

As Reported by the House Higher Education Committee

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Sub. H. B. No. 242

Representatives Miller, A., Stein

**Cosponsors: Representatives Blackshear, Brennan, Brown, Forhan, Fowler
Arthur, Gross, Lampton, Rogers, Russo, Seitz, Thomas, C., Weinstein, Young, T.,
Miller, J., Pizzulli**

A BILL

To enact sections 3333.46, 3333.461, and 3333.462 1
of the Revised Code to establish the Armed 2
Forces Reserve Component Scholarship Program and 3
related funds beginning on July 1, 2025. 4

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 3333.46, 3333.461, and 3333.462 5
of the Revised Code be enacted to read as follows: 6

Sec. 3333.46. (A) As used in this section: 7

(1) "Academic term," "private institution of higher 8
education," "state institution of higher education," and 9
"tuition" have the same meanings as in section 5919.34 of the 10
Revised Code. 11

(2) "Eligible applicant" means any individual to whom all 12
of the following apply: 13

(a) The individual does not possess a baccalaureate 14
degree. 15

(b) The individual is a member of a reserve component of the United States army, navy, marine corps, air force, coast guard, or space force in this state or is an individual to which division (F) of this section applies. 16
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(c) The individual is actively enrolled as a full-time student, for at least twelve credit hours of course work per semester or eight credit hours of course work per quarter, in a two-year or four-year degree-granting program at a state institution of higher education or a private institution of higher education, in a diploma-granting program at a state or private institution of higher education that is a school of nursing, or in a credential-certifying program, licensing program, trade certification program, or apprenticeship program for an in-demand occupation as identified by the chancellor of higher education, in consultation with the governor's office of workforce transformation. 20
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(d) The individual has not accumulated forty-eight eligibility units under division (E) of this section. 32
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(e) The individual has not received financial assistance from the scholarship program described in section 5919.34 of the Revised Code. 34
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(B) The armed forces reserve component scholarship program is created. 37
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(C) (1) The chancellor shall approve scholarships for all eligible applicants. The chancellor shall process all applications for scholarships for each academic term in the order in which they are received. The scholarships shall be made without regard to financial need. At no time shall one person be placed in priority over another because of sex, race, or 39
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religion. 45

(2) The chancellor shall develop and provide a written 46
explanation that informs all eligible scholarship recipients 47
that the recipient may become ineligible and liable for 48
repayment for an amount of scholarship payments received in 49
accordance with division (G) of this section. The written 50
explanation shall be reviewed by the scholarship recipient 51
before acceptance of the scholarship and before acceptance of an 52
enlistment, warrant, commission, or appointment for a term not 53
less than the recipient's remaining term in a reserve component 54
of the armed forces. 55

(D) (1) Except as provided in divisions (I) and (J) of this 56
section, for each academic term that an eligible applicant is 57
approved for a scholarship under this section and remains a 58
current member in good standing of a reserve component of the 59
armed forces or is eligible for a scholarship under division (F) 60
(1) of this section, the institution of higher education in 61
which the applicant is enrolled shall, if the applicant's 62
enlistment obligation extends beyond the end of that academic 63
term or if division (F) (1) of this section applies, be paid on 64
the applicant's behalf one of the following applicable amounts: 65

(a) If the institution is a state institution of higher 66
education, an amount equal to one hundred per cent of the 67
institution's tuition charges; 68

(b) If the institution is a nonprofit private institution 69
or a private institution exempt from regulation under Chapter 70
3332. of the Revised Code as prescribed in section 3333.046 of 71
the Revised Code, an amount equal to one hundred per cent of the 72
average tuition charges of all state universities; 73

