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Ohio Student Government Association Testimony

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Thank you Chairman Gardner and members of the subcommittee for the opportunity to share a student perspective on the impacts of the proposed biennial budget. My name is Spencer Brannon and in addition to serving as Chairman of the Ohio Student Government Association – the statewide intercollegiate organization composed of the thirteen public student governments in Ohio – I am also a student at Wright State University.

OSGA's purpose is simple: to provide a forum to empower students, to advocate on their behalf, and to improve the student experience throughout the state of Ohio. My testimony today represents the concerns and ideas of these current students and of the many more who will soon be joining their ranks.

Universities and institutions of higher learning serve a valuable public purpose in the state, and we appreciate the focus of the subcommittee on improving the ability of these institutions to attract, train, and retain the very brightest minds from across the nation. By the year 2020, over 60% of Ohio's new jobs will require postsecondary education, and yet as a state we are on a trajectory to graduate so few students that we will leave tens of thousands of jobs on the table.

So we appreciate the work of this subcommittee and, in turn, we appreciate the work that institutions of higher education are doing to protect and enhance the student experience – and we recognize that they need the support of this assembly in order to fully realize the statewide aspiration of becoming a leader in higher education. In particular, there are three specific areas where this subcommittee can commit support that will bear a significant impact on the state's ability to meet the challenging graduation requirements necessary for us to meet the workforce demands on the horizon: (1) adjusting OCOG to reward cost containment while increasing SSI funding to recognize university efficiencies and performance in the wake of the new higher education funding model; (2) providing the Board of Regents – or the Department of Higher Education – with funds to create specific new programs to decrease gender-based violence; and (3) incentivizing the creation of tuition guarantee programs through strategic policies and appropriations.

RESTORING SSI AND RESTRUCTURING OCOG TO REWARD PERFORMANCE

The first step is to enhance the accessibility of education. The two key funding vehicles from the state – state share of instruction funding (SSI) and the Ohio College Opportunity Grant (OCOG) – are both important forms of support whose efficacy have been greatly curtailed by budget cuts that have totaled

over 28% since 2010. Over that same timeframe, Ohio's institutions of higher education have increased their graduation rates by 19.1% while enacting efficiencies that allowed Ohio to claim the lowest growth in tuition across the nation over the past decade. More accurately, Ohio led the nation in tuition decrease because our universities have passed on an inflation-adjusted tuition decrease of 2.5% over the past decade. In short, universities are graduating more students with less and are better stewards of taxpayer funds than ever before. But there's only so much good stewardship can accomplish.

In order to effectively meet the workforce demands of the next decade, the public four-year universities of Ohio require additional SSI funding. The reason for this is quite simple: with a goal of doubling the share of Ohioans with postsecondary credentials, the demands on universities have never been greater. Universities derive funds primarily from three sources: tuition and fees, their endowment, and the state. Endowments aren't growing nearly as quickly as exponential growth in demand for financial aid due to burgeoning campus populations and Ohio's universities are leading the nation in cost containment, meaning their tuition and fees, by necessity, cannot rise. The only tenable solution for Ohio to meet its workforce needs is for the state to offer additional support.

As Ohioans flock to education as a tool for climbing the socioeconomic ladder and enriching their and their families' lives, the SSI funding goes less far. In fact, Ohio ranks 45th in the nation for the lowest state funding per FTE student. OSGA recommends increasing the SSI appropriation for this year by 2.5%, with a further increase of 5% in the following year. More broadly, the state should commit to increasing state higher education appropriations by \$2,237 per full time enrolled student by the year 2020 – a rate that would take us merely to the national average of 2015.

One method of achieving this broader growth is restoring funding to OCOG, a financial aid vehicle that the state has slashed by over 50% in the past five years, grouping us as one of only four states in the country that have cut state financial aid. Currently, Ohio ranks 44th in the nation for the share of its graduates graduating with debt – and the average debt load now tops \$30,000 per student. OSGA supports restoring funding to OCOG by increasing the funds available for grants and adjusting the calculation of family contribution to close several loopholes in the current Pell First calculation. These loopholes wreak havoc on students' lives and serve as a direct impediment to their ability to educate themselves. For example, a student at Wright State's Lake Campus who had emancipated herself from her parents before she turned 18 and hadn't spoken to them in over five years was told that she could not qualify for OCOG because her expected family contribution was too high. This is deeply unfair to her and the many students in similar situations.

OSGA also supports specific reforms to the structure of the OCOG program. We encourage the subcommittee to strip funding of OCOG grants at private, for-profit institutions because these grants serve as a public subsidy for a private corporation, and the performance statistics of these institutions indicate that they are less-deserving stewards of public funds than the public, four-year institutions. Ohio taxpayers should not be bankrolling shareholders across the globe with subsidies, especially when the product subsidized is sub-par.

Secondly, OSGA supports equity in the OCOG awards between private and public universities. In truth, we support a proportional division of the available funds between the two groups on the basis of the number of students who graduated in the previous year in each sector. So if, hypothetically, private universities graduated 10,000 students and public universities graduated 40,000, 20% of the OCOG funds would be earmarked for grants to private university students and 80% of the funds would be earmarked for public university students. This system encourages universities to not only recruit students, but to retain and graduate them. It also serves as a counterbalance to the SSI funding model,

which does not take graduation rates into as much account when determining university-specific appropriations.

