



# Testimony on House Bill 166

## Ohio Senate Higher Education Committee

### May 8, 2019

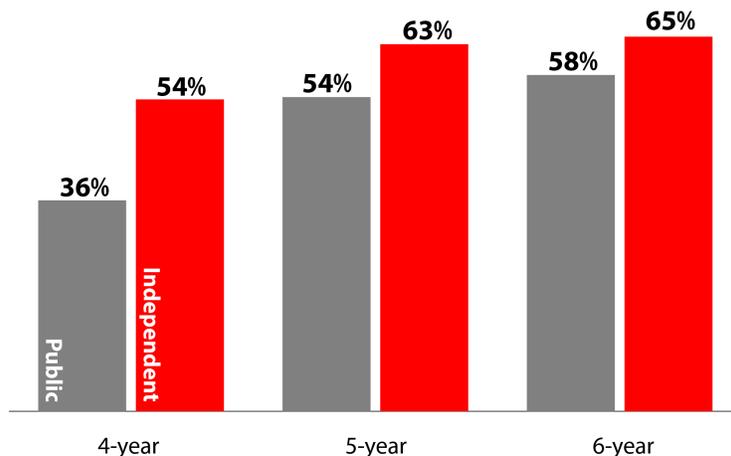
Thank you, Chairwoman Kunze, Ranking Member Williams, and members of the Senate Higher Education Committee, for allowing me to testify on behalf of Ohio's independent, nonprofit colleges and universities and their students. My name is C. Todd Jones and I am president and general counsel of the Association 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:

### **Independent Colleges: Still The Efficient Path**

4-year on-time graduation rate at Ohio independents remains roughly equal to 5-year rate at Ohio publics



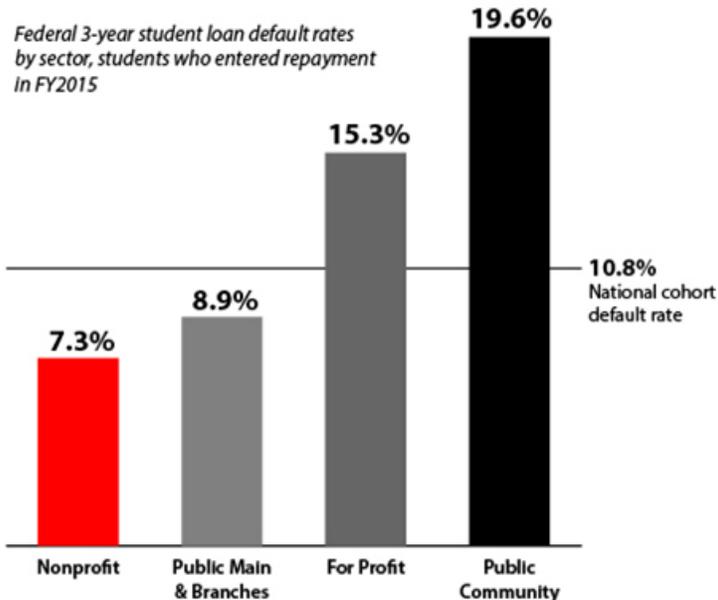
Baccalaureate Graduation Rates  
Ohio Public Main Campuses and 4-Year Independents  
Cohort Entering Fall 2011

Source: National Center for Education Statistics

Our graduates are also the least likely to default on their loans, which means they are gainfully employed.

## An Ohio 4-Year College Remains the Best Route to a Well Paying Job

One important piece of evidence: 4-year graduates are much less likely to default on their student loans



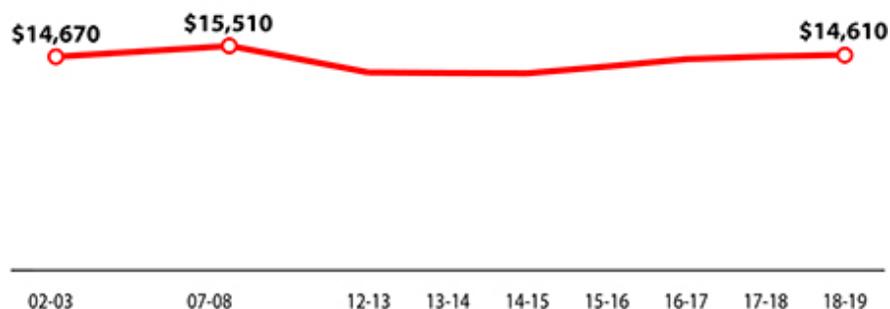
Source: US Department of Education

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.

