
DEPARTMENT OF HIGHER EDUCATION

In-state undergraduate tuition and general fees

- Addresses restraints on in-state undergraduate tuition and general fee increases for FY 2026 and FY 2027, as follows:
 - Requires state universities to restrain tuition and fee increases but does not expressly limit or prohibit increases for them;
 - Limits community, state community, and technical colleges increases their tuition and general fees by not more than \$5 per credit hour over what they charged in the previous academic year.

Student financial aid programs

Ohio College Opportunity Grant Program

- Establishes maximum Ohio College Opportunity Grant amounts for FYs 2026 and 2027, as follows:
 - For students at state institutions of higher education, \$4,000;
 - For students at private nonprofit colleges and universities, \$5,000;
 - For students at private for-profit colleges and schools, \$2,000.

Governor's Merit Scholarship

- Extends the operation of the Governor's Merit Scholarship Program to FYs 2026 and 2027 with changes.

Ohio Work Ready Grant Program

- Requires the Chancellor of Higher Education to establish alternative criteria based on Ohio's emerging workforce needs to identify qualified programs for which a student may receive a first-time Ohio Work Ready Grant.
- Requires the Chancellor to collect and report data on technician-aligned associate degrees as a program metric.

State institutions of higher education

State institution rulemaking

- Changes the authority that governs the organization and promulgation of a state institution of higher education's rules not required by statute and makes related administrative changes.

Credential and work experience

- Requires each state institution of higher education to consider an applicant's work experience and credentials as part of its admissions process and grant credit for that or detail the opportunities and required documentation to gain that credit.

General education requirements

- Requires each state institution board of trustees to formally review, evaluate, and adjust its general education criteria in specified subject areas.

Guaranteed admission

- Guarantees each high school graduate in the top 10% of their graduating class admission to a state institution.
- Permits a state university to delay main campus admission and admit a high school graduate in the top 10% of the graduating class to a regional campus if the student does not meet the standards for unconditional admission.
- Guarantees Governor's Merit Scholarship recipient admission to the main campus of a state institution of higher education.

Co-Op Internship Program

- Requires state institutions to develop and implement, by the 2027-2028 academic year, a Co-Op Internship Program.
- Requires the Chancellor to consult with JobsOhio to develop the goals, structure, and parameters of the program.
- Requires state institutions, by June 30 of the year following the implementation of the program, and annually thereafter, to report specified metrics.

Fiscal caution status

- Requires the Chancellor, in consultation with OBM, to adopt rules regarding:
 - Criteria for determining when to declare a state institution under fiscal caution;
 - Requirements for a state institution on fiscal caution to submit a financial recovery plan, submit a three-year forecast of revenues and expenditures, consult with the Auditor of State regarding steps to bring the institution's financial accounting and reporting into compliance with the Auditor's requirements, and submit regular reports related to the fiscal caution; and
 - Criteria for determining when to declare the termination of a fiscal caution.
- Permits the Chancellor to impose limitations on a state institution that fails to comply with requirements related to a fiscal caution or fails to take decisive action to improve the institution's financial condition.

Use of financial indicators to evaluate institutions

- Requires the Chancellor to use specified financial indicators to determine whether a state institution board of trustees has taken any action related to pausing or stopping enrollment, submitted a withdrawal of accreditation, or taken any other action indicating the institution will undergo a wind down and dissolution of existence.

Fiscal integrity of state institutions

- Declares that requiring fiscal integrity of state institutions is the public policy and a public purpose of the state.
- Declares the intent of the General Assembly to enact procedures, provide powers, and impose restrictions to assure fiscal integrity of state institutions.
- Declares that the failure of a state institution to meet its fiscal obligations adversely affects the health, safety, and welfare of students and other people of the state.
- Permits the Chancellor to make recommendations and the Controlling Board to grant money from the catastrophic expenditures account to any state institution that suffers an unforeseen catastrophic event that severely depletes the institution's financial resources.

Governance authority requirements

- Requires a governance authority appointed for a state institution under conservatorship to include one member with expertise in academic affairs and accreditation and one member with expertise in either state agency budgets or state institution finances.
- If the governance authority determines closure is necessary or is appointed to facilitate an orderly closure, requires the governance authority to include in its quarterly report all matters related to compliance with institution closure requirements specified by the Chancellor.

Student record preservation plans

- Requires each state institution and each private nonprofit college or university annually to certify to the Chancellor a plan to preserve student records indefinitely if the institution were to close.

Higher education institution program review

- Requires each state institution and private nonprofit college or university annually to submit specified information to the Chancellor, including, among other information, accreditation status, a plan for the indefinite preservation of student records in case of closure, external degree program evaluations, and degree programs eliminated in the previous year.
- Permits the Chancellor to rescind program approval or institutional authorization if a college, university, or state institution does not submit the required information.
- Requires each state institution and private nonprofit college or university to notify the Chancellor if specified events occur related to federal government or accrediting organization monitoring, accreditation findings, and financial issues.

Contracts with unaccredited online program managers

- Establishes requirements for contractual agreements between private nonprofit colleges or universities or state institutions and any unaccredited online program manager that

grant the program manager input or authority on an academic program, including requirements for disclosure of such agreements, approval of new contractual agreements, and standards for those agreements.

College credit for military training, experience, and coursework

- Permits the Chancellor to require higher education institutions and schools to establish a process to evaluate military training, experience, and coursework and to award appropriate equivalent college credit to veterans.

