

## Testimony before the Senate Finance Subcommittee on Higher Education on House Bill 49

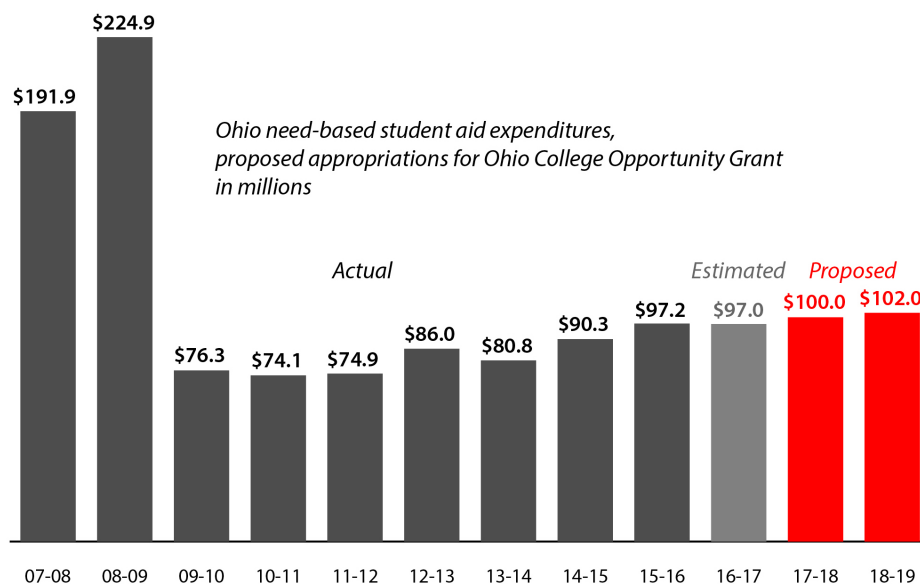
C. Todd Jones, President and General Counsel  
Association of Independent Colleges and Universities of Ohio  
May 11, 2017

Thank you, Chairman Gardner, Vice Chair Williams, and members of the Senate 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 53 nonprofit institutions of higher education in our state. Our members educate nearly 133,000 students, and award 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.

### The Ohio College Opportunity Grant

I am here, mainly, to advocate on behalf of the Ohio College Opportunity Grant (OCOG). OCOG is Ohio's only need-based financial aid program and it is woefully underfunded. As you can see in the chart below, OCOG is less than half of the funding level of 2008-2009. While Governor Strickland slashed the program to pay for a tuition freeze, our state has yet to rebuild its investment for our financially neediest-population.