(c) If the institution is an institution that holds a certificate of registration from the state board of career colleges and schools, the lesser of the following: 74
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(i) An amount equal to one hundred per cent of the institution's tuition; 77
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(ii) An amount equal to one hundred per cent of the average tuition charges of all state universities, as that term is defined in section 3345.011 of the Revised Code. 79
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(2) The chancellor may require an applicant to apply to other federal educational financial assistance programs, including such programs offered by the United States department of defense, for which an applicant is eligible based on the applicant's military service. The chancellor shall require that financial assistance received by a scholarship recipient, including under those programs, be applied to all eligible expenses prior to the use of scholarship funds awarded under this section. Scholarship funds awarded under this section shall then be applied to the recipient's remaining eligible expenses. 82
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(3) Notwithstanding division (D)(2) of this section, an eligible applicant's scholarship shall not be reduced by the amount of that applicant's benefits under "the Montgomery G.I. Bill Act of 1984," Pub. L. No. 98-525. 92
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(E) A scholarship recipient under this section shall be entitled to receive scholarships under this section for not more than the number of quarters or semesters it takes the recipient to accumulate forty-eight eligibility units as determined under divisions (E)(1) to (3) of this section. 96
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(1) To determine the maximum number of semesters or quarters for which a recipient is entitled to a scholarship 101
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under this section, the chancellor shall convert a recipient's 103
credit hours of enrollment for each academic term into 104
eligibility units such that twelve or more credit hours of 105
enrollment in an academic term equals twelve eligibility units 106
if the term is a semester or eight eligibility units if the term 107
is a quarter. 108

(2) A scholarship recipient under this section may 109
continue to apply for scholarships under this section until the 110
recipient has accumulated forty-eight eligibility units under 111
the program, which may occur at any point throughout the 112
recipient's course work at an institution described in division 113
(A) (2) (c) of this section. 114

(3) If a scholarship recipient enrolls in courses, or 115
withdraws from courses prior to the end of an academic term, so 116
that the recipient's enrollment for that academic term is less 117
than twelve credit hours per semester or eight credit hours per 118
quarter, no scholarship shall be paid on behalf of that person 119
for that academic term. Except as provided in division (F) (3) of 120
this section, if a scholarship has already been paid on behalf 121
of the person for that academic term, the chancellor shall add 122
to that person's accumulated eligibility units the number of 123
eligibility units for which the scholarship was paid. 124

(F) This division applies to any eligible applicant called 125
into active duty on or after September 11, 2001. As used in this 126
division, "active duty" means active duty pursuant to an 127
executive order of the president of the United States, an act of 128
the congress of the United States, or section 5919.29 or 5923.21 129
of the Revised Code. This division applies to an individual who, 130
at the time the individual is called into active duty, is a 131
member of a reserve component of the United States army, navy, 132

marine corps, air force, coast guard, or space force in this 133
state. 134

(1) For a period of up to five years from when an 135
individual's enlistment obligation in a reserve component of the 136
armed forces ends, an individual to whom this division applies 137
is eligible for scholarships under this section for those 138
academic terms that were missed or could have been missed as a 139
result of the individual's call into active duty. Scholarships 140
shall not be paid for the academic term in which an eligible 141
applicant's enlistment obligation ends unless an applicant is 142
eligible under this division for a scholarship for such academic 143
term due to previous active duty. 144

(2) When an individual to whom this division applies 145
withdraws or otherwise fails to complete courses for which 146
scholarships have been awarded under this section because the 147
individual was called into active duty, the institution of 148
higher education shall grant the individual a leave of absence 149
from the individual's education program and shall not impose any 150
academic penalty for such withdrawal or failure to complete 151
courses. Division (F) (2) of this section applies regardless of 152
whether the scholarship amount was paid to the institution of 153
higher education. 154

(3) If an individual to whom this division applies 155
withdraws or otherwise fails to complete courses because the 156
individual was called into active duty, and if scholarships for 157
those courses have already been paid, either: 158

(a) The chancellor shall not add to that person's 159
accumulated eligibility units calculated under division (E) of 160
this section the number of eligibility units for the academic 161
courses or term for which the scholarship was paid and the 162

institution of higher education shall repay the scholarship 163
amount to the state. 164