Strategic Square Footage Reduction Fund

- Creates the Strategic Square Footage Reduction Fund to make revolving loans to state higher education institutions for voluntary physical square footage reduction.
- Requires the Treasurer of State to transfer funds from the Ohio Tuition Reserve Fund and the Ohio Tuition Trust Fund to the Strategic Square Footage Reserve Fund.

Eastern Gateway Community College

- Repeals the law establishing Eastern Gateway Community College on June 30, 2027, and requires the Chancellor to ensure continuity of postsecondary educational access in Eastern Gateway's former service district.

College Credit Plus Program

- Permits the Chancellor, in consultation with the Director of Education and Workforce, to ensure that state institutions and school districts are fully engaging and participating in the College Credit Plus Program (CCP).
- Requires the Chancellor and Director to work with public secondary schools and partnering state institutions to encourage the establishment of model pathways that prepare participants to successfully enter the workforce in certain fields.
- Requires students enrolled under a statewide innovative waiver pathway to follow a model pathway, with specific priority on pathways aligned with engineering technology and other fields essential to the superconductor industry.

Direct Admissions Pilot Program

- Establishes the Direct Admissions Pilot Program to notify students in participating high schools if they meet the admissions criteria for participating postsecondary institutions.

Centers of Civics, Culture, and Society

- Requires the Chancellor and the Centers of Civics, Culture, and Society at specified state universities to develop and implement a plan so that the centers may benefit Ohio by, among other things, offering programming at other state institutions.

Attainment level report

- Eliminates the annual report regarding the progress the state is making in increasing the percentage of adults in the state with a postsecondary degree or credential.
- Requires the Chancellor, in collaboration with the Department and the Governor's Office of Workforce Transformation, to establish the level of attainment necessary to achieve identified performance targets across a range of degrees and credentials.

Co-Op/Internship Program report

- Eliminates the annual report on the academic and economic impact of the Ohio Co-Op/Internship Program.

“Teach CS” Grant Program

- Expands the scope of teachers to which the “Teach CS” Grant Program applies.
- Clarifies the purposes for which grant funds may be used.

Background

As used in this chapter of the analysis:

A **state institution of higher education** means any of the 14 state universities and each community college, state community college, technical college, and university branch campus.

The **state universities** are the University of Akron, Bowling Green State University, Central State University, University of Cincinnati, Cleveland State University, Kent State University, Miami University, Northeast Ohio Medical University, Ohio University, Ohio State University, Shawnee State University, University of Toledo, Wright State University, and Youngstown State University.

Ohio technical centers are career-technical centers and schools that provide adult education and are recognized as such by the Chancellor of Higher Education.

In-state undergraduate tuition and general fees

(Section 381.260)

For the 2025-2026 and 2026-2027 academic years, the bill restrains the increases for in-state undergraduate tuition and fees at each state institution of higher education.

State universities

Unlike in previous biennia, however, the bill does not establish express limitations on tuition and general fee increases for state universities in either of those years, nor does it expressly prohibit any increase by them.

Under continuing law unaffected by the act, each state university must establish a tuition guarantee program. Under a program, each entering cohort of in-state undergraduate students pays an immediate increased rate for instructional and general fees, but that rate is guaranteed not to increase again for that cohort for the next four years. That increase is a combination of a

measure of inflation and the percentage increase the General Assembly permits for a fiscal year. If the General Assembly does not establish a limit, then a state university is not limited in increasing its tuition and fees.⁶¹

Community colleges

On the other hand, the bill establishes express restraints on increases for community, state community, and technical colleges. Specifically, for each of those academic years, each college may not increase its tuition and general fees more than \$5 per credit hour over what it charged in the previous academic year. Those limits explicitly exclude student health insurance, fees for auxiliary goods or services provided to students at the cost incurred to the college, fees assessed to students as a pass-through for licensure and certification exams, fees for elective courses associated with travel experiences, elective service charges, fines, and voluntary sales transactions.

Student financial aid programs

Ohio College Opportunity Grant Program

(Section 381.490)

The bill establishes maximum Ohio College Opportunity Grant award amounts for FY 2026 and FY 2027 for each higher education institutional sector. Specifically, for both years, the maximum amounts are as follows:

Institutional sector	Award amount
State institution of higher education	\$4,000
Private nonprofit college or university	\$5,000
Private for-profit career college or school	\$2,000

The Ohio College Opportunity Grant Program is the state's main needs-based financial aid program for higher education students. For more information about the program, see the LSC [Ohio College Opportunity Grant: Q&A \(PDF\)](#) Members Brief, which is available on LSC's website: lsc.ohio.gov/publications.

Governor's Merit Scholarship

(Section 381.400)

The bill extends the operation of the Governor's Merit Scholarship Program to FY 2026 and FY 2027. Under the program, the Chancellor of Higher Education awards merit-based, four-year, \$5,000 scholarships to qualifying Ohio high school graduates attending state institutions of higher education or private nonprofit colleges or universities in Ohio.

⁶¹ R.C. 3345.48.

In addition to extending the program, the bill makes the following changes to it:

1. Permits the Chancellor to use the program's appropriations to pay for the program's administrative costs;
2. Clarifies that, to qualify, a student must be in the top 5% of the student's graduating class at the end of the student's junior year to qualify for a scholarship;
3. Clarifies that public or chartered nonpublic schools must determine student eligibility using criteria established by the Chancellor, in consultation with the Director of Education and Workforce; and
4. Requires school districts and chartered nonpublic high schools to provide information requested by the Chancellor regarding scholarship eligibility determinations.

