



# Members Brief

An informational brief prepared by the LSC staff for members and staff of the Ohio General Assembly

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## Ohio College Opportunity Grant: Q&A

The Ohio College Opportunity Grant (OCOG) Program is the state’s sole need-based financial aid program for higher education students. State law qualifies Ohio residents pursuing undergraduate or nursing degrees in Ohio for OCOG awards if they have an expected family contribution (EFC) of \$2,190 or less and have a maximum household income of \$96,000. OCOG award amounts generally are determined based on the type of institution of higher education in which a student enrolls. However, most students enrolled at community colleges and university branch campuses do not receive OCOG awards due to the state’s “Pell-first” policy. OCOG is supported by appropriations from the General Revenue Fund, and, if necessary, the OCOG Reserve Fund (Fund 5PU0).

### Contents

What is the Ohio College Opportunity Grant Program?.....	1
Who is eligible for OCOG? .....	1
How are OCOG award amounts determined?.....	2
How does the “Pell-first” policy affect OCOG awards? .....	3
How is OCOG funded? .....	4
What is the OCOG Reserve Fund? .....	5

### What is the Ohio College Opportunity Grant Program?

The Ohio College Opportunity Grant (OCOG) Program provides need-based financial aid for higher education students based on their expected family contribution (EFC). EFC is calculated using the information that students provide when they fill out their Free Application for Federal Student Aid (FAFSA) form, and, generally, is the same method that the federal government uses to determine federal need-based Pell grants. OCOG was established in FY 2007 and completed its phase-in as the state’s sole need-based financial aid program in FY 2010, replacing the Ohio Instructional Grants (OIG) Program.

### Who is eligible for OCOG?

Ohio residents qualify for OCOG awards if they have an EFC of \$2,190 or less and have a maximum household income of \$96,000. They also must be enrolled in an undergraduate or

nursing diploma program at a state institution of higher education,<sup>1</sup> a private, nonprofit college or university, or a private, for-profit career college and must be making appropriate academic progress toward that degree. Also, an Ohio resident with intellectual disabilities who meets the financial need requirements can qualify for an OCOG award by enrolling in a comprehensive transition and postsecondary program certified by the U.S. Department of Education.<sup>2</sup>

According to the Department of Higher Education (DHE), nearly 56,500 students received an OCOG grant in FY 2020.<sup>3</sup>

## How are OCOG award amounts determined?

State statutory law requires the Chancellor of Higher Education to determine the maximum per student OCOG award amount for each institutional sector by subtracting the sum of the maximum Pell grant award and maximum EFC amounts from the average tuition and fees charged by that sector.<sup>4</sup> According to the Chancellor's website, the current combined Pell/EFC amount used to calculate OCOG in FY 2021 is \$6,195. In practice, the Chancellor groups Ohio's institutions of higher education into five main institutional sectors: (1) community colleges, (2) state university regional campuses, (3) state university main campuses, (4) private, nonprofits, and (5) private, for-profits.<sup>5</sup>

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OCOG maximum award = "total state cost of attendance" minus (EFC + federal Pell grant award)

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Customarily, though, the General Assembly has modified the maximum OCOG award amounts for a biennium through the main operating budget act. For example, H.B. 166 of the 133<sup>rd</sup> General Assembly set specific maximum awards of \$2,000 in FY 2020 and \$2,500 in FY 2021 for students enrolled in state institutions, and \$3,500 in FY 2020 and \$4,000 in FY 2021 for students of private, nonprofit colleges and universities.<sup>6</sup> However, due to executive-ordered budget reductions related to the COVID-19 pandemic, maximum awards for FY 2021 were reduced to the FY 2020 levels. H.B. 49 of the 132<sup>nd</sup> General Assembly specified that in FY 2018 and FY 2019, students enrolled in private, nonprofit colleges and universities must receive maximum award amounts that were twice as much as those for students enrolled in state institutions.<sup>7</sup>

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<sup>1</sup> A "state institution of higher education" is any of the 13 state universities, the Northeast Ohio Medical University, a community college, a state community college, a technical college, or a university branch campus.

<sup>2</sup> R.C. 3333.122(B). See also Ohio Administrative Code (O.A.C.) 3333-1-09.1(C).

<sup>3</sup> DHE's Summary of Program Expenditures by Institution for Fiscal Year 2020, p. 7 <https://www.ohiohighered.org/sgs/expenditures>.

<sup>4</sup> R.C. 3333.122(D)(2).

<sup>5</sup> DHE, "Ohio College Opportunity Grant (OCOG)," <https://www.ohiohighered.org/ocog>.

<sup>6</sup> Section 381.360(B)(2) of H.B. 166 of the 133<sup>rd</sup> General Assembly.

<sup>7</sup> Section 381.360(B)(2) of H.B. 49 of the 133<sup>rd</sup> General Assembly.