We recommend a four-year introduction of such an OCOG paradigm, with the first two years restoring the 2:1 private to public OCOG ratio agreed to by the sectors earlier this session. The second two years should restore equity, with a 1:1 ratio. The fifth year should implement the proportional graduate appropriation formula, giving universities sufficient time to implement new programs that can utilize the new formula for the students' benefit.

Lastly, OSGA supports the \$7.5 million appropriation for debt-reduction efforts, but we encourage a specific use of the funds in a new and novel way: the payment of interest for those students who graduate from a public four-year university and remain in the state for full-time employment afterward. These interest payments, which should be a continuing program, will encourage students to remain in the state, find full time jobs, and contribute to the economy and tax base of the state. We believe that in the long-run, such appropriations will more than pay for themselves.

ADDRESSING GENDER-BASED VIOLENCE

Please let me be clear: OSGA is in strong support of the House-passed appropriation for best practice development in addressing gender-based violence. Last year, I chaired OSGA's task force on gender-based violence prevention and our report is the only student-authored policy paper on the subject in the country. Student governments – and students – across the state believe strongly in this issue and require decisive action from the state as well as their universities.

We believe that an appropriation to the Ohio Board of Regents (or the Department of Higher Education) to develop a clearinghouse of campus offenders and the establishment of a transcript notation system that marks the transcripts of students who are found in violation of sexual misconduct policies on campus is one of the single most important things this assembly can do to address the sexual assault crisis. Research shows that 90% of campus sexual assaults are perpetrated by repeat offenders, and these students meander across the state from institution to institution without any standardized system in which universities can communicate warn of the inadmissibility of the student to other institutions. With this appropriation, the state would develop a system that allows universities to make informed decisions when admitting an applicant previously discharged from a different institution for sexual misconduct.

We also encourage language that grants privilege to the judicial hearings that universities conduct, so that neither party participating in them feels compelled to hide portions of the truth to protect their defense in the event that criminal charges are brought. Currently, the best course of action for a student accused of sexual assault is to offer no testimony or volunteer no evidence to the judicial board, because doing so jeopardizes the student's possible defenses during trial. This is not only an obstruction of the judicial board's investigation but it also hurts the principal purpose of the judicial boards: justice.

Lastly, we support language that indemnifies businesses and their owners when they submit evidence to campus judicial boards. Currently, a business carries great liability and litigation risk if it provides evidence to the judicial board. We encourage language to accompany the granting of privilege to the judicial boards that indicates that any evidence provided to the judicial boards by third parties does not carry a responsibility to report perceived illegal actions by the business, for certain crimes, to law enforcement. This amnesty encourages businesses to cooperate with universities and their investigators. Prosecutors could still subpoena this evidence during criminal proceedings, but it would extricate universities from their role in private misconduct by the business.

INCENTIVIZING TUITION GUARANTEE PROGRAMS

Tuition guarantees are an important tool in increasing the accessibility of postsecondary education. In 2011, OSGA first proposed state support for the creation of tuition guarantee programs at Ohio's public four-year universities, and we continue to believe that these programs offer a compelling value proposition to the state. These programs allow students to more capably plan for college – both financially and emotionally. And by treating the college experience as a continuous, four-year iteration rather than four components culminating in a degree, tuition guarantee programs actually encourage graduation and boost graduation rates.

But the structure of these programs means support from the state must be consistent. Universities afford these programs by increasing tuition by up to 6% for one year and then keeping it steady for the following four, for a given cohort. This results in a net savings of over \$1,000 for the student, but puts the university at great risk because once they have committed to price they can't change it, even if state support plummets. These risks aren't hypothetical: if a university had committed to a graduation guarantee in 2010, it would see its per-graduate aid from the state shrink by over 28% before that guarantee expired. That bears a huge impact on the ability of institutions to offer these programs – the last thing OSGA wants to see is a university rescind a graduation guarantee because the state has cut per-graduate aid to such a level that it is not financial feasible for the university to honor its commitment.

This is why the state must be transparent and consistent with its funding intentions, and maintain or increase per-graduate aid levels. The effect of this is a required increase in net SSI funding to accommodate the influx of graduates required to achieve the 60% goal by 2020.

OSGA also supports a \$5 million appropriation to the Ohio Board of Regents (or the Department of Higher Education) for grants to universities seeking to implement tuition guarantee programs. These grants would be awarded to universities for feasibility studies, preparation, and implementation of four-year tuition guarantee programs. Ohio University has indicated that its costs for the graduation guarantee program consideration, preparation, and implementation thus-far (still three months away from the official start date) exceeded \$1 million, so these grants will allow universities to seriously consider and earnestly implement these programs.

We are an organization composed of students, of aspiring entrepreneurs, blossoming artists, and future statesmen. As students, we stand ready to make this system stronger and more accessible, to open its doors to attract talent to Ohio because of its accessibility; to train the world-class talent we collect to be productive, engaged members of our state; and to retain them here to build businesses, employ other graduates, and further strengthen the system from which they benefited. We appreciate the willingness of this committee – and of the General Assembly as a whole – to work with us in achieving the same.

Thank you for your consideration. I am happy to answer any questions you may have.