The program was first enacted in H.B. 33 of the 135th General Assembly, effective July 4, 2023, the main appropriations act of that biennium and began operation in FY 2025. For more information about the program and its operation, see page 328 of the LSC [H.B. 33 Final Analysis \(PDF\)](#), which is available on the General Assembly's website: legislature.ohio.gov.

Ohio Work Ready Grant Program

(R.C. 3333.24)

The bill requires the Chancellor to establish, in consultation with the Office of Workforce Transformation, alternative criteria to identify qualified programs eligible for the Ohio Work Ready Grant Program. The criteria must be based on the emerging workforce needs of the state. The bill also specifies that the industry-recognized credential metric reported by the Chancellor include technician-aligned associate degrees. Current law requires that the Chancellor collect and report various program metrics including demographics, success rates of recipients, and total number of industry-recognized credentials disaggregated by subject or program area.

State institutions of higher education

State institution rulemaking

(R.C. 3345.033, 3345.14, 3345.57, and 3345.69; Section 701.10)

The bill changes the law regarding rulemaking by state institutions of higher education. Under the bill, unless a statute expressly requires state institutions to use one of the two rulemaking procedures established under continuing law, neither of those procedures apply to state institutions. Instead, the bill generally exempts a rule that is posted on a state institution's website, as required under continuing law, from review by the Joint Committee on Agency Rule Review (JCARR) and the law governing the existing rulemaking procedures.

The bill requires a state institution annually to submit an electronic copy of all its effective rules to the Chancellor and to the chairpersons of the Senate and House of Representatives higher education committees. Upon receiving, or failing to receive, a copy of a rule, the chairpersons may hold a hearing and require that a representative of the state institution provide testimony regarding the rule.

Further, the bill eliminates the requirement that the Legislative Service Commission Director to publish any rules adopted by a state institution in the register of Ohio and in any electronic Administrative Code published by or under contract with the Director and the requirement that the state institution file a copy of the rule with JCARR.

Continuing law requires a state institution to post any adopted rules on the institution's website, maintain the posting of its rules, and periodically verify the posting. Continuing law also specifies that a state institution is not entitled to rely on a rule that is not posted on its website.

As soon as practicable, the bill requires the LSC Director to remove rules adopted before the bill's effective date by a state institution or its governing body from the electronic Administrative Code.

Background

Under continuing law, an administrative rule can be effective as part of the law only after its adopting agency has taken it through a statutorily prescribed rulemaking procedure. There are two general statutory rulemaking procedures, one in the Administrative Procedure Act (APA) – R.C. Chapter 119 – and the other in R.C. 111.15. Generally, if an agency is not required to follow the APA rulemaking procedure, it must follow the procedure of R.C. 111.15. The R.C. 111.15 procedure therefore is a default.

Credential and work experience

(Section 381.740)

The bill requires each state institution of higher education, prior to admitting any students applying after July 1, 2025, to consider the applicant's work experience and credentials as part of the institution's admissions process. The bill states that an applicant's experience and credentials need not to align to the program or discipline the applicant is pursuing to be considered a positive reason for the state institution to admit the student.

Upon a student's acceptance, a state institution must either grant credit for prior learning or experience or detail the potential opportunities and required documentation to grant such credit based on the review of the information the student provided in an application.

General education requirements

(Section 381.750)

Under the bill, each state institution of higher education board of trustees must formally review and evaluate the components of its general education curriculum and adopt a resolution acknowledging it has done so by December 31, 2025. Each board of trustees must submit its resolution to the Chancellor.

By March 31, 2026, each board of trustees must formally evaluate its general education curriculum to enhance content that furthers the state's postsecondary education attainment and workforce goals. In conducting the evaluation, the board of trustees must consider adjusting that curriculum in:

1. Civics, culture, and society, including U.S. and Ohio history, the foundations of American representative government, how to disagree in a civil manner, and the principles of civil discourse;
2. Artificial intelligence, STEM, and computational thinking;
3. Entrepreneurship and the principles of innovation;
4. Workforce readiness, including fundamental skills necessary for Ohio's graduates to gain employment in in-demand occupations.

Each board of trustees must, by June 30, 2026, adopt a resolution summarizing the changes made to its general education curriculum as a result of the evaluation process. A copy of that resolution must be submitted to the Chancellor. The bill subjects any adjustments to the curriculum to the Chancellor's program approval process as well.

The Chancellor must provide a copy of each resolution submitted under the process to the Governor, Speaker of the House, and President of the Senate.

Guaranteed admission

(R.C. 3345.06)

The bill guarantees each high school graduate who is in the top 10% of their graduating class as determined by the Chancellor admission to any state institution of higher education. If the student does not meet the standards for unconditional admission, a state university may delay main campus admission and instead admit the student to a university branch campus.

The bill also guarantees admission to the main campus of any state institution of higher education for each recipient of the Governor's Merit Scholarship.

Under continuing law, generally, state universities must accept for undergraduate coursework students who complete the requirements for high school graduation. If a state university determines a student needs academic remedial or developmental coursework, the university may delay admission or conditionally admit a student upon the student's completion of that coursework at a university branch, community college, state community college, or technical college.

Co-Op Internship Program

(R.C. 3345.83)

The bill requires each state institution of higher education to develop and implement a Co-Op Internship Program by the 2027-2028 academic year. The program must align with JobsOhio's target economic sectors and connect students with Ohio-based employers to facilitate work-based learning opportunities related to the student's course of study. This may include apprenticeships, internships, externships, and co-ops. The bill requires institutions to work with JobsOhio to develop and implement their program, including identifying industry and employer partners.