(b) The chancellor shall add to that individual's 165
accumulated eligibility units calculated under division (E) of 166
this section the number of eligibility units for the academic 167
courses or term for which the scholarship was paid if the 168
institution of higher education agrees to permit the individual 169
to complete the remainder of the academic courses in which the 170
individual was enrolled at the time the individual was called 171
into active duty. 172

(4) No individual who is discharged from any branch of the 173
armed forces under other than honorable conditions shall be 174
eligible for scholarships under this division. 175

(G) A scholarship recipient under this section who fails 176
to complete the term of enlistment, re-enlistment, or extension 177
of current enlistment the recipient was serving at the time a 178
scholarship was paid on behalf of the recipient under this 179
section is liable to the state for repayment of a percentage of 180
all armed forces reserve component scholarships paid on behalf 181
of the recipient under this section, plus interest at the rate 182
of ten per cent per annum calculated from the dates the 183
scholarships were paid. This percentage shall equal the 184
percentage of the current term of enlistment, re-enlistment, or 185
extension of enlistment a recipient has not completed as of the 186
date the recipient is discharged from a reserve component of the 187
armed forces. 188

The attorney general may commence a civil action on behalf 189
of the chancellor to recover the amount of the scholarships and 190
the interest provided for in this division and the expenses 191
incurred in prosecuting the action, including court costs and 192

reasonable attorney's fees. A scholarship recipient is not 193
liable under this division if the recipient's failure to 194
complete the term of enlistment being served at the time a 195
scholarship was paid on behalf of the recipient under this 196
section is due to the recipient's death or discharge from a 197
reserve component of the armed forces due to disability. 198

(H) On or before the first day of each academic term, the 199
chancellor shall request that the United States department of 200
defense provide an eligibility roster to the chancellor and to 201
each institution of higher education at which one or more 202
scholarship recipients have applied for enrollment. The 203
institution shall use the roster to certify the actual full-time 204
enrollment of each scholarship recipient listed as enrolled at 205
the institution and return the roster to the chancellor. Except 206
as provided in division (J) of this section, the chancellor 207
shall provide for payment of the appropriate number and amount 208
of scholarships to each institution of higher education pursuant 209
to division (D) of this section. If an institution of higher 210
education fails to certify the actual enrollment of a 211
scholarship recipient listed as enrolled at the institution 212
within thirty days of the end of an academic term, the 213
institution shall not be eligible to receive payment from the 214
armed forces reserve component scholarship program or from the 215
individual enrollee. The chancellor shall report on a semiannual 216
basis to the director of budget and management, the speaker of 217
the house of representatives, and the president of the senate 218
the number of armed forces reserve component scholarship 219
recipients, the size of the scholarship-eligible population, and 220
a projection of the cost of the program for the remainder of the 221
biennium. 222

(I) The chancellor may adopt rules pursuant to Chapter 223

119. of the Revised Code governing the administration and fiscal 224
management of the armed forces reserve component scholarship 225
program and the procedure by which the chancellor may modify the 226
amount of scholarships a member receives based on the amount of 227
other state financial aid a member receives. 228

(J) The chancellor and the director of budget and 229
management, or their designees, shall jointly estimate the costs 230
of the armed forces reserve component scholarship program for 231
each upcoming fiscal biennium, and shall report that estimate 232
prior to the beginning of the fiscal biennium to the 233
chairpersons of the finance committees in the general assembly. 234
During each fiscal year of the biennium, the chancellor and the 235
director, or their designees, shall meet regularly to monitor 236
the actual costs of the armed forces reserve component 237
scholarship program and update cost projections for the 238
remainder of the biennium as necessary. If the amounts 239
appropriated for the armed forces reserve component scholarship 240
program and any funds in the armed forces reserve component 241
scholarship reserve fund and the armed forces reserve component 242
scholarship donation fund are not adequate to provide 243
scholarships in the amounts specified in division (D)(1) of this 244
section for all eligible applicants, the chancellor shall do all 245
of the following: 246