Once maximum OCOG award amounts are determined, the Chancellor distributes funds to the eligible institutions where students are enrolled, and those institutions provide a credit to the student in the awarded amount. The Chancellor must publish maximum OCOG award amounts on DHE's website each fiscal year in an OCOG award table.<sup>8</sup> Maximum awards in FY 2020 and FY 2021 were: \$3,500 for students enrolled full time at a private, nonprofit institution, followed by \$2,000 and \$1,300 awards for students enrolled full time at public and private, for-profit institutions, respectively.

However, students enrolled in certain institutions receive smaller awards than students enrolled in other institutions in the same institutional sector. With regard to state universities, the Chancellor treats Central State University and Shawnee State University as distinct from other main campuses. The Chancellor's website indicates that students at these institutions receive an adjusted OCOG award amount because their tuition levels and costs are lower than at other main university campuses.<sup>9</sup>

### **How does the “Pell-first” policy affect OCOG awards?**

Generally, an OCOG award may not exceed a student's “state cost of attendance.” Under rules adopted by the Chancellor, the “state cost of attendance” is the average cost to a student when attending an institution of higher education in Ohio. The Chancellor may calculate the “state cost of attendance” using the average tuition and fees for all institutions or for each institutional sector. The Chancellor may include in the calculation the average cost to a student for books, transportation, housing costs, or living expenses. But the Chancellor's rules require that an OCOG award apply only to tuition and fees, unless the “state cost of attendance” in any given academic year includes additional items.<sup>10</sup>

In addition to that requirement, the Chancellor's rules expressly require the institution in which a student enrolls to first apply the student's federal Pell grant and EFC to the student's tuition and fees prior to applying an OCOG award.<sup>11</sup> As a result, students in community and technical colleges, and many branch campuses, do not receive OCOG awards, because their “state cost of attendance” is covered in full by their Pell grants and EFC. For example, the average tuitions charged by community and technical colleges and regional campuses in FY 2021 are \$5,011 and \$6,120, respectively.<sup>12</sup> Generally, the current combined Pell/EFC amount exceeds these averages.

Nevertheless, there are exceptions to the “state cost of attendance” prohibition. For example, an OCOG award may exceed the “state cost of attendance” to cover housing costs for a student who is enrolled in a two-year institution of higher education and eligible for an Education and Training Voucher under the federal John H. Chafee Foster Care Independence

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<sup>8</sup> R.C. 3333.122(C)(2) and (D)(2).

<sup>9</sup> DHE, “Ohio College Opportunity Grant (OCOG),” <https://www.ohiohighered.org/ocog>.

<sup>10</sup> R.C. 3333.122(D)(1) and O.A.C. 3333-1-09.1(B)(4) and (E)(2).

<sup>11</sup> O.A.C. 3333-1-09.1(H)(2)(b).

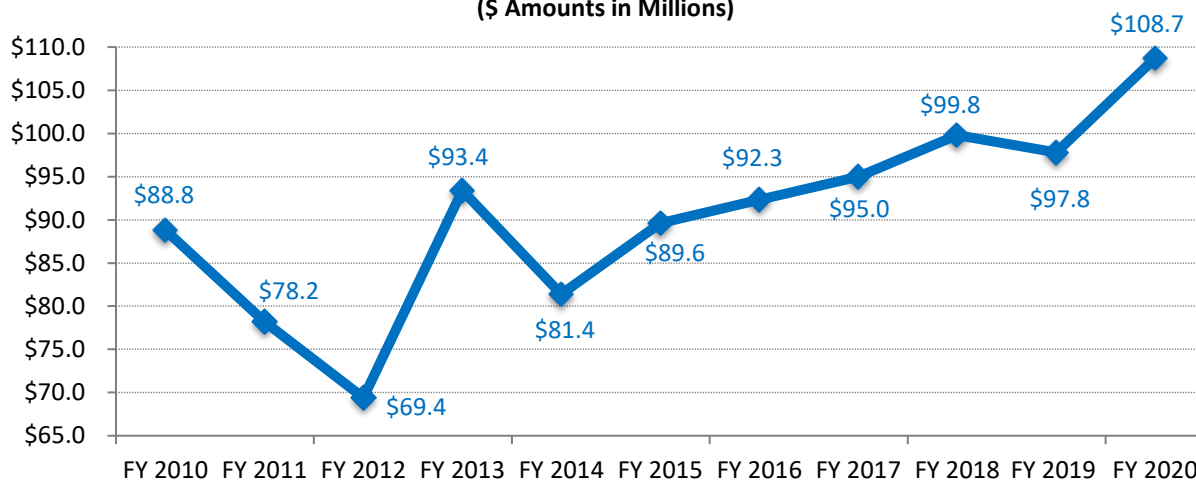
<sup>12</sup> Tuition and Fees – Fall 2020 <https://www.ohiohighered.org/data-reports/tuition-financial-aid>.