The bill requires the Chancellor to consult with JobsOhio to develop the goals, structure, and parameters of the program. The Chancellor may consult with other stakeholders as well.

The bill requires each institution annually to issue a report to the Chancellor on the status of the program beginning June 30 following the academic year in which the program is implemented. This report must include the number of participating students, which employers are partnering with the institution, and the number of participating students that have received or accepted offers of post-graduation employment as a direct result of their participation in the program.

Fiscal caution status

(R.C. 3345.71 and 3345.721)

The bill requires the Chancellor, in consultation with OBM, to adopt rules that include:

1. Criteria for determining when to review and, if necessary, declare a state institution of higher education under fiscal caution. The criteria may include:

- a. A significant drop in enrollment from the prior year;
- b. A decline in enrollment for consecutive years;
- c. A significant increase in enrollment;
- d. A significant increase in adjunct faculty;
- e. An increase in student complaints;
- f. An increase in the number of or a notable presence of third-party providers, which may include online program managers;
- g. Federal financial aid processing delays;
- h. Reduced or increased reliance on State Share of Instruction;
- i. Receipt of substantial nonrecurring revenue, from any source, that could signify a structural budget deficit;
- j. A delay in completing a yearly audit even if granted an extension;
- k. A lack of proper institutional segregation of critical duties, functions, or responsibilities; and
- l. Significant turnover of faculty, staff, or administrators.

2. A requirement that a state institution declared to be on fiscal caution submit a financial recovery plan, within a defined period of time after the declaration as determined by the Chancellor, that may include:

- a. Projections of revenue and expenditures over a three-year time horizon and on such other time horizons as may be requested by the Chancellor;
- b. A comprehensive review of current staffing levels and a five-year historical summary of staffing levels;
- c. A review of the most recent submission of institutional recommendations for courses and programs based on enrollment and duplication with other state institutions, as

required under continuing law,⁶² and submission of revised recommendations as determined to be necessary;

d. A review of any approved tuition waivers or scholarship programs;

e. A plan to reduce expenditures over a six-month, 12-month, 18-month, and 24-month period, as necessary, to align ongoing revenue with ongoing expenses;

f. A review of contracts that are the largest portion of the state institution's expenditures; and

g. A program viability analysis, or analyses, as determined by the Chancellor to be necessary in accordance with law unchanged by the bill.⁶³

3. A requirement that a state university institution declared to be on fiscal caution submit a three-year forecast of revenues and expenditures, approved in a resolution adopted by the university's or college's board of trustees. The three-year forecast must be structurally balanced based on a set of underlying assumptions, including enrollment projections, tuition revenue, and state funding levels, that are evidence-based and practicable.

4. A requirement that a state institution declared to be on fiscal caution consult with the Auditor of State regarding any necessary or appropriate steps to bring the books of account, accounting systems, and financial procedures and reports of the institution into compliance with requirements prescribed by the Auditor of State regarding desirable modifications and supplementary systems and procedures pertinent to the university or college. The Auditor of State must provide a written report to the institution's board of trustees outlining the nature of the financial accounting and reporting problems of the university or college and recommendations for actions to be undertaken to correct the financial accounting and reporting problems. If requested by the institution or recommended by the Chancellor, the Auditor of State may additionally perform a performance audit of the institution.

5. A requirement that for the duration of a fiscal caution, a state institution must submit regular reports on any of the above matters or new matters identified by the Auditor of State or the Chancellor as contributing to the reason for the declaration, preventing the recovery of the institution, or the inability to be removed from fiscal caution; and

6. Criteria for determining when to declare the termination of the fiscal caution of a state institution.

The bill requires a state institution to provide the Chancellor with all information requested in the time and manner determined by the Chancellor. Failure to comply in a satisfactory manner, as determined by the Chancellor, may result in a declaration of a fiscal watch.⁶⁴ The bill also permits the Chancellor to impose limitations on a state institution that fails

⁶² R.C. 3345.35, not in the bill.

⁶³ R.C. 3333.073, not in the bill.

⁶⁴ R.C. 3345.72, not in the bill.

to comply with the law or rules adopted regarding fiscal cautions or that fails to take decisive action to improve the institution's financial condition. Those limitations may include:

1. Limitations on eligibility to participate in grants and programs administered by the Chancellor;
2. Limitations on approval of a new degree program or associated certificates;
3. Suspension of additional enrollment in an educational program;
4. Restriction of an increase in any special fee or a creation of a new fee;
5. Limitations on the power of the board of trustees to enter into any new or renewed contracts without prior approval from the Chancellor; and
6. Withholding approval of any Controlling Board request for capital projects.

Use of financial indicators to evaluate institutions

(R.C. 3345.74)

The bill requires the Chancellor to use the financial indicators and standards adopted by the Chancellor under continuing law to determine if a state institution board of trustees has taken any action related to pausing or stopping enrollment, submitted a withdrawal of accreditation, or taken any other action indicating it will no longer offer educational activity or will undergo a wind down and dissolution of existence.

