



OHIO LEGISLATIVE SERVICE COMMISSION

Edward M. Millane

Fiscal Note & Local Impact Statement

Bill: H.B. 750 of the 132nd G.A.

Status: As Introduced

Sponsor: Rep. Edwards

Local Impact Statement Procedure Required: No

Subject: Ohio College Opportunity Grant Program funding

Fiscal Highlights

- The bill appropriates an additional \$5.0 million from the GRF in FY 2019 to provide supplemental need-based financial aid for public higher education students through the Ohio College Opportunity Grant (OCOG) Program.
- The bill supports the additional OCOG funding through a cash transfer of the same amount from the OCOG Reserve Fund (Fund 5PU0) to the GRF.

Detailed Fiscal Analysis

The Ohio College Opportunity Grant (OCOG) Program serves as Ohio's primary need-based financial aid program for higher education students. Currently, H.B. 49 of the 132nd General Assembly, the main operating appropriations act for the FY 2018-FY 2019 biennium, appropriates \$100.9 million in FY 2019 for OCOG from GRF line item 235563, Ohio College Opportunity Grant. At least \$95.4 million (94.5%) is earmarked for financial aid to students attending public and private nonprofit institutions of higher education with the remainder designated for students attending private for-profit career colleges and schools.

The bill increases GRF line item 235563 by \$5.0 million (5.0%) in FY 2019 and allocates the additional funds for supplemental OCOG awards to students enrolled in public institutions of higher education. The supplemental awards are in addition to any OCOG support already received by these students in the 2018-2019 academic year. The bill requires the Director of Budget and Management to transfer \$5.0 million cash from the OCOG Reserve Fund (Fund 5PU0) to the GRF to support the supplemental awards. As of the end of November, Fund 5PU0 had a cash balance of approximately \$7.5 million.

Supplemental OCOG awards provided by the bill will be largely limited to income-eligible students enrolled at state university main campuses due to the manner in which OCOG awards are calculated. Generally, student eligibility for OCOG is based on the student's expected family contribution (EFC), as determined by the Free Application for Federal Student Aid (FAFSA). The program operates under a "Pell-first"

policy whereby the Chancellor determines the maximum per-student award amount for each institutional sector by subtracting the sum of the EFC and associated Pell grant from the average instructional and general fees charged by the institutional sector. This policy eliminates or significantly limits OCOG awards for those attending community colleges and university regional campuses, since a student's combined EFC and Pell grant is greater than the average tuition and fees charged by those institutions.¹

Most eligible students enrolled full-time at state university main campuses receive an annual OCOG award of \$1,500 for the 2018-2019 academic year under the current OCOG appropriation level.² Part-time students receive awards commensurate with their enrollment status. For example, students attending on a half-time basis receive 50% of the full-time amount (\$750) and so on.³ The bill does not specify how the supplemental awards will be determined for individual students.

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¹ The Chancellor is authorized to distribute OCOG awards on an annual basis, once Pell grants have been exhausted, for students attending an institution year round. Therefore, some students attending a community college or university regional campus year round may be eligible for some OCOG support.

² Students at Central State University receive substantially smaller OCOG awards due to lower tuition levels.

³ The complete OCOG award table, including awards for private, nonprofit and private, for-profit institutions of higher education for the 2018-2019 academic year, can be viewed on the Department of Higher Education's website at: <https://www.ohiohighered.org/ocog>.