



Testimony on House Bill 514

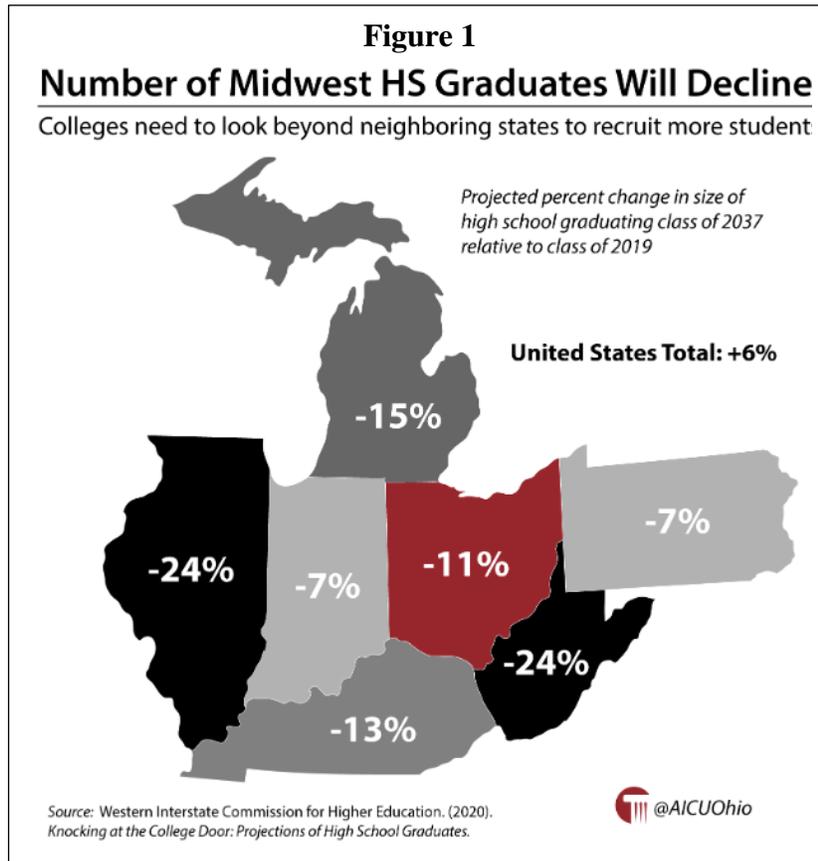
House Higher Education and Career Readiness Committee

April 5, 2022

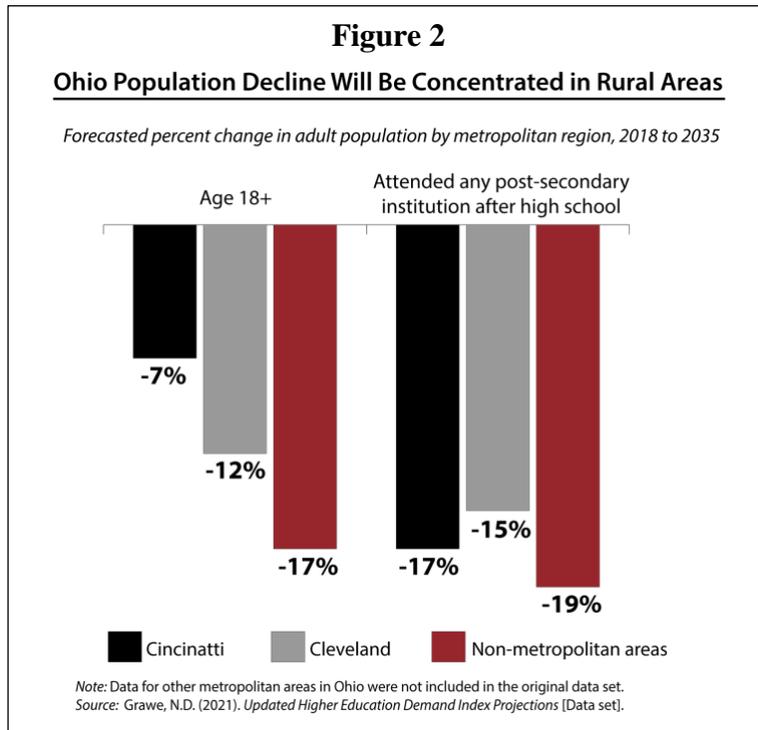
Thank you, Chair Lanese, Ranking Member Ingrahm, and members of the House Higher Education and Career Readiness Committee, for allowing me to submit written testimony on behalf of Ohio's independent, nonprofit colleges and universities and their students. My name is C. Todd Jones and I am president and general counsel of the Association of Independent Colleges and Universities of Ohio.