Under continuing law, the Chancellor must adopt financial indicators and standards used to determine whether a state university or college under a fiscal watch is experiencing sufficient fiscal difficulties to warrant the appointment of a conservator.⁶⁵

Fiscal integrity of state institutions

(R.C. 3345.79)

The bill declares pursuant to the authority of the General Assembly to provide for the public health, safety, and welfare, that it is the public policy and a public purpose of the state to require fiscal integrity of state institutions so that they can educate students, pay when due principal and interest on their debt obligations, meet financial obligations to their employees, vendors, and suppliers, and provide for proper financial accounting procedures, budgeting, and taxing practices. The failure of a state institution to so act is determined under the bill to adversely affect the health, safety, and welfare of the students and other people of the state. The bill also declares the intention of the General Assembly, under the proposed law regarding fiscal caution and existing laws regarding fiscal watches, to enact procedures, provide powers, and impose restrictions to assure fiscal integrity of state institutions.

The bill permits the Chancellor to make recommendations, and the Controlling Board to grant money from, the catastrophic expenditures account to any state institution that suffers an unforeseen catastrophic event that severely depletes the institution's financial resources. The

⁶⁵ R.C. 3345.73, not in the bill.

Chancellor must make recommendations for the grants in accordance with rules adopted by the Chancellor, after consulting with the OBM Director. A state institution cannot be required to repay any grant awarded under this process, unless it receives money from the state or a third party, including an agency of the federal government, specifically for the purpose of compensation the institution for revenue lost or expenses incurred as a result of the unforeseen catastrophic event.

Governance authority requirements

(R.C. 3345.75)

The bill requires a governance authority appointed for a state institution of higher education under conservatorship to include one member with expertise in academic affairs and accreditation and one member with expertise in either state agency budgets or state institution finances.

The bill also requires a governance authority to include in its quarterly report if the governance authority determines closure is necessary or, if the governance authority is appointed to facilitate an orderly closure, as determined to be necessary by the board of trustees prior to the governance authority's appointment, all matters related to compliance with the requirements of a closure of an institution of higher education as specified by the Chancellor.

Under continuing law, a governance authority appointed for a state institution must submit a quarterly report to the Chancellor, the Governor, the Speaker and Minority Leader of the House of Representatives, and the President and Minority Leader of the Senate, that sets forth information on the general conditions of the college, expenses, progress with improvements, and matters the governance authority considers useful.

Student record preservation plans

(R.C. 1713.033 and 3345.601)

The bill requires each state institution of higher education and each private nonprofit college or university to annually certify to the Chancellor, on a date and in the form and manner determined by the Chancellor, a plan to preserve student records indefinitely if it was to cease operations. The plan must include the designation and signed confirmation of an official custodian of student records. If the Chancellor determines it necessary, the Chancellor may require an institution to produce an executed agreement with the designated custodian of students that is paid in full, to ensure the institution's plan can be implemented.

The bill permits the Chancellor to consult with the Higher Learning Commission, the State Board of Career Colleges and Schools, and other appropriate entities to establish plans, processes, and procedures for institutions and schools to provide indefinite access to student records.

Higher education institution program review

(R.C. 1713.041 and 3333.074)

Annual reporting

The bill requires each state institution of higher education and private nonprofit college or university to annually report information to the Chancellor. This information includes all of the following:

1. Verification of current accreditation status and a copy of the most recent institutional report from the Higher Learning Commission, for state institutions, or from the institution's accrediting organization, for private nonprofit colleges or universities;
2. A plan to preserve student records indefinitely in the event of closure of the institution or discontinuation of service. The plan must include a method by which students and alumni of the institution may retrieve student records by request. The plan also must include a designation and signed confirmation of an official custodian of student records. Student records preserved under the plan must include academic transcripts, financial aid documents, international student forms, and tax information;
3. The results of any external degree program evaluations that occurred in the last year;
4. Any degree programs eliminated in the last year; and
5. Any other information requested by the Chancellor.

Private nonprofit colleges and universities must also provide a list of current degree programs offered in Ohio and the latest financial statement for the most recent fiscal year compiled and audited by an independent certified public accountant, including any management letters provided by the independent auditor.

If a state institution fails to submit the required information, or if the Chancellor finds the information is insufficient, the Chancellor may rescind program approval. If a private nonprofit college or university fails to submit the required information or the Chancellor finds the submitted information is insufficient, the Chancellor may suspend, withdraw, or revoke the college or university's institutional authorization or a program's authorization.

Notice requirements

The bill requires each state institution and private nonprofit college or university to immediately inform the Chancellor if the institution does any of the following:

1. Receives notice from the federal government or an institutional accrediting organization that the institution is subject to heightened reporting standards or special monitoring status, such as the U.S. Department of Education's heightened cash monitoring process;
2. Receives preliminary or final accreditation findings;
3. Becomes the subject of an investigation by a government agency related to the institution's academic quality, financial stability, or student consumer protection;

4. Fails to make any payments to applicable retirement systems. For state institutions, the bill presents the Public Employees Retirement System or the State Teachers Retirement System as examples;

5. Fails to make any scheduled payroll payments;

6. Fails to make any payments to vendors when due as a result of a cash deficiency or a substantial deficiency in the payment processing system of the institution;

7. Fails to make any scheduled payment of principal or interest for short- or long-term debt;

8. Makes budget revisions resulting in a substantially reduced ending fund balance or larger deficit; or

9. Becomes aware of significant negative variance between the most recently adopted annual budget and actual revenues or expenses as projected at the end of the fiscal year.

A state institution must also immediately notify the Chancellor if the institution requests an advance of a state subsidy.

The bill clarifies that a document received by the Chancellor from a state institution or private nonprofit college or university pertaining to heightened reporting standards, special monitoring status, accrediting findings, or government investigations that is confidential under federal law is not subject to release under a public record request until such time as that document is released publicly to the appropriate entity. Further, for private nonprofit colleges and universities, financial documentation received by the Chancellor is not considered a public record under the bill.