## Net Tuition and Fees at Independent Colleges Remain Lower Than They Were 15 Years Ago

When you consider financial aid and inflation

Constant 2018 dollars

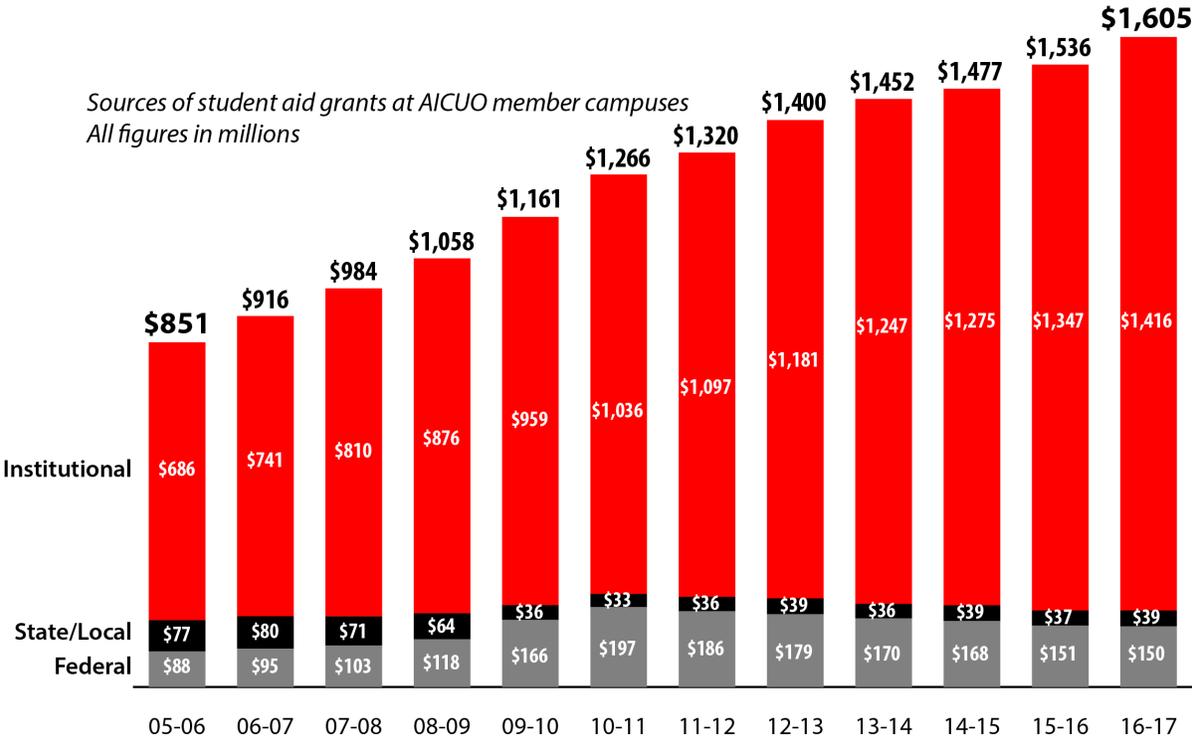


Source: The College Board

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.

## Independent Colleges' Increasing Commitment to Student Aid

Institutional student support has more than doubled in last 11 years



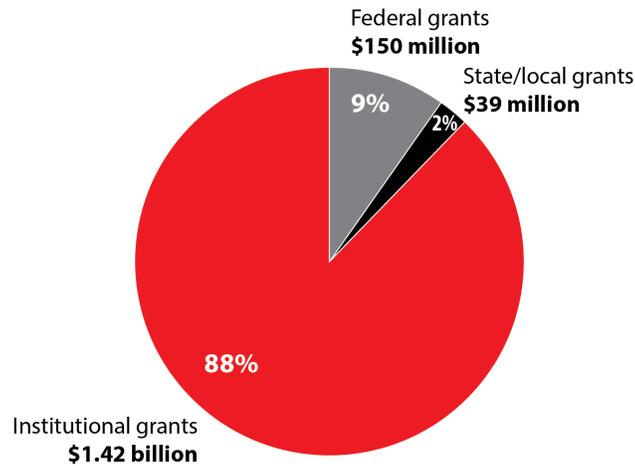
Source: National Center for Education Statistics, IPEDS F-1a Finance Surveys

In fact, nearly 90 percent of aid that a student receives at independent colleges comes from the college itself.

## Supporting Our Own Students

At Ohio independents, about 9 of every 10 student aid grant dollars comes from the college or university itself.

