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State Representative, 79th District

Representative Young, Ranking Member Miller and members of the House Higher Education Committee, thank you for the opportunity to provide sponsor testimony on House Bill 98 – to prohibit the practice of scholarship displacement in Ohio’s public universities.

Scholarship displacement can essentially be defined as the reduction of a student’s financial aid because of a private scholarship award. A simple example can be illustrated by a university student with a financial aid package of \$10,000 per year who receives a \$1,000 private scholarship. In turn, the university then reduces their merit scholarship award by that same \$1,000 dollars, effectively negating any financial gain for the student. We are seeing students lose hard-earned scholarship money through simple reductions in the financial aid packages they rely on to fund their education. It is time to stop this practice in Ohio and keep the gains of merit scholarships in the pockets of our students.

This idea was brought to me by the president of a local high school alumni association, who, like many others around the state, work tirelessly to financially support graduates of their alma mater as they move to the next chapter of their lives. This organization has increasingly seen scholarship awards displaced by universities. Year round, the alumni association solicits donations from community partners, businesses, and alumni to provide members of their community more comfortable opportunities to pursue higher education. They spend countless hours reviewing applications and determining worthy students for merit rewards related to academic excellence, achievements in sports and art, volunteer service and exceptional leadership. Unfortunately, many of these dollars are simply displaced as financial aid is proportionally decreased. What began as a direct award to hardworking students can end without any net benefit to these students or the donors.

I do want to thank Ohio’s public universities for engaging with me and my office around this issue. We have looked at scholarship practices, attempting to identify where and why this is happening. None of the universities have directly said they engage in this practice, and most have told me they don’t. Unfortunately, this doesn’t change the reality that this practice has had an effect on students in my district. There were thoughts that it could be due to how the scholarships are written, or because of conflicts with federal regulations on the coverage of

certain fees. Unfortunately we haven't been able to identify significant mechanisms that would justify the scholarship displacement that has been occurring.

We are currently facing a college affordability crisis, where rising tuition has built an increasing barrier to entry for many Ohioans. Those who decide to pursue higher education regularly face significant debt. Through this, private scholarships play a direct role financial stability by reducing the loans students take out. They are built on the generosity of donors motivated to support the next generation of students by rewarding hard work and outstanding achievements. Their donations shouldn't be facing resistance in achieving this mission.

HB 98 isn't looking to reinvent financial aid funding in higher education. It was carefully crafted based on legislation seen in other states which prohibit the practice and most closely follows what Pennsylvania enacted last year. If you look at the bill, you'll find less than two pages, with most of its meaning coming from just three lines which state that, "no state institution of higher education shall reduce a student's institutional financial aid because the student receives one or more private scholarships". It provides relevant flexibility with carve-outs for when awards exceed a student's cost of attendance or to comply with financial aid restrictions on intercollegiate athletes. We simply want to ensure that Ohio's college students are effectively receiving the assistance they have earned through private scholarships.

I thank you for your time and consideration and look forward to answering any questions you may have at this time.