AICUO represents 52 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. We award an even higher share of our state's degrees in mathematics, natural and biological sciences, and other key areas of study.

The reality is Ohio is facing a population problem. By 2037, Ohio's high schools will graduate 11 percent fewer students than they were in 2019. This loss will be echoed throughout the Midwest, meaning Ohio must look beyond our immediate neighbors for solutions (**Figure 1**).

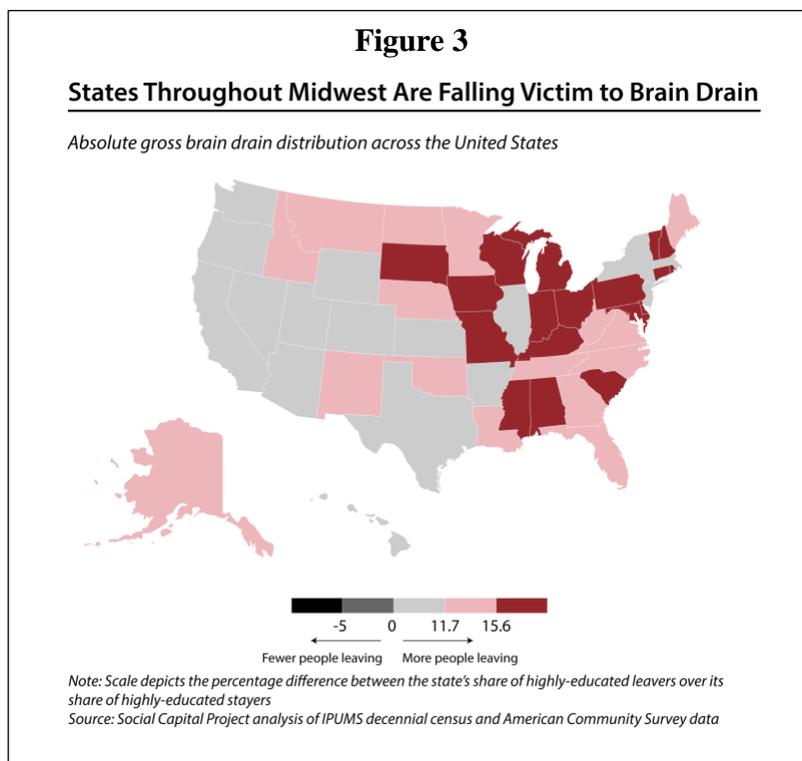


In fact, Ohio’s rural areas will fare worse than the cities in overall population loss, and particularly in the post-secondary education population required for 21st century jobs (**Figure 2**).

