



# Ohio Legislative Service Commission

Mary Turocy

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## Fiscal Note & Local Impact Statement

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**Bill:** [Sub. H.B. 280 of the 129th G.A.](#)

**Date:** March 29, 2012

**Status:** As Passed by the House

**Sponsor:** Rep. Dovilla and Wachtmann

**Local Impact Statement Procedure Required:** No

**Contents:** Authorizes administrators of the Ohio National Guard Scholarship Program and the Ohio War Orphans Scholarship Program to receive funds from public and private sources and expands War Orphans Scholarship eligibility

### State Fiscal Highlights

- Possible increase in revenues to the National Guard Scholarship Reserve Fund from public and private grants and other contributions.
- Possible increase in revenues to the Ohio War Orphans Scholarship Program Fund, created in the bill.
- Possible decrease in Ohio War Orphans Scholarship award amounts if the number of recipients increases from expanded scholarship eligibility.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## **Detailed Fiscal Analysis**

### **Donations and contributions to scholarship programs**

The bill allows the administrators of the Ohio National Guard Scholarship Program and the Ohio War Orphans Scholarship Program to apply for and receive funds, including grants, gifts, bequests, and contributions, from public and private sources. The bill, therefore, may result in increased revenues for these programs. Any funds received for the National Guard Scholarship Program must be deposited to the National Guard Scholarship Reserve Fund, which already exists. Any funds received for the War Orphans Scholarship Program must be deposited to the Ohio War Orphan Scholarship Fund, which is created by the bill. This new fund is to be used to operate the War Orphans Scholarship Program and provide War Orphans Scholarships. The bill specifies that investment earnings from the cash in the new fund must be deposited to the fund.

The Board of Regents (BOR) currently administers the Ohio National Guard Scholarship Program, whereas the Ohio War Orphans Scholarship Board administers the Ohio War Orphans Scholarship Program. BOR and the Scholarship Board may incur minimal expenses if they choose to solicit and accept grants or donations. However, the additional revenues from grants, gifts, and other contributions presumably will more than offset any additional expenses.

### **Expansion of War Orphans Scholarship Eligibility**

The bill also expands War Orphans Scholarship eligibility to include the children of any deceased or severely wounded service members that participated in an operation for which the Armed Forces Expeditionary Medal is awarded. The Armed Forces Expeditionary Medal is used to recognize more than 20 military operations between 1956 and 2003. Since major operations are already included in the War Orphans Scholarship Program under current law, there will likely not be a significant increase in scholarship applications due to this provision. The total cost to the state of the War Orphans Scholarship Program is limited by the appropriation made for the program. If appropriation levels are not sufficient to provide scholarships for all eligible students, awards may be proportionally reduced. As a result, if the number of scholarship recipients does increase from the expanded eligibility, state expenditures would not increase but award amounts may decrease.

War Orphans Scholarships may be used at both state-assisted and private institutions of higher education in Ohio. Since FY 2010, awards for students of state-assisted two-year and four-year institutions have been equal to 80% of the instructional and general fees. In FY 2011, scholarships for students of private institutions were \$4,650 and the average scholarship amount for all scholarship recipients combined was \$5,217. War Orphans Scholarship recipients must be Ohio residents under the age of 25,

full-time undergraduates, and maintaining a 2.0 grade point average (GPA). In FY 2011, 797 awards were provided at the 80% award level.

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