*Student aid grants by source at AICUO members, 2016–17*

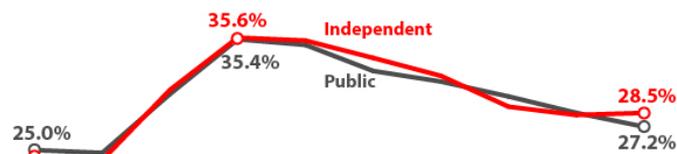


*Note: Does not add to 100% because of rounding  
Source: National Center for Education Statistics*

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



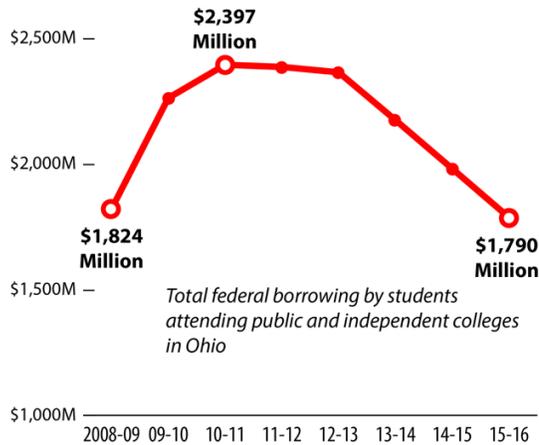
*Percentage of Undergraduates Awarded Pell Grants  
At Ohio Public Main Campuses and Independent 4-Year Institutions*

2007-08 08-09 09-10 10-11 11-12 12-13 13-14 14-15 15-16 16-17

*Source: National Center for Education Statistics*

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.

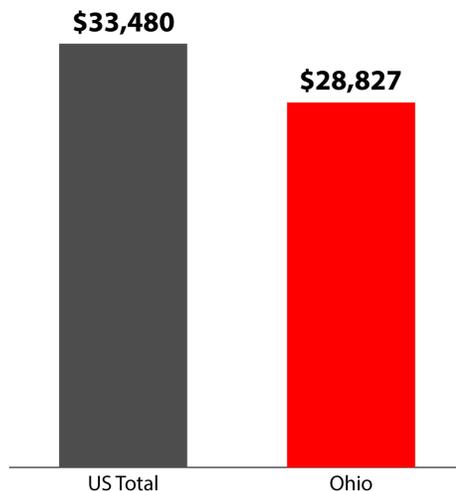
### Total Federal Borrowing by Ohio College Students Continues to Drop



Source: National Center for Education Statistics

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.

### Average Published Tuition and Fees at Independent Colleges and Universities: Ohio is \$4,600 less than the national average



Sources:  
 US Total: The College Board  
 Ohio: AICUO Counselor’s Guide 2016-17

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:

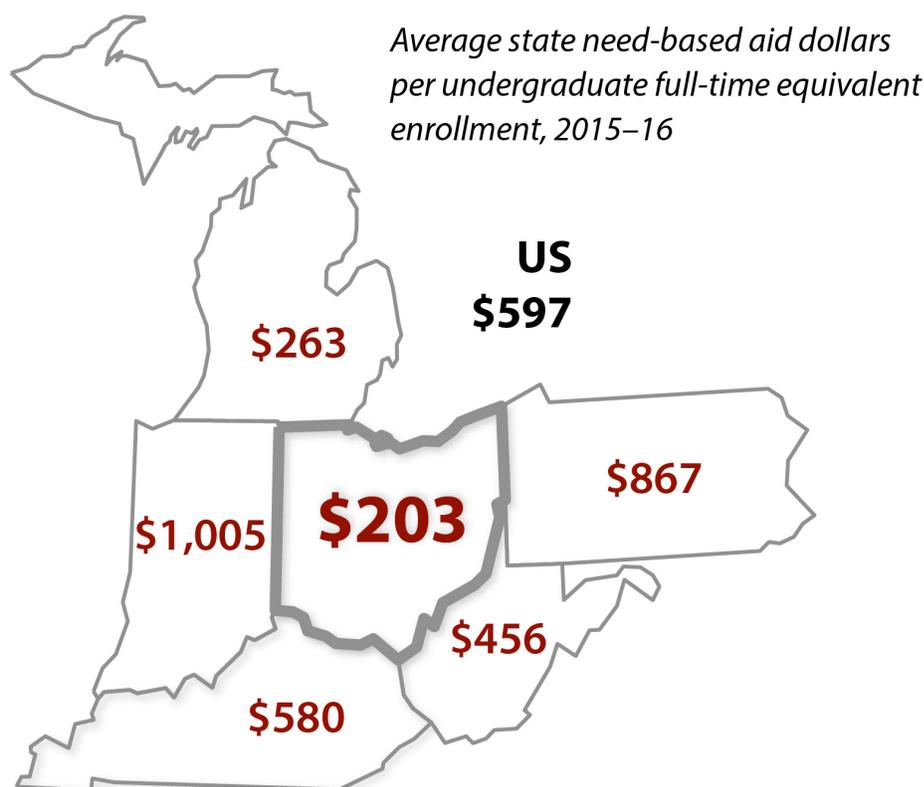
The Ohio College Opportunity Grant (OCOG)