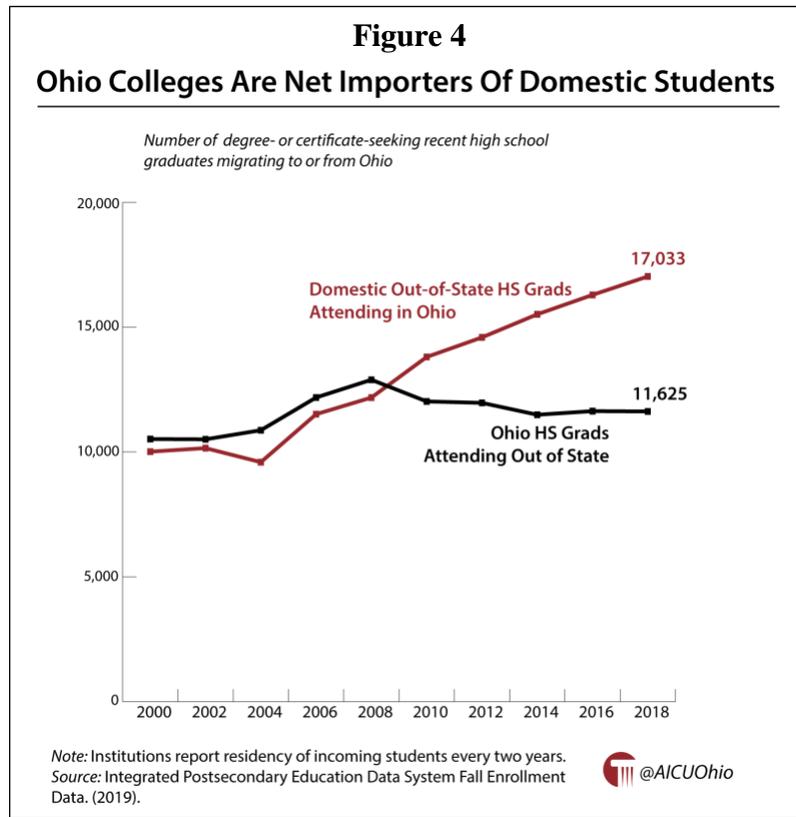


This should be worrisome to everyone. Ohio needs a larger workforce, and we need a more educated workforce. According to the *Ohio Department of Higher Education 2021 Annual Report on Ohio Attainment*, “while Ohio is making steady progress [in college degree attainment], the state still lags when compared to the national average. Ohio’s 2019 educational attainment rate of 49.5 percent is more than two percentage points lower than the national average of 51.9 percent. Today, 31 states, Puerto Rico, and the District of Columbia have higher attainment rates than Ohio.”

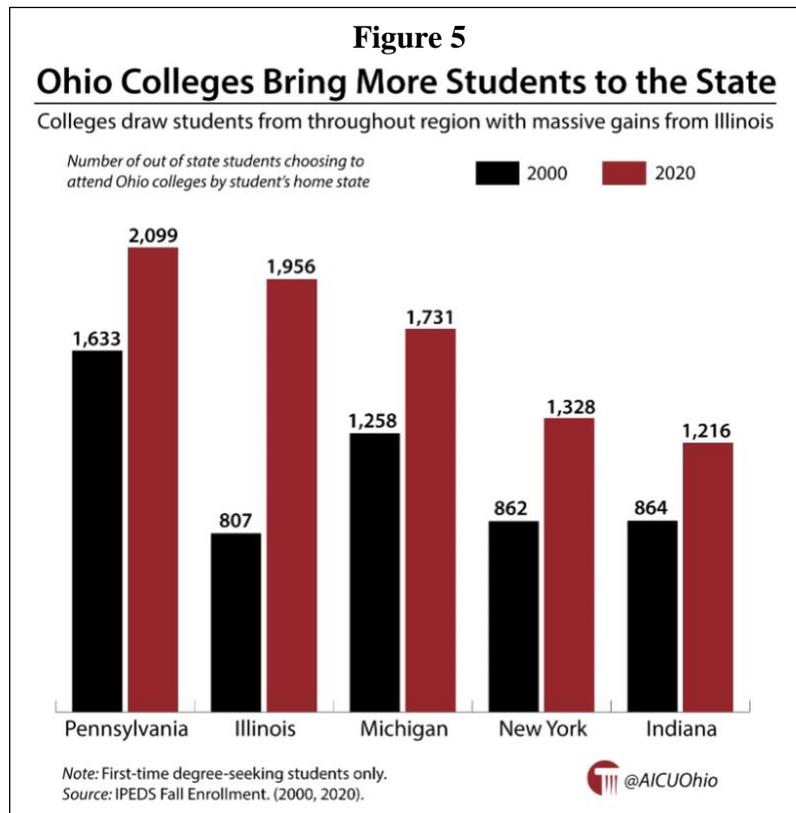
The Midwest is also falling victim to the brain drain – more of our educated workforce are currently leaving than are moving to the region (**Figure 3**).



