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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research and Drafting

Legislative Budget Office

S.B. 69
133rd General Assembly

Fiscal Note & Local Impact Statement

Click here for S.B. 69's Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. Williams

Local Impact Statement Procedure Required: No

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Highlights

- Individual Ohio College Opportunity Grant (OCOG) awards may decrease for those students currently eligible to receive them if there are a number of newly eligible students under the bill and the appropriation is not increased.
- The Department of Higher Education's (DHE) administrative expenses may increase under the bill, especially if they are to determine if a program should be offered for credit or not.

Detailed Analysis

Expanding OCOG eligibility

Background

The Ohio College Opportunity Grant (OCOG) has served as Ohio’s sole need-based financial aid program for public school students since FY 2010. In general, to be eligible for an OCOG award, a student must be an Ohio resident in an associate's degree, first bachelor's degree, or nurse diploma program at an eligible public, private nonprofit, or private for-profit institution of higher education. A student must also have an expected family contribution (EFC)[1] of 2190 or less and a maximum household income of $96,000. In FY 2019, OCOG generally provides eligible full-time students enrolled at public institutions an annual award up to $1,500; students enrolled at private, nonprofit institutions an annual award up to $3,000; and, students enrolled at private, for-profit institutions an annual award up to $1,112.

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[1] The EFC is a number calculated based on information provided in a student's Free Application for Federal Student Aid (FAFSA). A student's financial need to attend a specific school is determined by subtracting the EFC from a school's cost of attendance.

To determine maximum per student OCOG amounts for each fiscal year, the Chancellor of Higher Education, generally, subtracts the maximum federal Pell grant and EFC combination from the average instructional and general fees charged by the student's respective institutional sector. In other words, OCOG is limited to instructional and general fees that exceed the Pell grant. This policy, referred to as "Pell-first," typically eliminates the possibility for OCOG awards for those attending low-cost institutions, including community colleges and university regional campuses (two-year colleges).[2]

The bill

The bill expands OCOG eligibility to include students enrolled in certain noncredit community college and state community college programs. Generally, unless the appropriation for OCOG is increased, adding students for OCOG eligibility will decrease the awards of those already eligible or receiving OCOG since the individual award amounts are projected by dividing the total available OCOG appropriation by the number of students eligible for an award. Any effect on the award amounts will depend on the number of students that would be newly eligible under the bill. Although DHE does not currently collect data on the number of students enrolled in noncredit programs, there were an estimated 550 such programs operating at community colleges according to a DHE survey completed in calendar year 2017.

As mentioned above, on a per student basis, students enrolled in degree programs at two-year colleges, generally, do not receive OCOG as a result of the program's "Pell-first" policy. According to a DHE spokesperson, students enrolled in noncredit courses generally do not receive Pell. Presumably, those same students may be able to receive an OCOG award under the bill up to the tuition charged for the program or the maximum OCOG amount established by the Chancellor for students enrolled at a public institution, whichever amount is lower, in that academic year.

Chancellor's duties under the bill

The bill requires the Chancellor to establish policies and procedures for awarding credit for career or technical certification programs offered by community colleges and state community colleges and for applying that credit toward an associate degree in a related field. These additional duties are likely to increase DHE's administrative expenses, the extent of which is uncertain. According to a DHE spokesperson, community colleges decide now whether a program is offered for credit or noncredit. If the bill requires DHE to ultimately determine whether these programs should be offered for credit or noncredit, then the additional administrative burden would be greater as it would require an extensive process among DHE, institutions, and faculty to decide which programs will receive credit and which will remain noncredit programs.

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[2] H.B. 64 of the 131st General Assembly authorized the Chancellor to distribute OCOG on an annual basis, once Pell grants were exhausted, for students attending an institution year-round. This policy effectively provided OCOG to such students. However, according to DHE, the federal Pell-grant program extended its benefits to a year-round schedule beginning in FY 2018. As a result of this policy change, the number of two-year college students receiving OCOG once again declined.