(1) Notify each private institution of higher education, 247
where a scholarship recipient is enrolled, that, by accepting 248
the armed forces reserve component scholarship program as 249
payment for all or part of the institution's tuition, the 250
institution agrees that if the chancellor reduces the amount of 251
each scholarship, the institution shall provide each scholarship 252
recipient a grant or tuition waiver in an amount equal to the 253
amount the recipient's scholarship was reduced by the 254

<u>chancellor.</u>	255
<u>(2) Reduce the amount of each scholarship under division</u>	256
<u>(D) (1) (a) of this section proportionally based on the amount of</u>	257
<u>remaining available funds. Each state institution of higher</u>	258
<u>education shall provide each scholarship recipient under</u>	259
<u>division (D) (1) (a) of this section a grant or tuition waiver in</u>	260
<u>an amount equal to the amount the recipient's scholarship was</u>	261
<u>reduced by the chancellor.</u>	262
<u>(K) Notwithstanding division (A) of section 127.14 of the</u>	263
<u>Revised Code, the controlling board shall not transfer all or</u>	264
<u>part of any appropriation for the armed forces reserve component</u>	265
<u>scholarship program.</u>	266
<u>(L) The chancellor may apply for, receive, and accept</u>	267
<u>grants, and may receive and accept gifts, bequests, and</u>	268
<u>contributions, from public and private sources, including</u>	269
<u>agencies and instrumentalities of the United States and this</u>	270
<u>state, and shall deposit the grants, gifts, bequests, or</u>	271
<u>contributions into the armed forces reserve component</u>	272
<u>scholarship donation fund.</u>	273
<u>(M) Notwithstanding any provision of section 121.95 of the</u>	274
<u>Revised Code to the contrary, a regulatory restriction contained</u>	275
<u>in a rule adopted under this section is not subject to sections</u>	276
<u>121.95 to 121.953 of the Revised Code.</u>	277
<u>Sec. 3333.461. There is created in the state treasury the</u>	278
<u>armed forces reserve component scholarship reserve fund. As soon</u>	279
<u>as possible following the end of each fiscal year, and when</u>	280
<u>funds are made available, the chancellor of higher education</u>	281
<u>shall certify to the director of budget and management the</u>	282
<u>unencumbered balance of the general revenue fund any</u>	283

appropriations made in the immediately preceding fiscal year for 284
purposes of the armed forces reserve component scholarship 285
program created under section 3333.46 of the Revised Code. Upon 286
receipt of the certification, the director of budget and 287
management may transfer an amount not exceeding the certified 288
amount from the general revenue fund to the armed forces reserve 289
component scholarship reserve fund. Moneys in the armed forces 290
reserve component scholarship reserve fund shall be used to pay 291
scholarship obligations in excess of the general revenue fund 292
appropriations made for that purpose. 293

The director of budget and management may transfer any 294
unencumbered balance from the armed forces reserve component 295
scholarship reserve fund to the general revenue fund. 296

If it is determined that general revenue fund 297
appropriations are insufficient to meet the obligations of the 298
armed forces reserve component scholarship in a fiscal year, the 299
director of budget and management may transfer funds from the 300
armed forces reserve component scholarship reserve fund to the 301
general revenue fund in order to meet those obligations. If the 302
funds transferred from the armed forces reserve component 303
scholarship reserve fund are not needed, the director of budget 304
and management may transfer the unexpended balance from the 305
general revenue fund back to the armed forces reserve component 306
scholarship reserve fund. 307

Sec. 3333.462. The armed forces reserve component 308
scholarship donation fund is created in the state treasury. The 309
fund shall consist of gifts, bequests, grants, and contributions 310
made to the fund under division (L) of section 3333.46 of the 311
Revised Code. Investment earnings of the fund shall be deposited 312
into the fund. The fund shall be used to operate the armed 313

<u>forces reserve component scholarship program created under</u>	314
<u>section 3333.46 of the Revised Code.</u>	315
Section 2. Section 1 of this act takes effect July 1,	316
2025.	317