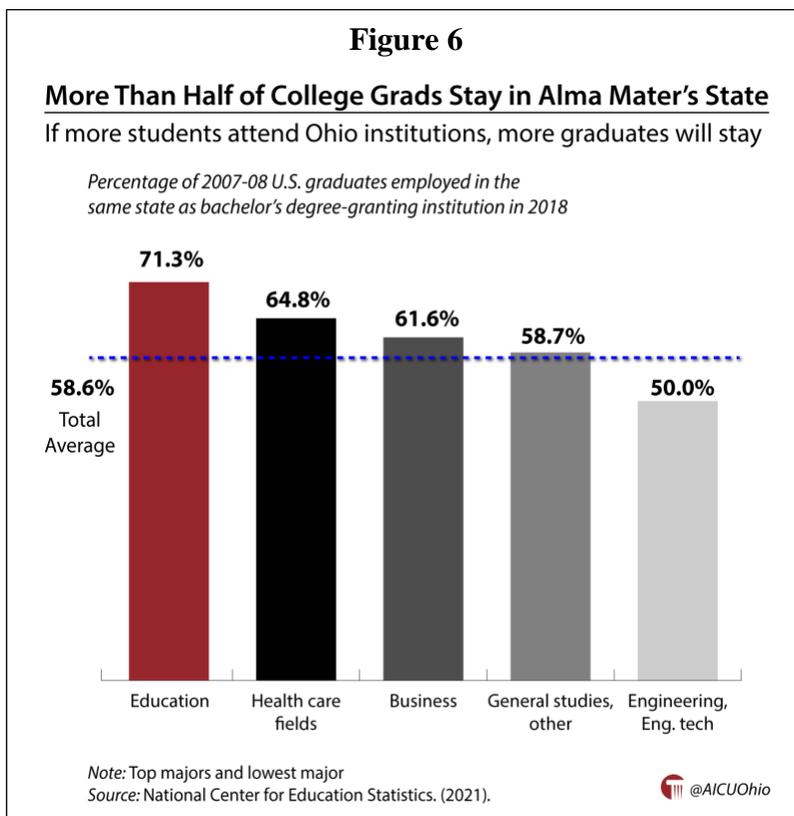
However, higher education is doing its part to help build a stronger pipeline by attracting more students to come to Ohio than leave (**Figure 4**).



In fact, Ohio colleges are a constant importer of students (**Figure 5**) – in a time when Ohio is losing another Congressional seat due to our population loss.

