



Interested Party Testimony Regarding House Bill 98 Inter-University Council of Ohio

Chair Young, Vice Chair Bird, Ranking Member Miller and members of the House Higher Education Committee. My name is Laura Lanese, and I am the President and CEO of the Inter-University Council of Ohio (IUC). Thank you for allowing IUC to present this interested party testimony regarding House Bill 98 (HB98) for the committee's consideration.

The IUC was established in 1939 as a voluntary educational association of Ohio's public universities. Today the association represents Ohio's 14 public universities. Together, these institutions offer a broad range of associate, baccalaureate, graduate, and professional programs. Ohio's public universities collectively contribute approximately \$68.9 billion to Ohio's economy and support one out of every eight jobs in Ohio.

IUC's purpose is to facilitate the development of common interest and to assist in sustaining and improving the quality of public higher education. IUC also engages in public relations, research, and government liaison work. The major goal of the IUC is to sustain a consortium that establishes a dynamic forum that fosters idea exploration and problem solving. IUC member institutions are committed to ensuring affordable opportunities for the more than 290,000 students attending Ohio's public universities without sacrificing the quality of their education or experience.

Most of Ohio's public universities do not practice scholarship displacement and are already in compliance with HB98 as they only reduce institutional financial aid when, combined with private scholarships, the student's total awards surpass the cost of attendance. This is consistent with the requirements of HB98 and federal law. There are a few institutions that offer institutional financial aid that is limited to just tuition. If the student receives a scholarship(s) that can only be applied to tuition, those institutions will withdraw their financial aid if the cost of the tuition is covered by the private scholarship(s). By limiting institutional financial aid to just tuition, universities can cast a wider net and offer more students financial aid assistance. The money withdrawn from the student with the private scholarship(s) can be applied to another student who may not have received financial assistance through scholarships. The money is **not** pocketed by the university. A student receiving a private scholarship is not a windfall for the institution. It is, rather, an opportunity to offer another student institutional financial aid who may not be fortunate enough to receive a private scholarship.

Since the bill will prohibit universities from pulling their tuition-only financial aid because of a tuition-only scholarship, public universities will have two choices –

First, universities will move the tuition-only financial aid to cost of attendance – an amount that includes tuition and other expenses like room and board. The students fortunate enough to receive the scholarships and financial aid will have more of their costs covered, however, fewer students will receive financial aid. This is what happened in Maryland when they passed a similar law. Prior to implementation, the University of Maryland College Park awarded 52% of the incoming class with institutional aid.¹ After the law was implemented, they reduced their awards offered to only 40% of their incoming 2018-2019 class.

Second, universities under HB98 will offer smaller dollar amounts of financial aid. This was also seen in Maryland at Towson University where the school started to offer approximately \$1,000 less per student in financial aid after the law passed.

¹ College Navigator data, 2015-16.

As I mentioned, only a few universities have financial aid that is limited to only tuition. Additionally, the universities seldom receive a scholarship that is limited to tuition. That means that, fortunately, only very rarely will a student accepted to an Ohio public university see any scholarship displacement. Based on the testimony this committee has heard so far regarding this bill, there is confusion about how often Ohio students experience scholarship displacement and, if it happens, why it took place in that case. Therefore, IUC believes HB98 should be amended to establish an Ohio Department of Higher Education study committee to investigate this matter and make recommendations to the Ohio General Assembly. The committee will be able to ensure that Ohio does not experience any unintended consequences, potentially, like what happened in Maryland. The study committee could also develop guidance to entities that provide private scholarships regarding timing and language to ensure students receive the most possible aid.

Access and affordability are two major priorities for Ohio's public universities. IUC is grateful for Representative Robb Blasdel's desire to ensure higher education is affordable for students, and we thank the representative for her willingness to speak with us regarding this legislation. IUC believes the suggested amendment discussed above is the appropriate approach for this important legislation.

Chair Young, and members of the committee thank you for allowing me to present interested party testimony regarding HB98 on behalf of IUC. I am happy to answer any questions at this time.