Governor DeWine’s increased investment in OCOG, \$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

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This data reflects two academic years ago,  
not Governor DeWine’s proposed budget.



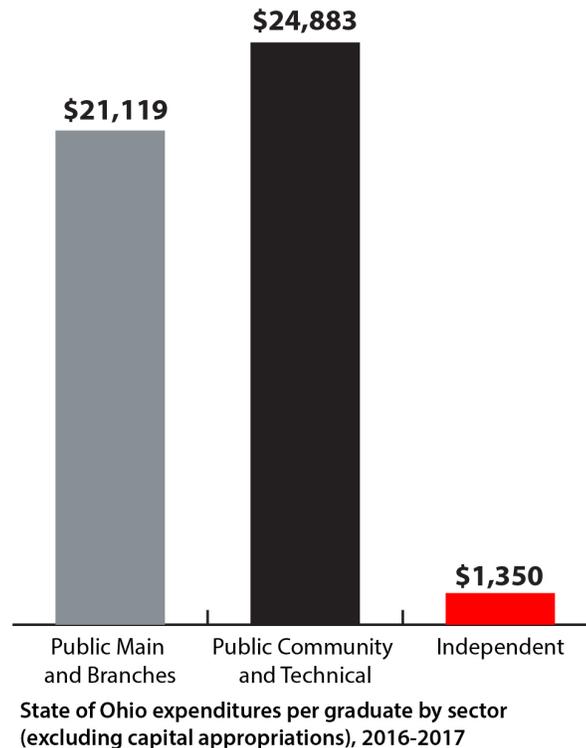
*Source: National Association of State Student Grant and Aid Programs: "47th Annual Survey Report"*

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.

## A Bargain for the State

Every Independent college graduate saves Ohio money



Source: Ohio Department of Higher Education & IPEDS (2019)

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.

The Governor’s proposal 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. 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.

Substitute House Bill 166 made this suggested changed and created the Textbook and Instructional Materials Grant. From a good government perspective, this is a better program design and AICUO supports this needed change.

#### 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.

As you know, the House stripped this language with the intention of forming it into a new piece of legislation to have further discussions. AICUO believes having more details around this program is valuable, and we look forward to continuing to work with the legislature on this important issue.

#### 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 to support graduate credentialing coursework for high school CCP teachers. 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.

Substitute House Bill 166 added language mandating CCP students fill out the Free Application for Federal Student Aid (FAFSA) if they want to participate in the program in their senior year. AICUO applauds the House's commitment to increasing Ohio's FAFSA completion rate, as 40 percent of Ohio high school students still do not complete the form. However, having parents or guardians complete a FAFSA for a student can be a very complicated and nuanced process. Our concern would be if a flat mandate is required, some students could lose out on CCP due to choices outside of their control. Rather than mandating participation by a student, perhaps the legislature could find way to facilitate and incentivize FAFSA completion for all high school students.