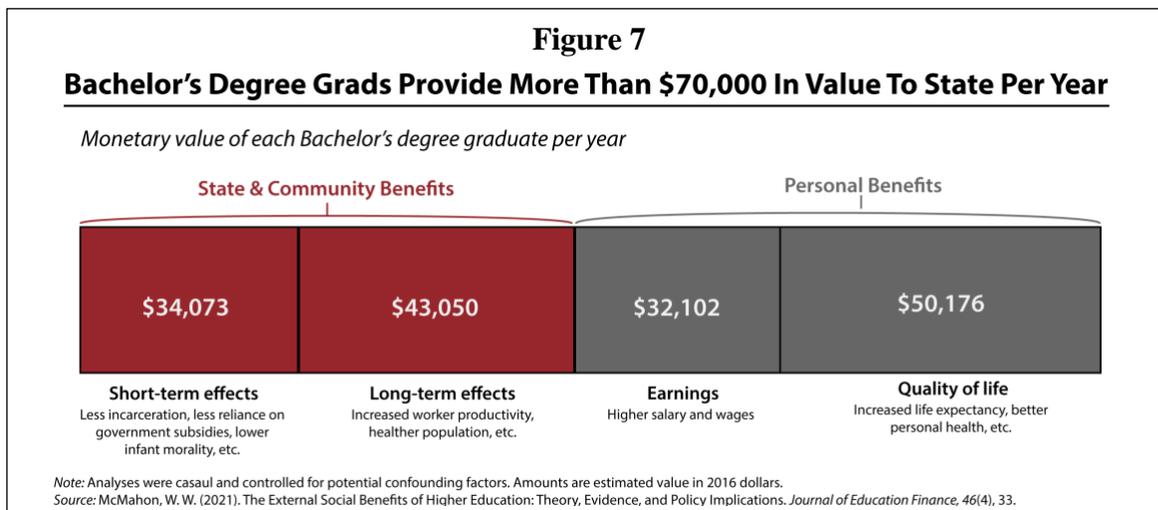


We also know that nearly 60 percent of college graduates remained in the state in which their bachelor’s degree was earned (**Figure 6**). That number is even higher depending on the field of study.



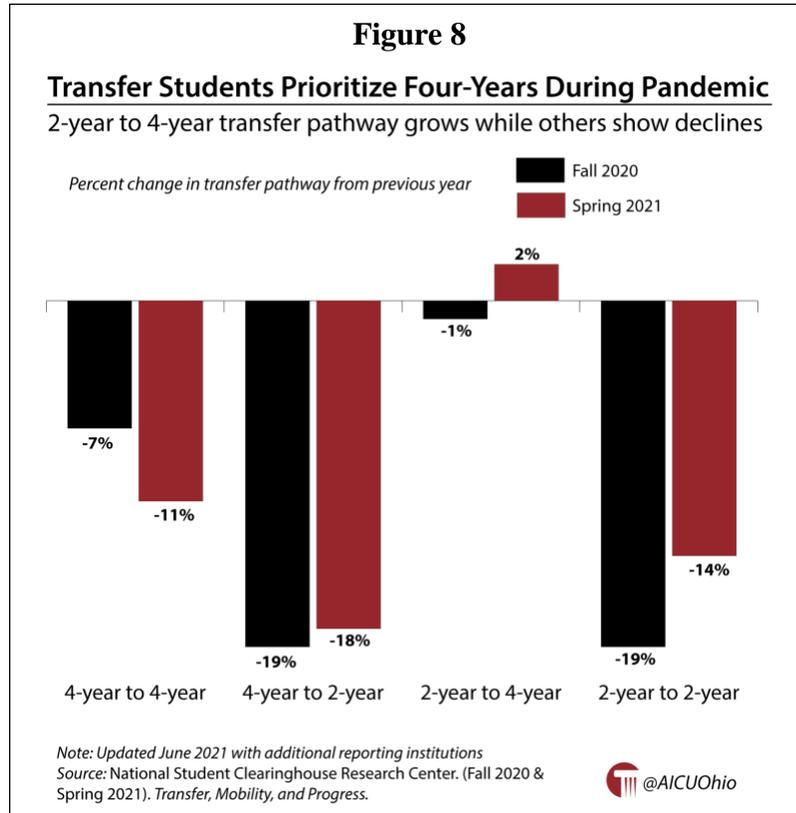
House Bill 514 would help incentivize even more students to remain in the state after graduation. This bill should be a no brainer for every state official who has to vote on the budget – as the more educated work means a direct improvement to the state’s bottom line.