Contracts with unaccredited online program managers

(R.C. 1713.03, 1713.032, and 3333.0420)

The bill defines a “contractual agreement” as a contract in which a private nonprofit college or university holding a certificate of authorization, or seeking a certificate of authorization, or a state institution of higher education, grants an unaccredited online program manager input on or authority over specified components for an academic program. These components include curriculum development, design, or maintenance, student assessment and grading, course assessment, admissions requirements, appointment of faculty, faculty assessment, decisions to award course credit or credential, and institutional governance.

Requirements for private nonprofit colleges or universities

The bill requires each private nonprofit college or university, in its annual report to the Chancellor, to disclose any unaccredited online program manager it has contracted with to provide instruction to its students. The bill also permits the Chancellor to request a private nonprofit college or university to provide the Chancellor with all information concerning a contractual agreement, including a copy of the agreement.

Under the bill, a college or university intending to enter into a contractual agreement for an academic program must submit appropriate documentation as requested by the Chancellor and obtain the Chancellor's approval prior to entering into the agreement.

If a college or university enters into a contractual agreement under the bill, the agreement must include a provision that requires it to maintain responsibility for and oversight of the academic program as specified in the standards and procedures for academic program approval used by the Chancellor. The college or university must also ensure each academic program is offered in the manner approved by the Chancellor or must formally request approval of a significant change to the previously approved program or approval of a new academic program.

The bill prohibits a college or university from entering into a contractual agreement if the agreement does not include a provision granting the Chancellor the authority to invalidate the contract if the Chancellor determines the agreement is not in compliance with the standards and procedures for academic program approval or a certificate of authorization. If the Chancellor invalidates a contract the college or university may not enroll new students and must offer current students either remediated instruction at no cost to the student or a full refund in tuition.

Requirements for state institutions of higher education

The bill requires each state institution of higher education to annually report to the Chancellor, in a form and manner determined by the Chancellor, each contractual agreement the institution entered into in that year. The bill also permits the Chancellor to request a state institution to provide the Chancellor with all information concerning a contractual agreement, including a copy of the agreement.

The bill permits the Chancellor to require each state institution to submit a contractual agreement prior to the execution of the agreement for a review to ensure compliance with the standards and procedures for academic program approval.

The bill requires a state institution to include in each contractual agreement a provision that requires it to maintain responsibility for and oversight of the academic program as specified in the standards and procedures for academic program approval used by the Chancellor. A state institution must ensure each academic program is offered in the manner approved by the Chancellor or formally request approval of a significant change to a previously approved program or approval of a new academic program.

Under the bill, a state institution that enters into a contractual agreement must notify students which parties are providing instruction, recruitment, and other services under the agreement.

The bill prohibits a state institution from entering into a contractual agreement unless the agreement includes a provision granting the Chancellor the authority to invalidate the contract if the contract was not approved by the Chancellor if the Chancellor determines the agreement is not in compliance with the standards and procedures for academic program approval. If the Chancellor invalidates a contract, the state institution may not enroll new students and must offer current students either remediated instruction at no cost to the student or a full refund in tuition.

College credit for military training, experience, and coursework

(R.C. 3333.164)

The bill permits the Chancellor to require a state institution of higher education, private nonprofit college and university, and private, for-profit career college and school to establish a process to systematically evaluate military training, experience, and coursework and to award appropriate equivalent college credit to a student who is a veteran of the armed forces. The Chancellor may adopt rules to implement those requirements.

Background

Continuing law requires the Chancellor to develop a set of standards and procedures for state institutions to utilize regarding military training and college credit.

Strategic Square Footage Reduction Fund

(R.C. 3333.96, 3334.11, and 3334.12)

The bill creates in the state treasury the Strategic Square Footage Reduction Fund to make revolving loans to state institutions of higher education that enable the voluntary reduction of physical square footage. The fund must consist of money credited or transferred to it, grants, gifts, and contributions made directly to it, or any funds transferred from the Ohio Tuition Trust Fund.

The bill requires the Chancellor to administer and award, in consultation with the Ohio Facilities Construction Commission (FCC), the revolving loans and requires the Chancellor to establish all of the following:

1. Procedures and forms by which state institutions may apply for a loan;
2. A competitive process for ranking applicants and awarding the loans, with priority consideration given to state institutions that have experienced a decrease in their general student population, as determined by the Chancellor; and
3. Procedures and timelines for distributing loans and collecting payments for the Strategic Square Footage Reduction Fund.

Application

The bill requires each state institution to include in its application all of the following:

1. The extent to which the square footage may have value if sold or reallocated to serve other purposes, which may include K-12, career-technical, or adult educational purposes, community interests, or business and industry partnerships;
2. The relative age and condition of the facilities to be deconstructed;
3. Historical enrollment patterns as well as future enrollment projections;
4. The composition of classes offered in person versus in an online format;
5. The level of deferred maintenance;
6. The prior level of state investment;

7. The amount of annual operating expenses defrayed by eliminating the square footage; and

8. A report from OBM detailing the extent and status of past capital budget appropriations supporting the project and the existence of any outstanding bonded debt derived from that support.

The Chancellor and the FCC must consider this information supplied by a state institution in its application when making final awards.