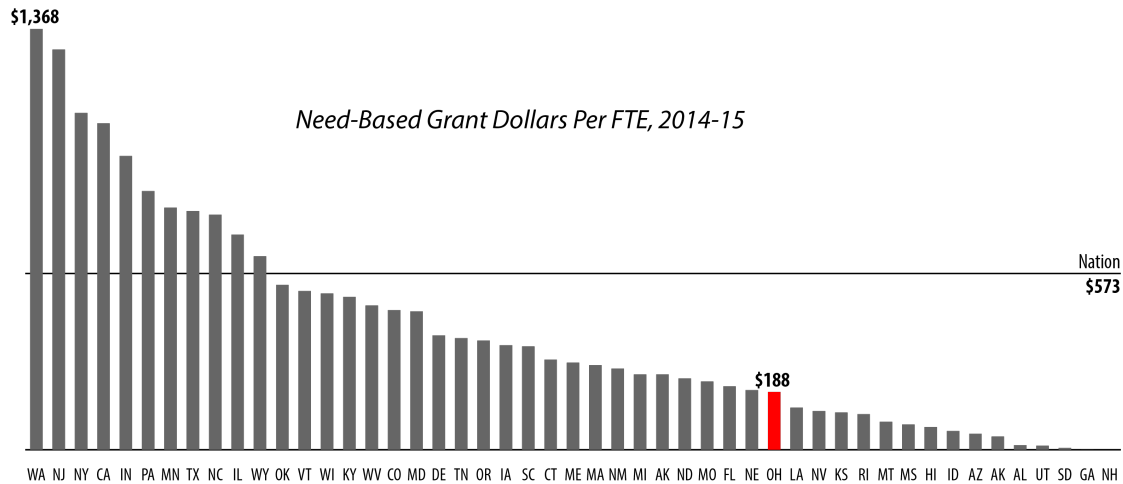


Sources: Office of State Grants and Scholarships, Ohio Department of Higher Education (2001-02 through 15-16);  
Ohio Office of Budget and Management (2016-17 estimate,  
2017-18 and 18-19 Executive Budget proposed appropriations)

Ohio is in the bottom-third of the country for need-based aid funding:

# Ohio: In the Bottom Third

Undergrads in Ohio receive less than 1/3 of the US average in need-based aid.

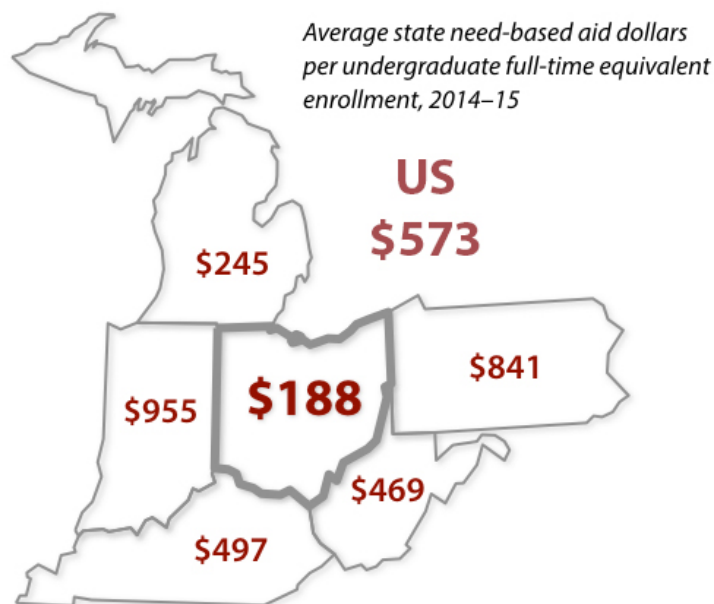


Source: National Association of State Student Grant and Aid Programs, "46th Annual Survey Report on State-Sponsored Student Financial Aid"

Ohio's commitment to need-based aid is so poor that we are dead last even in our own region in funding:

## Ohio: Last in the Region

The need-based Ohio College Opportunity Grant needs an upgrade to award more funds to more needy students.



source: National Association of State Student Grant and Aid Programs

Ohio only provides an average of \$188 per undergraduate full-time equivalent (FTE) and every single one of our border states does a better job. Michigan, which many would argue is in much worse financial shape than Ohio, still funds its program at higher levels. Pennsylvania and Indiana provide almost five times more funding to their students than we do. It is shameful.

According to a University of Massachusetts study, need-based aid has more effect on graduation rates than ANY other kind of aid. In fact, for every \$1,000 in such aid a student received, they were 4.6 percent more likely to persist beyond their freshman year, and 7.7 percent more likely to graduate within six years. Another study found that:

*[R]esults confirm the positive impact of grant aid for low-income students [of past research]. None of the other financial aid elements showed significant results for this students (sic) group, receiving only grants in their financial aid package, underscoring the importance of need-based grant aid to increase low-income students' chances of college completion.*

Even when Ohio is looking at tighter budgets and more effective use of taxpayer dollars, OCOG should be on the top of higher education's budget priorities. We ask that you recommit this state to helping those who want to help themselves and put some real money into OCOG this budget.

