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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 462
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 462's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Troy and Brennan

Local Impact Statement Procedure Required: No

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Highlights

- The bill appropriates \$95.0 million in FY 2025 from the GRF for the Ohio Department of Higher Education (ODHE) to re-establish and administer the Student Choice Grant Program to provide grants to certain full-time undergraduate Ohio students who enroll at a private, nonprofit university or college after July 1, 2024.

Detailed Analysis

Overview

The bill requires the Ohio Department of Higher Education (ODHE) to re-establish¹ and administer the Student Choice Grant Program, which provides uniform grants to certain eligible full-time undergraduate students from Ohio who enroll at a private, nonprofit university or college (private universities). Under the program, an eligible student who enrolls at a private university after July 1, 2024, qualifies for a grant in an amount not to exceed the lesser of (1) the private university's total tuition and fees or (2) an amount equaling 25% of the average per-pupil state subsidy (i.e., State Share of Instruction (SSI)²) at public universities and their regional campuses (public universities) in the second fiscal year of the previous biennium. The bill further specifies that recipients will have neither their eligibility nor their funding for other state financial aid programs affected by receiving a grant under this program. However, a student's grant is prohibited from exceeding the difference between the private university's total tuition and fees and the amount a student receives from those other state financial aid programs. Eligible

¹ The Student Choice Grant Program was previously active from FY 1985 to FY 2009.

² SSI serves as the state's primary financial support for public higher education in Ohio.

students may receive the grants for up to ten semesters, 15 quarters, or the equivalent of five academic years.

The bill also requires that each private university that enrolls students receiving grants under the program to report the name of each student who has received a grant but who is no longer eligible for all or part of the grant. For students no longer eligible for a grant, each private university must refund all money belonging to the state within 30 days after the beginning of the following semester, after which time the private university will accrue interest of 1% per month on the amount owed. The Chancellor of Higher Education must notify the Office of Budget and Management (OBM) and LSC of all refunds received.

Fiscal effects

The bill appropriates \$95.0 million in FY 2025 from GRF line item 235531, Student Choice Grants, to support the program. Grant amounts in each fiscal year will likely be determined using the second approach mentioned above (25% of the average SSI for public universities in the second fiscal year of the previous biennium) as the average tuition and fees charged by private universities in Ohio was more than \$36,000 in FY 2022, the most recent year for which the National Center for Education Statistics (NCES) has reported this data.³ Utilizing the second approach, the average per-pupil SSI subsidy received by public universities in FY 2023 was \$7,635, which would result in a maximum grant of \$1,909 ($\$7,635 \times 25\%$) per student if the program is re-established and operating in FY 2025. At the \$1,909 grant amount, the bill's \$95.0 million appropriation in FY 2025 could support approximately 50,000 ($\$95.0 \text{ million} / \$1,909 \text{ maximum grant amount}$) eligible students in that fiscal year. Ultimately, award amounts in each fiscal year will depend upon the appropriation supporting the program in a fiscal year and the number of eligible applicants to the program. In the last five years of the program's operation (FY 2005 to FY 2009), approximately 58,000 students received grants each fiscal year.

³ See [Table 330.20 of the Digest of Education Statistics](#), which is available on NCES's website: nces.ed.gov.