

Student Financial Aid

If the State of Ohio seeks to increase high-wage employment and long-term economic growth, the first legislative priority must be to increase the number of college graduates. The most successful means of increasing the percentage of people attending and then graduating from college is to make need-based aid the first funding priority. Numerous studies have shown that the more need-based aid funding a student receives from the state, the greater that person's likelihood of graduating.

Ohio's only need-based aid program is the Ohio College Opportunity Grant (OCOG), which receives less money than need-based aid programs did twenty years ago. While other need-based programs such as Medicaid and food stamps have been increased by billions of dollars, Ohio has neglected the sole program that will grow its economy and shape its future by increasing the number college graduates.

AICUO supports returning OCOG to its original design, including increasing funding to reach the originally intended amount of \$250 million per year and specifying grant award amounts in statute. In the current funding environment, we also believe that Ohio should maintain the "Pell Grant first" funding formula to ensure that taxpayer dollars are being used the most effectively by paying for the direct cost of attending college: tuition, books, and fees.

The Ohio College Opportunity Grant

The Ohio College Opportunity Grant (OCOG) program is Ohio's one program to offer financial aid to its residents with financial need attending in-state colleges and universities, created under ORC 3333.122.

Eligibility: To be eligible for an award, a student must:

- Attend at least $\frac{1}{4}$ time at an Ohio public university, an Ohio independent college or university, or a for-profit college that has authorization from the chancellor of the Ohio Board of Regents (ORC 1713.) to offer at least an associate degree; or attend such an institution with a nursing diploma program, and be enrolled in that program.
- Have an estimated family contribution (EFC), calculated by the U.S. Department of Education, of \$2,190 or less.
- Have a family income of \$75,000 or less, verified by data submitted in the Free Application for Federal Student Aid (FAFSA).

- Have a “state cost of attendance” – the average sector cost of tuition, fees, and books – that exceeds her or his federal Pell grant plus EFC (the “Pell first” rule that makes students at community colleges ineligible for this program at the current Pell grant level).

Awards to students vary according to the sector they attend and their course loads, but otherwise award amounts are identical within those categories. Funds received must be applied to state cost of attendance only.

Current Award Levels: In FY2014 and 2015, appropriated funds are \$41 million for students at public institutions, \$41 million for students at independent nonprofits colleges and universities, and \$8.2 million for students at for-profit colleges. (H.B. 59). For academic year 2014-15, maximum grants will be

- \$ 1,048 at public four-year institutions
- \$ 2,568 at independent nonprofit institutions (except for six low-tuition schools where the “Pell first” rule reduces the award)
- \$ 744 at for-profit institutions

Part time students receive pro-rated awards, depending on their course load, at $\frac{3}{4}$, $\frac{1}{2}$ or $\frac{1}{4}$ of the full-time award. Funding levels based on appropriated funds, and estimated utilization (number of full- or part-time students eligible, by sector).

History of the Program: OCOG was designed in 2005 to replace two state need-based student aid programs, the Ohio Instructional Grant (OIG) and the Part-time Student Instructional Grant, whose methods of calculating eligibility and funds had become obsolete, as they had started before federal needs analysis was developed. (OIG started in 1969.)

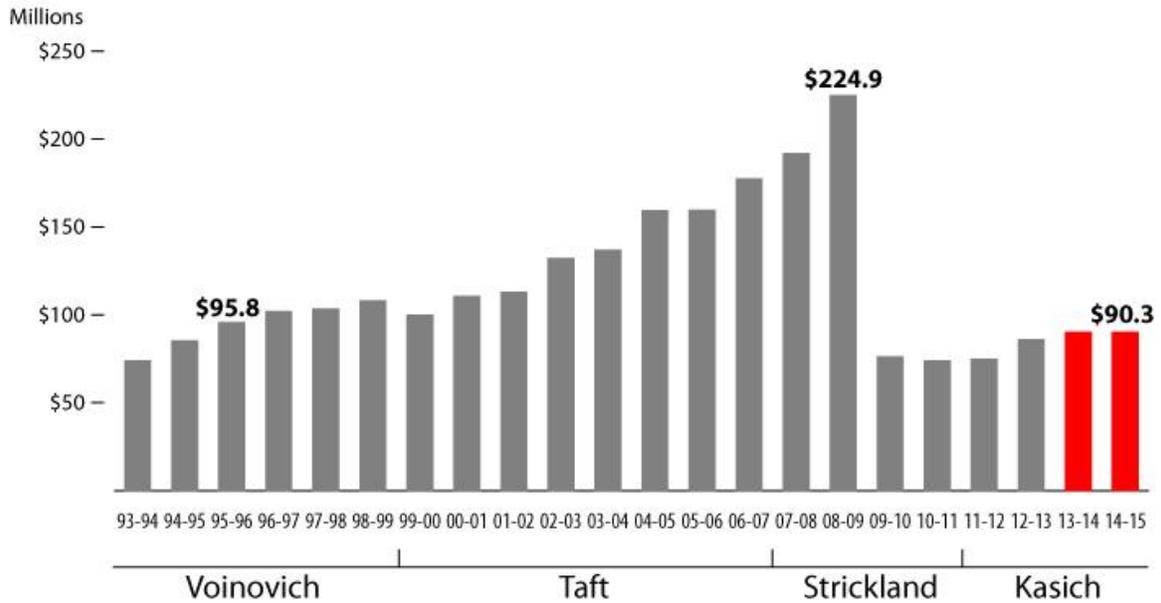
A task force of campus representatives, including financial aid directors, advised the Board of Regents in the development. Regents’ staff arbitrarily chose the EFC cap of \$2,190; it had been the maximum award to students at public campuses in the OIG program, and did not bear any relationship to actual distribution of needy students.

When implemented in FY07 after enactment as part of the FY06-07 biennial budget, OCOG offered awards ranging from \$500 to \$2,496 at public campuses, \$1,000 to \$4,992 at independent campuses, and \$800 to \$3,996 at for-profit campuses. All grants, as with the previous programs, were capped at and limited to paying for a student’s tuition and fees only. These award levels were established in statute, allowing campuses to send admission and award letters to students in a timely manner.

Policy decisions by Strickland administration resulted in, for the FY10-11 biennial budget, elimination of several other aid programs, and development of the “Pell first”

rule to limit funding for OCOG. The award levels are no longer established in law, adding uncertainty about award levels to the annual notification of eligible students.

Need-Based Financial Aid From State of Ohio By Gubernatorial Administration, AY 1993-94 to 2014-15



Source: Ohio General Assembly