### College Credit Plus (CCP)

I know that College Credit Plus is a hotly debated topic in both chambers of this legislature, but if I could just take a moment to remind this committee of the mandates placed upon colleges and universities who operate CCP:

- We MUST have a teacher of record on the college campus for every class
- We MUST develop university-based curriculum for every course
- We MUST allow students to take any class they want on campus
- We MUST travel to every partner school district to give a presentation
- We MUST have a college-based counselor designated for CCP students
- We MUST pay for all entrance exams (ACT, SAT, etc.) related to CCP students, even if they are not officially students of the campus
- Under the House version of the legislation we MUST cover 50 percent of the textbook cost

All of these musts are then also tied language that allows the K-12 sector to drive the cost of operating these programs to zero by not having a per-credit hour floor for class costs. Public two- and four-year institutions can "afford" giving away classes for free because they get a portion of State Share of Instruction (SSI) for every student educated.

Independent colleges get absolutely no additional funding from College Credit Plus other than that which is agreed to by the high school. To give you a real-world example, Oberlin College operated one of the longest standing dual-enrollment programs in the state. They partnered with many high schools, including the Cleveland City School district. However, under CCP a high school came

to Oberlin and said a public institution was offering to partner for only \$25/credit hour instead of the \$40/credit hour floor. Oberlin decided it was in the best interest of the community to continue the program so they agreed to partner with the high school for \$25/credit hour. However, the public institution then offered to partner for free and the high school required Oberlin to match that offer. Sadly, Oberlin was left with no choice but to shutter their CCP program as none of our institutions can afford to just give away college credit.

This past school year, 30 independent non-profit institutions of higher education serve over 5,100 high school students. That number will be zero if the Executive Budget language moves forward. Just to remind the committee and the public, every single four-year institution of higher education that participates in College Credit Plus does so at a loss. The \$40 per credit hour “floor” is cheaper than any college in the state for an undergraduate course.

This budget language will cause what is already a bureaucratic nightmare for college campuses to become untenable for our 53 members. They will shut their programs down. Asking non-profit institutions of higher education to offer college at a huge discount and then mandating an arbitrary cost for textbooks will be too much. They cannot afford to put the viability of their institutions on the line for College Credit Plus. Already, the CCP implementation has caused six independent non-profit higher education colleges to drop their programs, one of which was a nationally accredited by the National Alliance of Concurrent Enrollment Partnerships (NACEP).

If this language moves forward I am sad to say that under the guidance of a small-government Republican legislature, the entire private sector will have been purged from participation in College Credit Plus by its market-distorting policies. Giving operational subsidies to public colleges, which then price CCP as “free,” is not free. It is merely displacing local tax dollars with state tax dollars, with the loss of real dollars that independent nonprofit colleges are giving away to local schools – through their CCP operational losses – as part of their community mission. It is a net loss for taxpayers.

If the will of this legislature is to look for ways to increase affordability and accessibility of college, this is not it.

### Bachelor’s Degree Expansion

This is the third time the Governor has included expanding bachelor’s degrees to community colleges in an executive budget. AICUO has been on record as having serious concerns about the overreach of this proposal and we strongly urge this body to think about what it will mean for the government to fund direct competition to private investment.

With that being said, the House made some very important and necessary changes to this proposal. Most notably, it ensures that any degree currently offered in the state at a public four-year or independent institution cannot be duplicated by a community college. If what the community colleges say is true – that they only want to offer boutique degrees that cannot be found in Ohio – this language will not stop their progress.

We would also like to see the Senate improve the definition of “applied bachelor’s degrees” in the House language. Currently, it is so vague that it can really mean anything. We also believe a study of outcomes should be included with this initiative. If this body really wants to change the entirety of higher education in this state, and that is what this language does, shouldn’t you also know if it was worth the effort? Requiring a six-year cohort study will help inform legislators as to how well this expansion is working.

Thank you very much and I look forward to working with this committee to help Ohio increase its educational attainment. I would be happy to answer any questions.