Program.<sup>13</sup> As another example, in addition to the “state cost of attendance,” a student may apply an OCOG award to housing costs and living expenses if the student is receiving federal veterans’ education benefits under the Montgomery G.I. Bill or the Post 9/11 G.I. Bill.<sup>14</sup>

## How is OCOG funded?

Chart 1 shows annual expenditures for OCOG since FY 2010, the year OCOG became the state’s sole financial assistance program. With the exception of a 2.0% decrease in expenditures between FY 2018 and FY 2019, OCOG expenditures have increased steadily each year since FY 2014, including an 11.1% increase between FY 2019 and FY 2020. Spending for the program was \$108.7 million in FY 2020, 22.4% higher than spending of \$88.8 million in FY 2010. OCOG awards are supported through GRF line item 235563, Ohio College Opportunity Grant, under DHE’s budget. In FY 2012 and FY 2013, additional funding was provided from casino licensing revenue for OCOG grants for students enrolled at private, for-profit institutions through Fund 5JC0 line item 235667, OCOG-Proprietary. FY 2012 was the first year OCOG grants were awarded to students enrolled in these institutions.

**Chart 1: OCOG Annual Expenditures – FY 2010-FY 2020**  
(\$ Amounts in Millions)

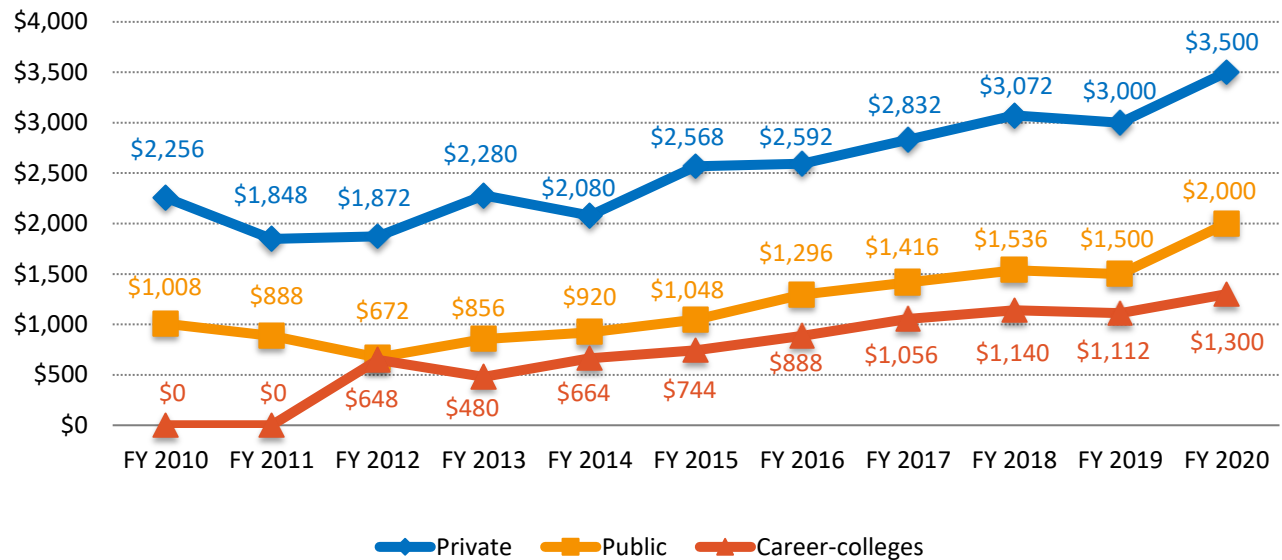


The general trend of annual expenditure increases for OCOG from FY 2014 through FY 2020 corresponded with similar trends in maximum awards over the same period of time. These trends can be seen in Chart 2, which shows the maximum awards for each sector from FY 2010 to FY 2020. As can be seen from the chart, after falling slightly in FY 2019, the maximum awards for public, private, nonprofit, and private, for-profit institutions, reached their highest amounts in FY 2020 of \$2,000, \$3,500, and \$1,300, respectively. Maximum OCOG awards for all sector types remained at the FY 2020 award levels in FY 2021 due to executive-ordered budget reductions related to the COVID-19 pandemic.

<sup>13</sup> R.C. 3333.122(D)(4). See also 42 United States Code (U.S.C.) 677.

<sup>14</sup> R.C. 3333.122(D)(5). See also 38 U.S.C. 3001 *et seq.* and 38 U.S.C. 3301 *et seq.*

Chart 2: OCOG Maximum Awards by Sector Type – FY 2010-FY 2020



## What is the OCOG Reserve Fund?

In 2013, H.B. 59 of the 130<sup>th</sup> General Assembly created the Ohio College Opportunity Grant Program Reserve Fund (Fund 5PU0) to be used, if needed, to supplement GRF appropriations for the program. The revenue in Fund 5PU0 is from cash transfers from the GRF that are limited to the amount of GRF appropriations for OCOG that were not spent or encumbered by the end of each fiscal year.<sup>15</sup> As of the end of March 2021, Fund 5PU0 had a balance of approximately \$15.9 million.

<sup>15</sup> R.C. 3333.124.