The value, beyond the individual gain of more earnings and less likely to be unemployed, is that the state will see a substantial return on investment. A 2016 study showed that for every high school student who obtains a bachelor’s degree, the state benefits by over \$77,000 per year per student – which is about \$90,000 in today’s dollars (**Figure 7**).

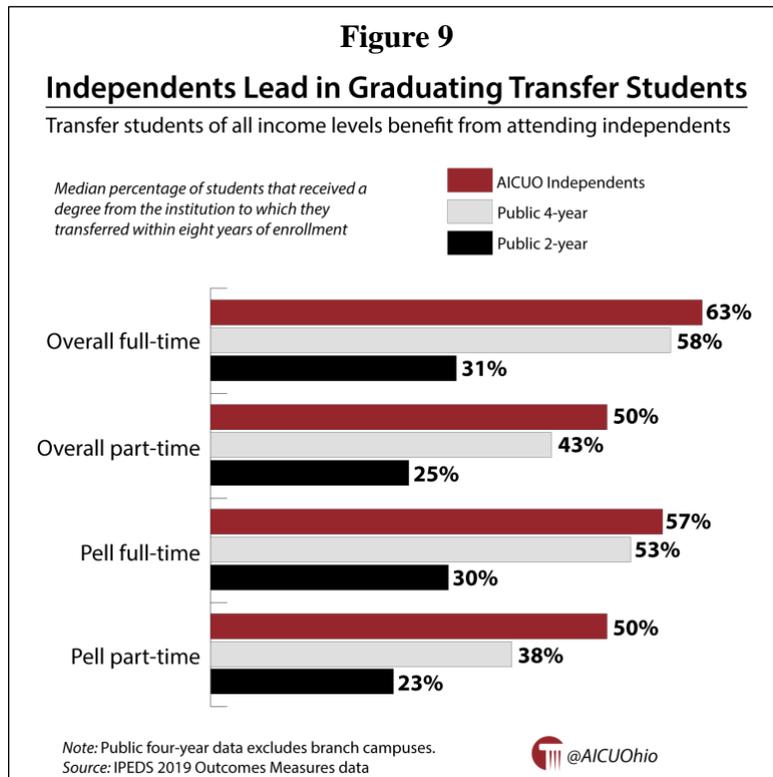


In 2018, Ohio had 59,163 high school graduates that did not attend college. Based on that study, we can conclude the state lost out on \$4.5 billion per year in value by not enrolling these students in postsecondary education. If any other sector came to you with this kind of long-term investment strategy, you would be all ears.

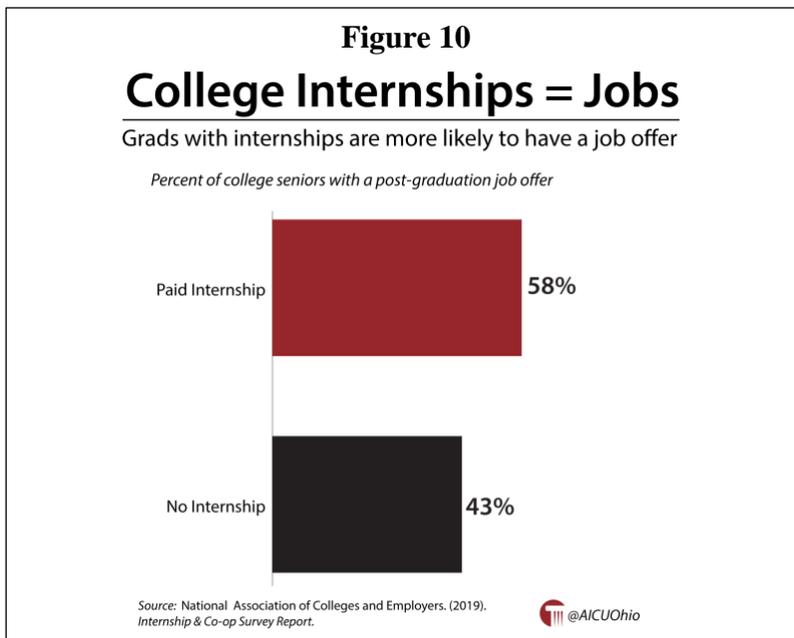
HB 514 does more than just create more Ohioans. It also helps support low-income students who want to transfer after completing an associate degree. During the pandemic, more students transferred from a two-year college to a four-year institution than the year previously – the only transfer pathway that saw an increase in 2021 (**Figure 8**).