Loan requirements

Each state institution that receives a loan must certify to the Chancellor, on a date and in a form and manner prescribed by the Chancellor, a summary of financial information regarding the loan. Prior to a state institution using the loan to pay demolition costs of a facility, the following must occur:

1. The board of trustees of the state institution must adopt a resolution approving the demolition; and

2. Any net proceeds received from any demolition of property must, at the direction of the Director of OBM, be credited to a fund or funds in the state treasury or to accounts held by the state institution.

The bill prohibits each state institution that is receiving a loan for the reduction of physical square footage from constructing any new facility during the period in which demolition is occurring.

Transfer of funds from the Ohio Tuition Trust Fund

The bill requires the Treasurer of State to, upon request by the Chancellor and approval by the Director of OBM, transfer funds from the Ohio Tuition Reserve Fund to the Strategic Square Footage Reduction Fund.

Upon completion of the annual evaluation of the actuarial soundness of the Ohio Tuition Trust Fund, the bill requires the Treasurer, upon request by the Chancellor, to transfer the amount determined to be surplus of the amount necessary to keep the fund actuarially sound from the Ohio Tuition Trust Fund, provided that at least 5% of the surplus amount remains in the Ohio Tuition Trust Fund.

Ohio Tuition Trust Fund and the Ohio Constitution

The Ohio Tuition Trust Fund and the Ohio Tuition Reserved Fund are used to support the Guarantee Savings Plan Program. The Ohio Constitution and continuing law establish that program to allow individuals to open accounts to purchase tuition units that can be redeemed against the cost of tuition at state institutions of higher education. However, in 2003, the opening of accounts and sale of units were suspended, in accordance with continuing law, due to concerns about the program's actuarial soundness.

While the bill permits funds to be transferred from the Tuition Trust Fund to the Strategic Square Footage Reduction Fund, Article VI, Section 6(B) of the Ohio Constitution otherwise

requires that any assets maintained in the Ohio Tuition Trust Fund be used solely for the purposes of that fund and provides that, upon the Guaranteed Savings Plan Program's termination, any funds left in the Trust Fund must be transferred to the General Revenue Fund.

Eastern Gateway Community College

(R.C. 3354.24, repealed; conforming change in R.C. 3354.19; Sections 105.10, 381.730, and 733.40)

The bill addresses the recent decision to dissolve Eastern Gateway Community College in several ways. First, it provides for the repeal of the law establishing Eastern Gateway, effective June 30, 2027. It also requires the Chancellor, in consultation with postsecondary educational institutions and other stakeholders, to monitor and evaluate the ongoing availability of postsecondary educational offers in Eastern Gateway's former four-county service district.

To the extent practicable, the Chancellor must seek to ensure strong continuity of postsecondary educational access to residents of the district, with a particular focus on access to programs aligned with regional workforce priorities. If determined necessary, the Chancellor may seek favorable outcomes by engaging with other postsecondary educational institutions to encourage access to educational opportunities, including outcomes associated with academic program offers, program-related equipment, or physical facilities.

Finally, the bill specifically states that nothing prohibits any other community, state community, or technical college from serving Eastern Gateway's former district. Though, such college is still subject to the Chancellor's academic program approval process and must seek approval under rules adopted by the Chancellor.

Eastern Gateway was established in H.B. 1 of the 128th General Assembly, effective October 16, 2009, the main appropriations act of that biennium. That act added Columbiana, Mahoning, and Trumbull counties to the existing territory of Jefferson Community College's district (Jefferson County), renamed Jefferson Community College as Eastern Gateway Community College, and established a new board of trustees to operate the college.

According to the Department of Higher Education's website, Eastern Gateway announced a pause in registration and enrollment for future semesters on February 21, 2024. On May 15, 2024, it further announced it would dissolve by October 31, 2024, with all instruction ending no later than August 31, 2024. For more information see [Eastern Gateway Community College Information](#) on the Department's website: highered.ohio.gov.

College Credit Plus Program

(Section 381.720)

The bill permits the Chancellor, in consultation with the Director of Education and Workforce, to take action as necessary, to ensure that state institutions of higher education and school districts are fully engaging and participating in the College Credit Plus Program (CCP). These actions may include publicly displaying program participation data by district and institution. Under new law taking effect on February 25, 2025, the Chancellor is *required* to, in consultation with the Department of Education and Workforce, take action as necessary to

ensure that state institutions and secondary schools are fully engaging and participating in CCP. These actions also may include publicly displaying program participation data by district and institution.⁶⁶

For the “model pathways” required under continuing law, the bill continues the requirement established in H.B. 33 of the 135th General Assembly in 2023 for the Chancellor and Director to work with public secondary schools and partnering state institutions, as necessary, to encourage the establishment of model pathways that prepare participants to successfully enter the workforce in certain fields – which may include any of the following:

1. Engineering technology and other fields essential to the superconductor industry;
2. Nursing, with particular emphasis on models that facilitate a participant’s potential progression through different levels of nursing;
3. Teaching and other related education professions;
4. Social and behavioral or mental health professions;
5. Law enforcement or corrections; and
6. Other fields as determined appropriate by the Chancellor and Director, in consultation with the Governor’s Office of Workforce and Transformation.

The bill also requires students enrolled under a statewide innovative waiver pathway to follow a model pathway, with specific priority on pathways aligned with engineering technology and other fields essential to the superconductor industry.

