

Education and Training

Testimony on SB 135 before Senate Workforce & Higher Education Committee

Piet van Lier

Good afternoon Chair Johnson, Vice Chair Cirino, Ranking Member Williams and members of the Senate Workforce and Higher Education Committee. My name is Piet van Lier, and I'm a senior researcher with Policy Matters Ohio, a nonpartisan research institute that is building an Ohio economy that works for everyone. Thank you for the opportunity to testify on Senate Bill 135.

This bill covers many issues of importance for public higher education in Ohio, but I want to focus on three that could help more Ohioans who are qualified and want to pursue higher education. The right approach on these issues would help Ohio meet the ambitious goals set by policymakers that 65% of Ohioans aged 25 to 65 will have a postsecondary degree or credential by 2025, and that 40% of all students enrolled in public higher education will be adult learners. The strength of our communities, our state's economy, and our higher education institutions themselves depends on achieving this goal.

Transcript withholding

The state's public colleges and universities withhold the official transcripts of individuals who owe money to the schools. Debt can start relatively small, such as parking or library fines, can include larger amounts for unpaid tuition, loans or returned Pell Grants, or room and board. Although they may start small, these debts can quickly balloon because of interest and collection fees. Institutional debt is often incurred when life circumstances force students to stop out of school, and for many students the same precarious financial realities that pushed them out of school make it hard, if not impossible, for them to pay the money they owe either immediately or in the longer term.

Research released last year by Policy Matters Ohio¹ found that as of 2019 more than 390,000 student debt accounts had been turned over, or certified, to the state Attorney General, as required by Ohio law. Each of these accounts is likely linked to a withheld transcript, a trap that keeps people from going back to school or getting jobs that require transcripts. As of 2019, the AG's office held institutional student debt that was worth more than \$735 million. Our research showed that Ohio's punitive approach to the collection of students debt disproportionately harms students attending community colleges. This means that the Ohioans hurt most by this policy are Black and brown students, people with low incomes, part-time and older students. In other words, policymakers are putting more barriers in the way of the people who need the most help to complete their educations.

An investigation released this week by the Hechinger Report found that more than 157,000 former public college students in Ohio, who collectively owe more than \$418 million, have debts that have been sent by the Attorney General to private collection agencies or outside law firms.² According to this update, the Ohio AG now holds more than \$740 million in student debt.

¹ See "Collecting against the future" at <https://bit.ly/3p71ud0>.

² See Meredith Kolodner, Hechinger report: "Public colleges shock students by sending them to costly debt collection agencies," June 1, 2021. <https://bit.ly/3i7RRtd>.

Section 3345.027 of SB 135, as introduced, would have banned the withholding of official transcripts by Ohio's public universities, helping students go back to school or get better jobs, and boosting enrollment. It also would have strengthened the economies of communities across the state by unleashing the potential of thousands of Ohioans to continue their education or move up the career ladder.

The newer version of the bill eliminates this student-centered approach, requiring schools to release transcripts that are being held in an effort to leverage debt repayment only when potential employers request them. This does nothing to fix Ohio's transcript trap. Rather than providing the kind of systemic solution the earlier language did, this change shifts the burden back to individual Ohioans and requires resolution on a case-by-case basis. It is hard to imagine a potential employer who will, first, consider hiring an individual who tells them they have unresolved debt, and then take the extra steps to request the official transcript from a school.

A much smarter approach for policymakers, one that would help Ohio build its workforce and intellectual capital, would be to ban transcript withholding by public colleges and universities altogether. That is what this committee should do.

Ohio College Opportunity Grant

SB 135 creates new supplemental awards for OCOG, the state's primary need-based aid program. On its own, this is a good step in that it expands opportunity for students who may need additional assistance to finish their four-year degrees. However, since the bill does not allocate additional money for OCOG, this approach may shrink the overall number of OCOG awards. National data show that in 2018 Ohio had the 17th highest average undergraduate charge at its public universities but ranked 38th in aid per student. According to the data, publicly funded financial aid per student at four-year schools in Ohio was \$335, compared to the national average of \$1,057.³

In short, this proposed supplemental grant could help some students complete their degrees, but may cut aid for others. The solution is to increase funding for OCOG, which at current levels lags well below its peak of \$223 million in fiscal year 2008. Policymakers must address the state's inadequate aid for students of modest means – without action to expand OCOG for all students attending public colleges and universities, it will be that much harder for Ohio to achieve its ambitious goals for participation in higher education and degree completion.

Second Chance Grant

Finally, the revised language creating the Second Chance Grant pilot program is a significant improvement over language in SB 135 as introduced. While a relatively small step, the extra support this initiative provides could prove valuable in boosting degree completion for Ohio students who have stopped out of four-year schools.

Three changes would strengthen this provision, ensuring that it would provide assistance to Ohioans who need it most, especially Black and brown students and those from families with modest means who seek the most affordable education options. First, policymakers should limit the use of the Second Chance Grant to public colleges and universities rather than allowing its use at private schools, either nonprofit or for-profit. Second, it should expand eligibility to students who have stopped out of the state's public two-year colleges; as currently written, these students are not eligible for the additional support. Finally, allowable expenses should include education-related costs outside of tuition and general fees. These changes would help the program reach more Ohioans and would not cost the state more than as the bill is currently written.

With these changes addressing transcript withholding, OCOG and the Second Chance Grant, this committee has the opportunity to tear down barriers that have prevented Ohioans of color and students with lower incomes from obtaining an advanced degree. Thank you, Chair Johnson and members of the committee, for your time and attention today. I would be happy to answer any questions you may have – you can reach me at pvanlier@policymattersohio.org.

³ Annual survey by National Association of State Student Grant and Aid Programs at nassgapsurvey.com.