

Tax & Budget

Testimony on HB 166 before the House Finance: Higher Education Subcommittee Victoria Jackson

Good morning, Chairman Carfagna, Ranking Member Sweeney and members of the Committee. My name is Victoria Jackson and I am a researcher with Policy Matters Ohio, a nonprofit, nonpartisan organization with the mission of creating a more vibrant, equitable, sustainable and inclusive Ohio. Thank you for the opportunity to submit testimony. I am writing today to ask the committee to invest more in Ohio's public colleges and in low-income students.

Ohio has world class network of public colleges and universities. However, Ohio's public colleges have high tuition and the state provides too little need-based financial aid. Ohio is ranked 45th least affordable for college for families of low and modest income.¹ and Ohioans owe \$57 billion in student debt,² one of the highest per capita rates of debt in the nation.³ Policymakers set a college attainment goal of 65 percent by 2025. Only 44.6 percent of adults age 25-64 have a certificate or higher. Reaching this goal will require significant investment. Current funding levels and need-based aid policies undermine this goal.

State Share of Instruction

Ohio needs to substantially increase investment in higher education to achieve a significant increase in the share of Ohioans with a degree or certificate. But the investment trend is headed in the wrong direction. According to the Center on Budget and Policy Priorities, the state's per-pupil spending was 18.1 percent lower in 2018 than in 2008, adjusted for inflation, a bigger decline in higher education investment than 23 other states.⁴ The high cost of Ohio's public colleges and universities will not come down unless the state restores its share of the cost of classroom instruction. Tuition costs keep rising because there is less state investment in Ohio's public colleges. The Governor's proposed 1% increase in SSI each fiscal year is not enough ensure colleges can provide a quality education for all students. SSI should be increased 5% each fiscal year to ensure colleges keep tuition cost steady without sacrificing quality. Additionally, SSI should be indexed to inflation to ensure the quality of Ohio's higher education system does not decline overtime.

Increase college affordability by expanding the Ohio College Opportunity Grant

The high cost of tuition and other college costs are a significant barrier to college success for many students. Students need financial aid funding that keeps up with college costs and policies that account for the cost of essential living expenses. The Ohio College Opportunity Grant (OCOG) is Ohio's only need-based aid grant for low-income students. Governor DeWine's budget proposes a 21.2% increase in OCOG each fiscal year, which would bring OCOG to \$148.2 million by the end of the biennium. This is an important step in the right direction. However, the state needs to do more to guarantee that Ohio's need-based aid program will help students succeed. Community college students and regional campus students are excluded from OCOG because OCOG is a "last-dollar" grant for tuition and general fees only. This

¹ Institute for Research on Higher Education. (2016). College Affordability Diagnosis: Ohio. Philadelphia, PA: Institute for Research on Higher Education, Graduate School of Education, University of Pennsylvania. <https://bit.ly/2IOG3rT>

² "50 State Snapshot of Student Debt: A Nationwide Look at Complaints about Student Loans" (Consumer Financial Protection Bureau, October 2017), <https://bit.ly/2yeeUe6>

³ Zack Friedman, "Student Loan Debt Statistics In 2018: A \$1.5 Trillion Crisis," Forbes, accessed September 18, 2018, <https://bit.ly/2PB50Js>

⁴ Mitchell, Michael; Leachman, Michael; Masterdon, Kathleen and Waxman, Samantha, "Unkept Promises: State Cuts to Higher Education Threaten Access and Equity," Center on Budget and Policy Priorities, October 4, 2018 at <https://bit.ly/2DZfTny>

means other aid, like Pell Grants, must be applied to tuition and fees before OCOG awards are determined. This is a flawed policy that undermines affordability and makes it more difficult for low-income students to afford necessary living expenses. The state of Ohio defines cost of attendance as tuition and general fees only, but colleges and the federal government define costs of attendance as tuition fees, books, transportation, and basic living expense such as housing, food, toiletries, and other education related expense.⁵ Ohio policy should account for the true cost of college attendance. As a direct result of this policy, 92,00 otherwise eligible community college students and 22,000 regional campus students are excluded from OCOG. These students are denied a maximum grant award of \$1,500 per academic year. Additionally, students at Central State University, Ohio’s public Historically Black College and University, are not eligible for the maximum \$1,500 OCOG award students at other public universities are eligible for because of the Pell Grant first and tuition and fees only policy. Because Central State University has lower tuition and fees, the maximum grant for full-time students is only \$252.⁶ OCOG policy that recognizes living expenses are an important and nonnegotiable cost of college is needed. The governor’s proposal to allocate \$3 million in OCOG for community college students is a welcome improvement, but more is needed to help students succeed.

