on topics such as enrollment, personnel, tuition, and degrees awarded. However, the bill is likely to result in increased administrative responsibilities for each institution to report to DHE on the additional subjects and topics required by the bill. The additional costs for each institution will depend on the extent of the additional information that will need to be reported.

¹ The 61 state institutions include 14 university main campuses (including NEOMED), 24 regional campuses, and 23 community and technical colleges.

Note that institutions receiving federal funding currently are required to report certain cost and graduation data to the National Center for Education Statistics (NCES) through the Integrated Postsecondary Education Data System (IPEDS). These statistics are then pulled from NCES and IPEDS and reported as part of the U.S. Department of Education's "College Scorecard" reporting system, a recent initiative by the federal government that highlights key indicators about the cost and value of institutions across the country. The subject areas reported in the College Scorecard appear to be similar to the ones required under the bill.²

High school financial literacy education

Under current law, the high school curriculum must include two units of social studies, which includes one-half unit in the study of world history and world civilizations. Additionally, the study of economics and financial literacy must be integrated into one or more existing social studies credits or into the content of another class. In addition to the one-half unit of world history, the bill requires, for students entering the ninth grade on or after the first day of July 1, 2017, that the two units of social studies instruction include at least one-half unit of instruction in the study of economics and financial literacy. More specifically, the instruction must include a review of the information contained in the informed student documents and instruction on calculating interest and compound interest on loans, and emphasize personal finance; the concepts of credit; debt; and investments; and sound money management. Some school districts and community schools may incur minimal costs to update their social studies high school curriculum to meet this requirement.

The bill also requires the Ohio Department of Education (ODE) to include information and instruction on the informed student document into the academic content standards and model curricula it adopts for financial literacy and entrepreneurship education. ODE may incur minimal increased costs to comply with this requirement. According to the ODE website, academic content standards for financial literacy were established in June 2012, while the financial literacy model curriculum is in the drafting stage.

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² To view the information reported for an institution of higher education in the College Scorecard, please go here: <https://collegescorecard.ed.gov/>.