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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 394
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Troy and Brennan

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SUMMARY

- Establishes the Student Choice Grant Program for students enrolled in private nonprofit institutions of higher education.

DETAILED ANALYSIS

Student Choice Grant Program

Administration

The bill establishes the Student Choice Grant Program to provide grants to students enrolled in nonprofit private institutions of higher education. The bill requires the Chancellor of Higher Education to administer the program and adopt rules for its administration. The Chancellor also must prescribe the form and manner of application for grants and the manner by which eligible institutions certify that each applicant is enrolled as a student in a full-time bachelor's degree program and has an academic record that meets standards established by the Chancellor.¹

Student eligibility

The bill permits the Chancellor to make a grant to any Ohio resident who:

1. Has been an Ohio resident for at least two years prior to applying for the grant;
2. Is enrolled as a full-time student in a bachelor's degree program at an eligible institution; and
3. Maintains an academic record that meets the standard established by the Chancellor.

¹ R.C. 3333.27(A), (B), and (E).

The bill prohibits the Chancellor from making a grant to anyone who was enrolled in an eligible institution on or before July 1, 2026, or to anyone who is serving time in prison. Students pursuing a degree in theology, religion or other field for a religious profession are also prohibited from receiving a grant, unless the course of study leads to an accredited Bachelor of Arts or Bachelor of Science degree.²

Grant payment and amount

The bill establishes that the grant awarded to an eligible student must be paid to the eligible institution in which the student is enrolled. The institution must then reduce the student's tuition and fees by the amount of the grant. No student is eligible to receive a grant for more than ten semesters, or the equivalent of five academic years.³

Under the bill, the grant amount is not to exceed the lesser of the institution's total tuition and fees, or an amount equal to $\frac{1}{4}$ of the total of any state instructional subsidy amount distributed by the Chancellor. Specifically, the Chancellor must use the state instructional subsidy amount distributed in the second fiscal year of the previous biennium for all full-time students enrolled in a bachelor's degree program at a state university divided by the total number of actual full-time students enrolled in full-time bachelor's degree programs at a state university reported to the Chancellor for that year.⁴

The bill states that the receipt of a grant under this program should not affect a student's eligibility for assistance granted under other state financial aid programs. However, the grant is not to exceed the difference between the institution's total tuition and fees and the amount of assistance received under the other state financial aid programs.⁵

Reporting

The bill requires each eligible institution that enrolls students receiving grants to report to the Chancellor the name of each student who has received a grant but who is no longer eligible for all or part of the grant. The institution is required to refund all money belonging to the state within 30 days of the following semester the student was no longer eligible to receive a grant. After the 30-day period, an interest charge of 1% per month will be charged on all money due. The Chancellor must notify the Office of Budget and Management and the Legislative Service Commission of all refunds received.⁶

² R.C. 3333.27(C) and (J).

³ R.C. 3333.27(F) and (G).

⁴ R.C. 3333.27(D).

⁵ R.C. 3333.27(H).

⁶ R.C. 3333.27(K).

Funding

Under the bill, the General Assembly must support the grant program by the sums it can provide. However, the bill also permits the Chancellor to receive funds from other sources to support the program.⁷

Appropriation

The bill also includes an appropriation of \$95 million to fund the program for fiscal year 2027.

Background

The Student Choice Grant Program was originally enacted in 1983 in H.B. 291 of the 115th General Assembly, and was repealed in H.B. 1 of the 128th General Assembly.

HISTORY

Action	Date
Introduced	07-21-25

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⁷ R.C. 3333.27(I).