



Testimony before the House Ways and Means Committee
C. Todd Jones, President and General Counsel
Association of Independent Colleges and Universities of Ohio

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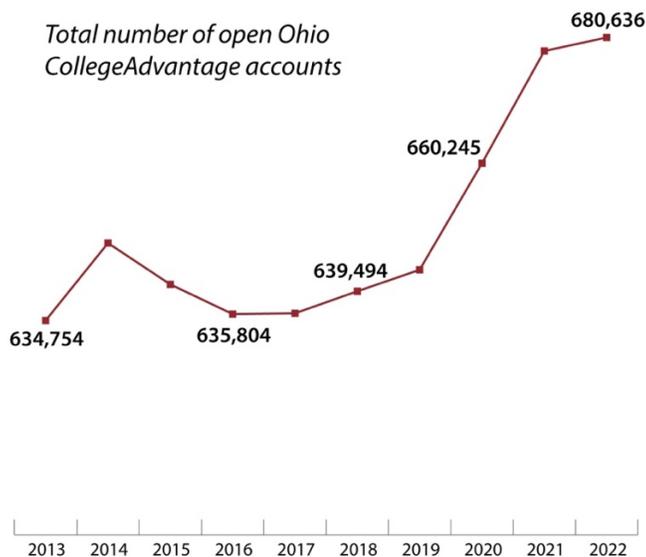
Thank you, Chairman Roemer and members of the House Ways and Means Committee, for allowing AICUO to submit written testimony on behalf of Ohio’s independent, nonprofit colleges and universities in support of House Bill (HB) 125. AICUO represents 52 non-profit institutions of higher education across the state. Our members educate 134,000 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.

HB 125, introduced by Representatives Matthews and Santucci, would increase the joint filer annual deduction limit for contributions to Ohio 529 college savings plans from \$4,000 to \$8,000, as well as index the annual deduction limits to inflation. The more Ohio can do to encourage families to save now rather than borrow later, the better off our state will be.

AICUO believes that saving money is an appropriate and responsible approach to take when planning how to pay for college and an approach that should be encouraged. The savings incentivized by this legislation will reduce the overall level of future student loan debt.

Ohio’s 529 plans are a great resource for savings since, on average, only 5.64 percent of the value of the account is considered in determining federal financial aid and is not a detriment to a student earning additional need-based aid. Even through the pandemic, Ohioans continued to open 529 accounts. HB 125 would allow hard working Ohioans to benefit even more from those savings.

529 Savings Accounts in Ohio are on the Rise



Source: College Savings Plan Network. (2023). 529 Plan Data.

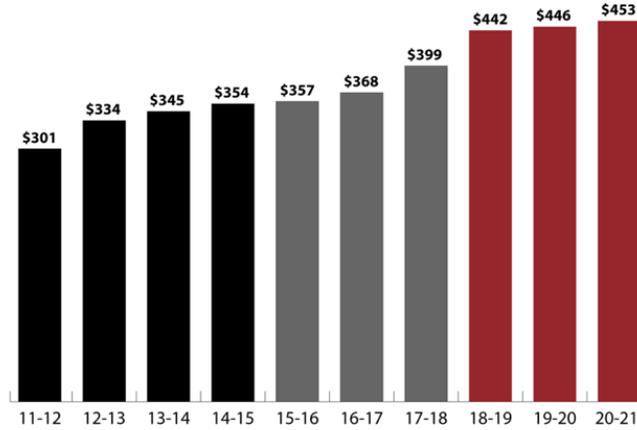


Ohio's independent colleges provide almost half a billion dollars annually in aid to help students attend. With the help of HB 125, even more families will be able to help their children achieve their goals.

AICUO Institutions Support Students in Grant Aid

Grant aid awarded by Ohio independents rises over 50 percent in a decade

Total institutional grant aid awarded to full-time, first-time students (in millions)



Source: Integrated Postsecondary Education Data System. (2021).  @AICUOOhio

AICUO applauds Representatives Matthews and Santucci for increasing families' capabilities to save, particularly when the decision on whether to attend college many times comes down to just a few thousand dollars.