Thank you, Chairman Carfagna, Ranking Member Sweeney, and members of the House Finance Subcommittee on Higher Education, for allowing me to testify on behalf of Ohio’s independent, nonprofit colleges and universities and their students. My name is C. Todd Jones and I am president and general counsel of the Association of Independent Colleges and Universities of Ohio.

AICUO represents 51 nonprofit institutions of higher education in our state. Our members educate nearly 131,000 students, and award about one third of the baccalaureate degrees in Ohio each year, and an even higher share of our state’s degrees in mathematics, natural and biological sciences, and other key areas of study.

Ohio’s independent colleges are the leading sector in graduation rates in Ohio:
Our graduates are also the least likely to default on their loans, which means they are gainfully employed.

Independent colleges also recognize that college affordability is a priority and, as a sector, it costs less to attend one of our schools now than it did in 2002. The net tuition and fees paid by an average student is lower today, after adjusting for inflation, than it was 15 years ago.
Of course, every college and university focuses on affordability and accessibility, and AICUO member schools are no different. AICUO member schools have more than doubled the school-based financial aid given to their students over the last 11 years, reaching over $1.4 billion collectively.

In fact, nearly 90 percent of aid that a student receives at independent colleges comes from the college itself.
Ohio’s independent colleges are committed to supporting the students with the greatest financial need. Not surprisingly, independent colleges educate roughly the same percentage of Pell-eligible students as Ohio’s public institutions.

A Decade of Shared Public Purpose
Ohio public and private colleges both continue to serve the same proportion of low income students
And the efforts on affordability by colleges in Ohio are working. The total federal borrowing in Ohio at all four-year institutions is below 2008-2009 levels.

To gain perspective about our state’s independent sector, the first comparison needs to be Ohio’s independent institutions compared to others in the U.S. Published tuition at Ohio’s independent colleges is $4,600 less than the national average.

Independent colleges are affordable, effective, and integral part Ohio’s higher education sector, working in partnership with the state’s public and community colleges to raise post-secondary attainment in every corner of our state.
The Association of Independent Colleges and Universities of Ohio is very happy to see that Governor DeWine’s proposed budget reflects the value that all of higher education provides to Ohio. Specifically:

**The Ohio College Opportunity Grant (OCOG)**
Governor DeWine’s increased investment in OCG, $47 million over the biennium, is the largest in a decade. This is a desperately needed priority, as Ohio’s state need-based aid program has been woefully underfunded. In fact, Ohio is ranked 33rd among states in need-based aid provided and lags every state in the region by a substantial amount.

**Ohio Still Lowest in the Region in Need-Based Student Aid**
This data reflects two academic years ago, not Governor DeWine’s proposed budget.

*Average state need-based aid dollars per undergraduate full-time equivalent enrollment, 2015–16*

AICUO is fully supportive of increasing the state’s financial need-based aid program. However, with the increase comes changes to the program that we believe need to be discussed.
First, let me put my comments into the context of what higher education costs Ohio taxpayers. The reality for this body, and for the state, is that the small investment you make into independent college OCOG recipients results in dramatic savings to the taxpayer.

As you can see, for every degree awarded at an independent college, the state only pays $1,350 on average and it pays $21,119 for a four-year state degree and $24,883 for a community college degree.

Let’s be clear: any student who attends an independent college costs the state drastically less than a student who attends any state institution.

I would hope the state would never want to de-invest from the public-private partnership with independent college students where students graduate at a faster rate, are more gainfully employed, and cost the taxpayers an exponentially smaller amount of money.

I raise this point because the reason that there are two sets of award amounts in OCOG is that when the program was established, the legislature wanted to recognize that the state is already providing a substantial subsidy to ALL students at public institutions. Since the state invests so much to benefit public institutions’ students through the State Share of Instruction (SSI) to keep the tuition cost down, the legislature found it only fair to ensure the independent college students receive proportionately more in need-based aid to offset that subsidy in a small way.
If the state subsidized independent college tuition the way it does public tuition, then it would be reasonable to have one award amount. However, since that is not the case – and AICUO is not advocating to change SSI – the two award-amounts structure must be maintained to ensure that students receive fair treatment no matter where they choose to go.