Allowing students to use OCOG for living expenses is important because large numbers of student experience food and housing insecurity. A Wisconsin Hope Lab survey of 43,000 students at 66 four-year colleges and community colleges, including Ohio University, found that 42 percent of community college students and 36 percent of university students regularly struggled to afford safe and nutritious food. A previous survey with a larger sample size of community college students found 56 percent were food insecure. These rates are significantly higher than the food insecurity rate off campus, which is 12.3 percent nationally and 13.7 percent in Ohio.⁷ The report also showed that 36 percent of university students and 46 percent of community college students have a difficult time paying their rent or utility bills; or have to move frequently. Nine percent of university students and 12 percent of community college students were homeless, according to the survey.⁸

Students in Ohio are experiencing hunger and colleges are responding. The majority of Ohio’s 61 public college have food pantries. Some of these pantries also provide other necessities like hygiene products, winter clothes, and household necessities like toilet paper. The establishment of pantries on campus is an indication that students need help with living expenses. Many Ohio college students balance a job on top of their academic demands (see table 1).

Table 1					
Hours worked per week by Ohio resident students 2016					
Institution Type	0 hours	1-20 hours	21-30 hours	31-40 hours	>40 hours
Public University	17.9%	32.1%	18.0%	23.7%	8.3%
Community College	17.4%	20.3%	13.4%	38.5%	10.4%
All institutions	18.0%	26.2%	15.7%	31.0%	9.2%

Source: Policy Matters Ohio based on U.S. Department of Education, National Center for Education Statistics, 2015-16 National Postsecondary Student Aid Study

Working more than 20 hours per week harms academic performance and reduces a student’s likelihood of graduating.⁹ Also, hunger is higher among students who work longer hours.¹⁰ If students can use OCOG to pay for living expenses they will better be able to focus on the task at hand: getting an education.

⁵ Information for Financial Aid Professionals (IFAP), “Cost of Attendance (Budget)” (U.S. Department of Education, n.d.), <https://ifap.ed.gov/fsahandbook/attachments/1516FSAHbkVol3Ch2.pdf>.

⁶ Ohio Department of Higher Education, “Ohio College Opportunity Grant (OCOG),” accessed April 9, 2019, <https://www.ohiohighered.org/ocog>.

⁷ Alisha Coleman-Jensen et al., “Household Food Security in the United States in 2017” (United States Department of Agriculture), accessed October 9, 2018, <https://www.ers.usda.gov/publications/pub-details/?pubid=90022>.

⁸ Sara Goldrick-Rab et al., “Still Hungry and Homeless in College” (Wisconsin Hope Lab, April 2018), <https://hope4college.com/wp-content/uploads/2018/09/Wisconsin-HOPE-Lab-Still-Hungry-and-Homeless.pdf>.

⁹ Institute for Research on Higher Education. (2016). College Affordability Diagnosis: Ohio. Philadelphia, PA: Institute for Research on Higher Education, Graduate School of Education, University of Pennsylvania. <http://www2.gse.upenn.edu/irhe/affordability-diagnosis>

¹⁰ Sara Goldrick-Rab et al., “Still Hungry and Homeless in College” (Wisconsin Hope Lab, April 2018), <https://hope4college.com/wp-content/uploads/2018/09/Wisconsin-HOPE-Lab-Still-Hungry-and-Homeless.pdf>.

It will require an additional \$106 million a year to expand OCOG to this deserving and important group of students, bringing the funding total to \$207 million a year, still short of the \$250 million goal set by a task force under Governor Taft.¹¹ This investment would restore OCOG for about 114,500 low-income community college and regional campus students, who are currently excluded, and boost the maximum award for Central State University. A more aspirational effort would guarantee that students of middle- and low-income families can afford college.

Recommendations

- Increase SSI by 5 percent each fiscal year and index funding to inflation to ensure public colleges and universities can provide high-quality education.
- Increase OCOG by at least \$106 million to ensure access for community and regional campus student and increase the grant for Central State University Students

¹¹ Jackson, Victoria, “Ohio Promise: Free equitable College,” Policy Matters Ohio, October 18, 2018 at <https://bit.ly/2RrBXJz>