



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 110 of the 132nd G.A.

**Status:** As Introduced

**Sponsor:** Reps. Hagan and Dean

**Local Impact Statement Procedure Required:** Yes

**Subject:** Creates an apprenticeship subprogram of the College Credit Plus Program

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### State Fiscal Highlights

- The Department of Higher Education (DHE), the Department of Education (ODE), the Development Services Agency, and the Bureau of Workers' Compensation may incur minimal expenditures for the creation of a proposal to implement a College Credit Plus (CCP) subprogram for apprenticeships.
- DHE and ODE may incur minimal expenditures for the creation of the report on the effectiveness of the CCP apprenticeship subprogram.

### Local Fiscal Highlights

- The apprenticeship subprogram is to be funded by deductions from students' school districts, community schools, or STEM schools, resulting in lower revenues for these schools. The per pupil deduction amounts will be determined by a formula established in rules by the State Board of Education.

### Detailed Fiscal Analysis

The bill creates an apprenticeship subprogram under the existing College Credit Plus (CCP) Program. Under current law, the CCP program allows qualified Ohio high school students to take college courses at state expense for both college and high school credit. Beginning in the 2018-2019 school year, the bill's subprogram will permit students, age 16 or older and enrolled in a public or chartered nonpublic school, to participate in apprenticeships certified or registered by the U.S. Department of Labor and not offered by the student's secondary school.

The bill requires the Chancellor of Higher Education and the Superintendent of Public Instruction, in consultation with the Director of Development Services and the Administrator of Workers' Compensation, to develop a proposal to implement the apprenticeship subprogram by December 31, 2017 (which is past). The Department of Higher Education (DHE), the Department of Education (ODE), the Development Services Agency, and the Bureau of Workers' Compensation may incur minimal additional expenses for the creation of the proposal. DHE and ODE will also incur

minimal additional expenses to create a report on the effectiveness of the subprogram, to be submitted to the Governor and the General Assembly by July 1, 2020 and every five years thereafter.

The bill requires the State Board of Education to adopt rules to implement the apprenticeship subprogram by June 30, 2018. The State Board may incur expenses in the establishment of these rules. The rules must include, among other things, a funding formula to pay businesses for the costs associated with employing students under the apprenticeship subprogram. The funding structure of the subprogram will function similarly to CCP. The CCP program funds public school students through a deduction from the state aid allocated to the school district, community school, or STEM school that the student attends. Under current law, the deduction and transfer for CCP is calculated according to per credit hour amounts based on the formula amount as well as the location and method of instruction. In FY 2018, the per credit hour amounts range from \$42 (default floor) to \$166 (default ceiling). A high school and college may negotiate alternative payment amounts, but they cannot be less than the default floor amount, unless approved by the Chancellor, or exceed either the default ceiling amount or the college's standard rate, whichever is less. Students attending nonpublic schools are funded primarily through a set-aside of \$2.6 million in both FY 2018 and FY 2019 in GRF line item 200511, Auxiliary Services.

The apprenticeship subprogram will continue to fund public school students through a deduction. As a result of the deductions, school districts, community schools, and STEM schools that enroll apprenticeship participants will likely experience lower revenues. However, because the formula is determined in rules and not by the bill, it is unclear how much will be transferred from public schools to fund the program. Likewise, nonpublic school students will be funded from the GRF set-aside for the CCP program, but the amount per student will depend on the rules established by the State Board.