### 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.

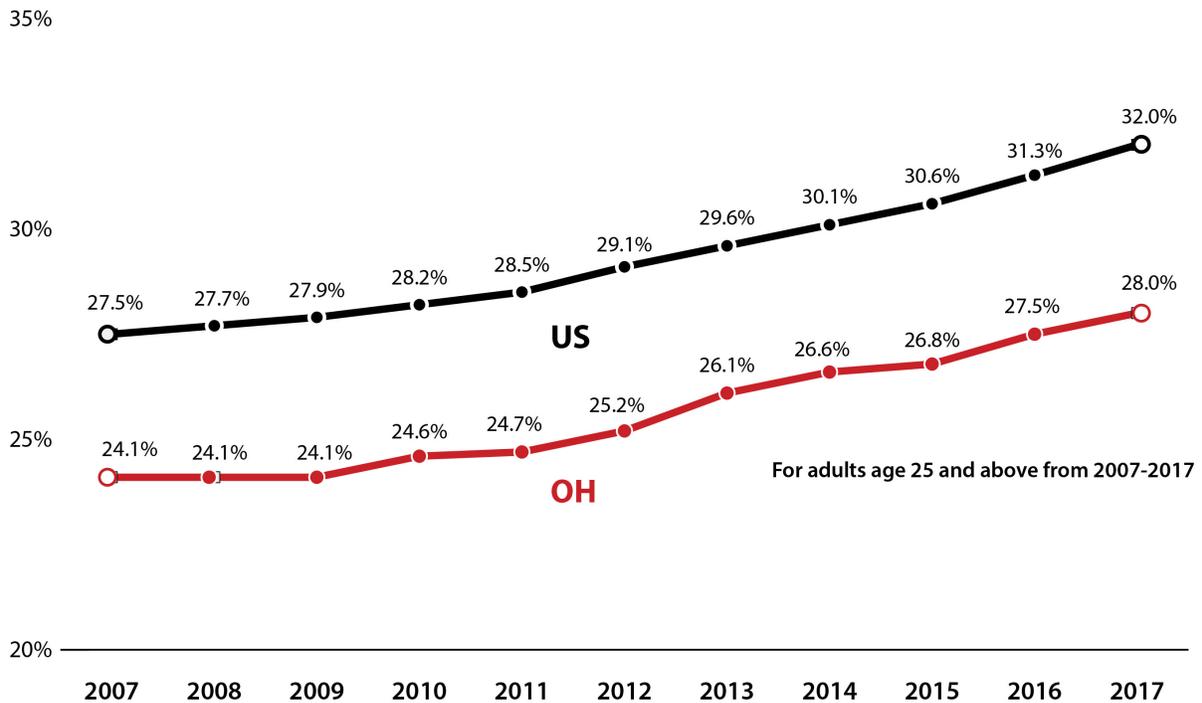
### Teacher Preparation

Substitute House Bill 166 included language that will force the Chancellor to approve for-profit "pre-service" teacher preparation programs in Ohio. This change was never discussed in the House Higher Education Committee this year and has been rejected numerous times in the past by the Ohio House and Ohio Senate. Ohio has numerous highly ranked public and non-profit teacher preparation programs. To force the Chancellor to approve said programs without any open discussion or debate should raise a red flag to this committee. AICUO asks that this language be removed both on the basis of transparency and other significant problems with the underlying proposed teacher education program.

Though you have seen numerous graphs over the last week about higher education, there is one that is more important than 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.

## Ohio's Baccalaureate Attainment Gap Continues to Grow

While more Ohioans are earning Bachelor degrees, the national percentage with degrees is rising faster

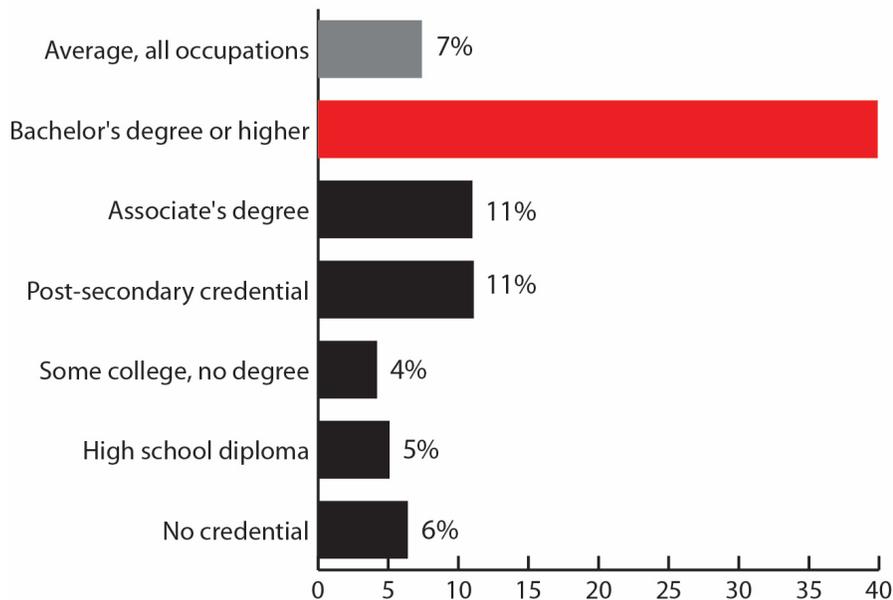


Source: US Census Bureau, American Community Survey, One-Year Estimates

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



Source: U.S. Bureau of Labor Statistics

We believe that House Bill 166 will support higher education in a way that will help close that gap. The 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.