House Bill 166 also dedicates $3 million per year to OCOG for “textbooks and instructional materials” to students at community colleges and regional branch campuses. While AICUO supports looking at policies to help decrease textbooks costs, we do not believe that this should be an expansion in OCOG. Currently, OCOG is a program strictly for tuition and fees. Legislators can know that the money spent on the exact purpose for which the money was intended: helping low-income students go to college.

Particularly problematic would be tracking and accountability for such a new, combined program. Establishing a separate set of metrics within a single program could be administratively problematic for the department, even if the department will not say so itself. A separate set of tracking metrics related to purchases by individual students is far different than tracking eligible individuals.

A more appropriate structure would be to create a new line item for textbooks and instructional materials for otherwise OCOG-eligible students at community colleges and regional branch campuses, which AICUO would support. If the state wants to subsidize textbooks for community college students, it should not complicate the administration of an effective, well designed program like OCOG to do it. From a good government perspective, this would be a better program design.

Industry-Recognized Credentials
AICUO supports the governor’s initiative to increase educational attainment among non-traditional students. Nine of our institutions currently offer short-term certificates with more schools becoming interested following the announcement of this new program. We look forward to working with the Development Services Agency and the Department of Higher Education to ensure students can obtain these credentials from all corners of the state.

Choose Ohio First
As eligible institutions, AICUO applauds the increased support for the Choose Ohio First Scholarship. Currently, 11 independent colleges participate in the program and AICUO expects that number to grow as the program grows.

College Credit Plus (CCP)
AICUO supports the $3,000,000 in funding create awards to support graduate coursework for high school teachers to receive credentialing to teach CCP courses in a high school setting. AICUO has always supported maintaining college-level rigor for CCP and ensuring teachers meet the Higher Learning Commissions standard for accreditation to teach dual-enrollment courses is imperative.
Campus Safety
As always, AICUO-member institutions strive to support and maintain student safety. We are happy to see the governor commit $1.5 million over the biennium for Ohio’s higher education institutions to continue developing best practices for preventing and responding to sexual violence on campus.

Health Care Workforce Preparation Taskforce
HB 166 instructs the chancellor to convene a taskforce to study, evaluate, and make recommendations with respect to health care workforce needs in Ohio. AICUO agrees with the governor and the chancellor that this is much-needed and our institutions look forward to participating.

Though you have seen numerous graphs over the last week about higher education, there is one that is more important that all of the rest: the baccalaureate attainment gap between Ohio and the nation. Unfortunately, in the last decade, that gap has grown. While more Ohioans are earning baccalaureate degrees, the national percentage with degrees is rising faster.

**Baccalaureate Attainment, Adults Age 25 and Above Ohio v. US, 2007 to 2017**

![Graph showing baccalaureate attainment gap between Ohio and US]

Source: US Census Bureau, American Community Survey, One-Year Estimates
While all post-secondary attainment matters and is needed, the data is clear that if Ohio wants to prepare its workforce for the future, an increase in baccalaureate degrees is desperately needed.

**Higher Education: The Path to Employment**

*Occupations requiring higher education levels will grow rapidly from 2016-2026*

<table>
<thead>
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<th>Education Level</th>
<th>Growth Rate</th>
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<tr>
<td>Bachelor's degree or higher</td>
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<tr>
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<tr>
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<tr>
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<tr>
<td>No credential</td>
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</table>

*Source: U.S. Bureau of Labor Statistics*

We believe that Governor DeWine's budget proposal will support higher education in a way that will help close that gap. His emphasis is in the right places and makes meaningful changes that our association supports.

We look forward to working with this committee to help Ohioans achieve their educational goals. I would be happy to answer questions the committee may have.