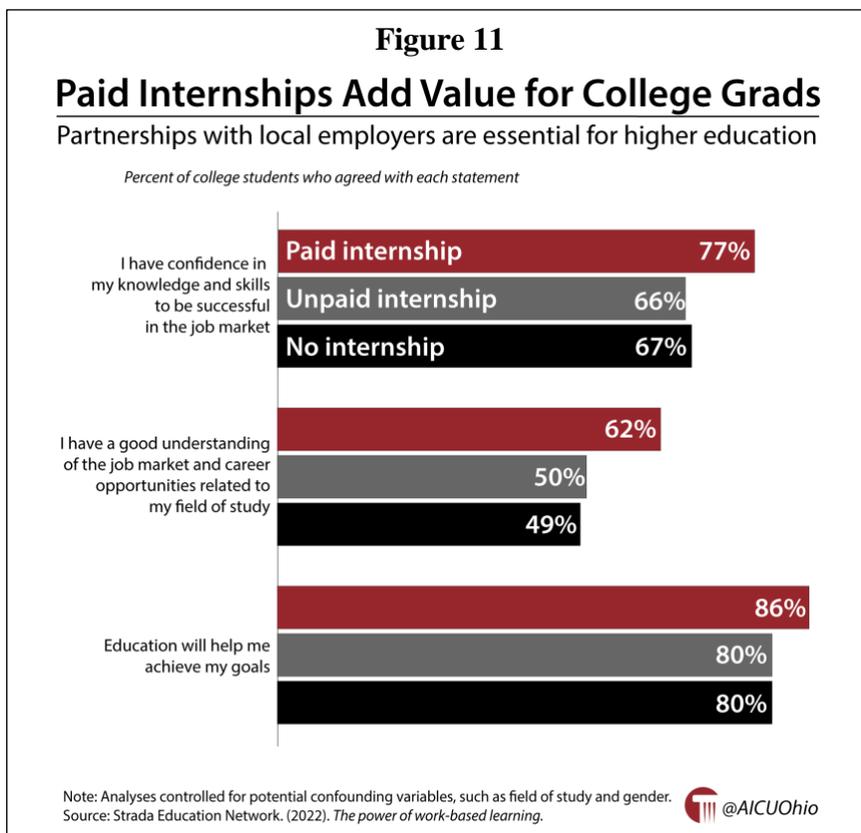
Data also shows that students who transfer have a much higher completion rate if they transfer to an Ohio independent college over any other type of institution (**Figure 9**). By helping students with financial barriers complete at the institutions best suited for them, HB 514 creates more graduation efficient pathways for students.



Finally, HB 514 also creates incentives for Ohio’s businesses to offer more internships to students while in college. AICUO fully supports this goal as having a paid internship greatly increases a student’s chances of employment upon graduation (**Figure 10**).



A recent study from Strada even found that “participating in a paid internship as an undergraduate is associated with a predicted increase in annual wages of \$3,096 one year after graduation.” Paid internships also increase graduates’ feeling of confidence in the job market (**Figure 11**).



The Ohio Bureau of Labor Market Information projects that between 2018 and 2028, 58 percent of growth will be in occupations requiring a bachelor's degree or higher and an additional 17 percent will require at least a postsecondary non-degree credential.

HB 514 is a great first step in helping to attract and retain Ohio's top talent and AICUO and its member supporters are proud to be a proponent.

Thank you so much for your time and I would be happy to answer any questions.