



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: H.B. 108 of the 132nd G.A.

Status: As Reported by House Education and Career Readiness

Sponsor: Reps. Hagan and McColley

Local Impact Statement Procedure Required: No

Subject: Informed student document for higher education institutions; financial literacy in the high school curriculum

State & Local Fiscal Highlights

- The Department of Higher Education (DHE) will likely incur increased administrative costs for preparing an informed student document for all institutions of higher education that receive state assistance 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.
- Some school districts and community schools may incur minimal costs to update their high school curriculum to meet the bill's requirement that at least one-half unit of financial literacy instruction be included in either the two required social studies units or the five required electives units, beginning with students who enter ninth grade in the 2018-2019 school year. Under current law, 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.

Detailed Fiscal Analysis

The bill requires the Chancellor of Higher Education to prepare an "informed student document" for each institution of higher education that receives state assistance that includes a variety of costs, student success, and admissions information. The bill also requires one-half unit of instruction in financial literacy in the high school social studies or electives 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 institution of higher education that receives state assistance¹ 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, certain data from comparable institutions of higher education, and how to access state and national sources to find data on in-demand jobs. The document must also include a variety of information covering certain items under the three categories of costs, student success, and admissions for each of the five preceding academic 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 state institution on topics covering tuition, enrollment, and degrees awarded. However, the bill adds several topics on which data may need to be collected from state institutions. In addition, DHE would need to collect this information for all institutions of higher education that receive state assistance, including certain private nonprofit and for-profit institutions. Overall, DHE will likely incur increased administrative costs to prepare an informed student document for each 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 applicable institution to provide, upon request from the Chancellor, the information necessary, if it is available, to allow the Chancellor to compile the informed student document. As mentioned above, each state 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 state 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.

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

¹ These institutions may include 61 state institutions (14 university main campuses (including NEOMED), 24 regional campuses, and 23 community and technical colleges), approximately 80 private, nonprofit institutions, approximately 250 registered career colleges and schools, and other private institutions.

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

Some school districts and community schools may incur minimal costs to update their high school curricula in accordance with the bill. 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. 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. Beginning with students entering the ninth grade in the 2018-2019 school year (the class of 2022), the bill requires one-half unit of financial literacy instruction into the required high school curriculum, but permits school districts to choose whether that half-unit is part of the required two units of social studies instruction or the required five units of electives. Financial literacy instruction must include (1) a review of the information contained in the informed student documents, (2) an emphasis on personal finance; the concepts of credit, debt, and investments; and sound money management, (3) instruction on calculating interest and compound interest on loans and exposure to federal financial aid forms such as the Free Application for Federal Student Aid (FAFSA), (4) differences in cost and financial aid options among higher education institutions, (5) information on student loan debt, and (6) information concerning return on investment by degree. Additionally, the bill authorizes school districts to adopt a policy encouraging its students to submit the FAFSA.

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 was approved in February 2016.

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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/>.