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H.B. 569
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 569's Bill Analysis](#)

Version: As Passed by the House

Primary Sponsors: Reps. Holmes and White

Local Impact Statement Procedure Required: No

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Highlights

- A state institution that chooses to operate an Ohio Hidden Hero Scholarship Program will incur costs in doing so, most notably from (1) foregone revenue as a result of waiving instructional and general fees (tuition) for participating students and (2) providing a stipend to eligible students to purchase textbooks.
- These costs may be limited by the amount of financial aid a participating student receives from other sources and any additional revenue received by the institution from state share of instruction (SSI) formula payments.
- The Department of Higher Education's administrative costs may increase to establish guidelines and procedures for the programs and to establish a website listing the institutions that operate them.

Detailed Analysis

Participating institutions of higher education

The bill

The bill permits each institution of higher education to establish an Ohio Hidden Hero Scholarship Program that provides a series of financial and other benefits to an eligible individual who is enrolled as a family caregiver under the federal Program of Comprehensive Assistance for Family Caregivers (PCAFC) and who provides care to a veteran who has a 100% service-connected disability. Under the bill, an institution may approve one or more applications in each academic year for which it receives applications. If the institution approves an application, it must do the following for each approved applicant:

- Waive any tuition and fees remaining for an academic year after all other financial aid the participant has received has been applied to the participant's account, as determined by the institution;
- Provide the participant with a stipend, in an amount determined by the institution, to purchase textbooks each academic year;
- Provide assistance to the participant to ensure the participant's college credits earned at the institution may be transferred to another institution of higher education; and
- Provide the participant with the opportunity to earn any college credits for which the participant qualifies based on the participant's caregiver experiences, as determined by the institution.

According to the U.S. Department of Veterans Affairs (VA), the federal PCAFC provides a financial stipend and other benefits to family caregivers of eligible veterans seriously injured in the line of duty. Currently, an "eligible veteran" is a veteran that (1) sustained or aggravated a serious injury or illness in the line of duty on or before May 7, 1975, or on or after September 11, 2001, (2) has a single or combined service-connected disability rating by the VA of 70% or more, and (3) is in need of personal care services for a minimum of six continuous months due to the inability to perform certain activities of daily living or the need for supervision or protection on a daily basis. The VA reports that, due to a change in federal law, veteran eligibility for the program is slated to expand to veterans of all service eras in October 2022.

Fiscal effects

Sponsor testimony on the bill indicates that over 900 individuals in Ohio are enrolled as a family caregiver with the VA and that about 40% of caregivers have some previous college experience. The number of enrolled family caregivers is likely to increase in the coming years given the expanded eligibility for the program under federal law. Nevertheless, the bill's fiscal effects will depend on the number of state institutions that opt to participate, the number of participants they choose to support each year and other implementation decisions, the amount of college coursework a participating student has already completed, and the other sources of financial aid for which a participating student may qualify. Additional details related to state institutions of higher education are provided below.

A state institution that chooses to operate an Ohio Hidden Hero Scholarship Program will forego revenue from waiving any instructional and general fees (tuition) remaining after all other financial aid is applied to a student's tuition bill. As a point of reference, in FY 2022, the average in-state undergraduate tuition and general fees at university main campuses is \$10,217, while the averages for university regional branches and community colleges are \$6,172 and \$5,085, respectively.

In addition, expenditures may increase for participating state institutions to provide stipends to participating students to purchase textbooks. According to College Board, the average cost for course materials, which includes hardcopy textbooks, online textbooks, and textbook

rentals, is estimated at \$460 per student in FY 2022.¹ Ultimately, total expenditures for textbook stipends will be determined by the number of participants and the amount provided by the institution to each participant.

However, a state institution's revenue losses or increased expenditures will be limited by any financial aid the participant receives through various programs, including the federal Pell Program and the state's main need-based aid program, the Ohio College Opportunity Grant Program (OCOG). In FY 2022, the maximum Pell award is \$6,495, while OCOG generally provides eligible full-time students enrolled at a public university main campus an annual award of \$2,200. Other financial aid received by a participating student, such as grants and scholarships, may further limit revenue losses.

If a participating state institution enrolls a new student under its program, it may receive additional revenue from state share of instruction (SSI) formula payments, which is the state's primary funding source to support the instructional costs of the state's 61 public universities and community and technical colleges. Since the General Assembly determines the overall amount appropriated for SSI payments each year, any increase in the number of students enrolling in a state institution under the bill will not necessarily increase the state's cost for SSI formula payments even if enrollment were to increase. However, the institutions in which participating students enroll may gain some additional SSI funding depending on whether the institutions attain a greater share of the statewide amounts computed for each formula component. Likewise, the institutions whose share of the formula components decreases may receive less SSI funding. In FY 2021, the average SSI distribution per student was \$7,172 for the state's public four-year universities and regional campuses and \$5,332 for community and technical colleges.

Department of Higher Education

The bill may increase administrative costs for the Department of Higher Education to fulfill its responsibilities with respect to Ohio Hidden Hero Scholarship programs. Specifically, the bill requires the Chancellor of Higher Education to establish guidelines and procedures for the programs, including an application form and deadline. The Chancellor must also establish a website, within 90 days of the bill's effective date, that lists each institution that has created such a program.

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¹ See page 11 of the College Board [Trends in College Pricing and Student Aid 2021 \(PDF\)](#), which may be accessed by conducting a keyword "Trends in College Pricing 2021" search on the College Board's website: collegeboard.org.