Under continuing law, each public secondary school, in consultation with at least one partnering state institutions, is required to develop two model pathways for courses offered under CCP. One model pathway must be a 15-credit hour pathway and one must be a 30-credit hour pathway. Pathways may be organized by desired major or career path and may include various core courses required for a degree or professional certification by the college. Continuing law does not prescribe specific professional fields for model pathways. Continuing law also permits one or more state institutions or private colleges, in collaboration with at least one industry partner, to propose a CCP statewide innovative waiver pathway to the Chancellor for approval. Continuing law permits any public or nonpublic secondary school or state institution or private college to use an approved pathway.⁶⁷

Direct Admissions Pilot Program

(Section 381.770)

Purpose

The bill requires the Chancellor, in consultation with the Director of Education and Workforce, to establish the Direct Admissions Pilot Program. Under the pilot program, the

⁶⁶ R.C. 3365.14, not in the bill.

⁶⁷ R.C. 3365.13 and 3365.131, not in the bill.

Chancellor must determine whether high school seniors in participating schools meet the admissions criteria for participating postsecondary institutions. The Chancellor then must notify participating students of the determination. The bill expressly prohibits requiring any student, school, or institution from participating in the pilot program.

Operation

To facilitate the pilot program, the Chancellor must establish a process that uses a student's academic record to determine whether the student meets the admissions requirements. To the extent practicable, and in accordance with applicable law, the Chancellor must use existing student information systems to automate the process. The Chancellor also must use information held by the student's school to minimize the need for a student to provide additional information.

The bill authorizes the Chancellor to establish eligibility requirements for students, schools, and postsecondary institutions who elect to participate in the pilot program. The Chancellor also may consult with stakeholders and form advisory councils as necessary to design and operate the pilot program.

The Chancellor must "endeavor" to implement the pilot program so students graduating in the 2026-2027 school year may participate in it. Conversely, the bill also authorizes the Chancellor to terminate the pilot program if it is impracticable to operate.

Participating schools and institutions

The bill permits any school district, community school, STEM school, or chartered nonpublic school to apply to participate in the pilot program. Similarly, any state institution of higher education, private nonprofit college or university, or Ohio technical center may apply to participate. The Chancellor must approve the application of any school or institution that meets any eligibility requirements established by the Chancellor.

The governing body of a participating district or school may adopt a policy authorizing any high school it operates to participate in the pilot program. Within 90 days of adopting a policy, the governing body must transmit it to the Chancellor and the Director. The governing body also must develop a procedure to determine whether a student who wants to participate in the pilot program meets any eligibility requirements established by the Chancellor.

Report

The Chancellor, in consultation with the Director, must issue a report on the pilot program at least once each school year by a date set by the Chancellor. The report must include information about the number of students who participate in the program. It also must evaluate, to the extent practicable, the impact of the pilot program on postsecondary outcomes for students from populations traditionally underserved in higher education. The Chancellor must submit the report to the Governor, the Senate President, the Speaker of the House, the Director of Education and Workforce, the OBM Director, and the Governor's Office of Workforce Transformation.

Centers for Civics, Culture and Society

(Section 381.415)

The bill requires the Chancellor to consult with the directors, or director designees, of the Centers of Civics, Culture, and Society to evaluate the extent to which the centers may be leveraged for Ohio's benefit. Each director, or designee, must submit to the Chancellor a summary of recommendations and a plan to achieve maximum state benefit by March 31, 2026. The plan must include options to establish programming at other state institutions of higher education such as seminars, lectures, student courses, and assisting faculty with curriculum development or sharing of curricula developed by the centers. In developing the summary and plan, the centers must seek to achieve the broadest geographic coverage possible.

Effective July 1, 2026, the Chancellor may require centers to engage in activities in their summary of recommendations. Each center must use a portion of its state funding to benefit the entire state. Each center also must report in its annual report the percentage of its state funds used to assist other universities and a summary of types of services and benefits provided.

Continuing law establishes centers at Ohio State University, Miami University, Cleveland State University, Wright State University, and the University of Toledo.⁶⁸

Attainment level report

(R.C. 3333.0415)

The bill eliminates the requirement for the Chancellor of Higher Education, in collaboration with the Department of Education and Workforce, to prepare an annual report regarding the progress Ohio is making in increasing the percentage of adults in the state with a college degree, industry certificate, or other postsecondary credential to 65% by 2025. Instead, the bill requires the Chancellor, in collaboration with the Department and the Governor's Office of Workforce Transformation, to establish the level of attainment necessary to achieve identified performance targets across a range of degrees and credentials.

Co-Op/Internship Program report

(R.C. 3333.041)

The bill eliminates the annual report on the academic and economic impact of the Ohio Co-Op/Internship Program. Under current law, the Chancellor is required to submit an annual report on the program to the Governor and the General Assembly. The report must include progress and performance metrics for each initiative that received an award in the previous fiscal year; economic indicators of the impact of each initiative, and all initiatives as a whole, on the regional economies and the statewide economy; and the Chancellor's strategy in allocating awards among state institutions of higher education and how the actual awards fit that strategy.

⁶⁸ R.C. 3335.39, 3339.06, 3344.07, 3352.16, and 3364.07, none in the bill.

“Teach CS” Grant Program

(R.C. 3333.129)

The bill expands the scope of teachers to which the “Teach CS” Grant Program applies. Under the bill, the purpose of the program is to support increasing the number of teachers who qualify to teach computer science or expanding the knowledge of existing teachers. Originally, the purpose is to fund coursework, materials, and exams to support the increasing number of existing teachers who qualify to teach computer science.

It also clarifies that grant funds may be used for coursework, materials, exams, teacher stipends, performance-based incentives, and other purposes as determined by the Chancellor to support the expansion of computer science education.