

## Higher Education Introduction and Statewide Coalition | Megan Wilson – The Cleveland Foundation

Chairman Dolan, Vice Chairman Cirino, Ranking Member Sykes and members of the Senate Finance Committee. Thank you for allowing us all to submit testimony today.

My name is Megan Wilson, and I am the Chief of Staff and Director of Public Policy & Government Relations at The Cleveland Foundation. As the world's first and one of the largest community foundations, we take our role of enhancing the lives of Greater Cleveland residents very seriously. That is why we believe that investments in higher education are vital to the success of our region and our state.

When the Governor introduced the historic higher education budget, The Cleveland Foundation, the Greater Cleveland Partnership, and College Now Greater Cleveland joined together to build regional support. Now, we have partners from across the state – including small businesses, philanthropy, chamber of commerces, and college access organizations. Included in my testimony are more than 45 stakeholders who have officially signed on to support investing in higher education.

### Higher Education Coalition Members

Appalachian Ohio P-20 Council	Muskingum County Community Foundation
Association of Independent Colleges & Universities of Ohio	MyPath Mahoning Valley
Bowling Green State University	National College Attainment Network
Builders Exchange of Central Ohio	New Bridge Cleveland
Campus Compact Ohio	Ohio Business Roundtable
Case Western Reserve	Ohio Chamber of Commerce
Cincinnati Business Committee	Ohio Excels
Cincinnati USA Regional Chamber	Ohio University
City of Cleveland	Ohio Valley ESC
Cleveland State University	Philanthropy Ohio
College Now	Richland County Foundation
Columbus Chamber of Commerce	Salus
Columbus Partnership	Summit Education Initiative
Cradle to Career Cincinnati	The Cleveland Foundation
Dayton Area Commerce	The Ohio State University
Greater Akron Chamber of Commerce	Toledo Chamber
Greater Cleveland Partnership	Toledo Tomorrow
Greater Toledo Community Foundation	United Way of Greater Cincinnati
Higher Education Compact of Greater Cleveland	University of Akron
Inter-University Council	University of Cincinnati
Learn to Earn Dayton	University of Toledo
MAGNET	Urban League of Greater Cleveland
Miami University	Youngstown-Warren Regional Chamber

Education has never been more important in creating a talented workforce and strong economy. **Yet, only 51% of Ohioans have a two-year degree, four-year degree, or high-value industry recognized certificate, far short of the 65% rate economists point to as critical for maintaining a competitive economy.** We need to shrink that gap by 14 percentage points to sustain and continue building our economy.

As a coalition, we support an “all of the above” approach to meeting this challenge. Simply put, we need to significantly increase the number of Ohioans with four-year degrees, two-year degrees, and industry recognized credentials. Proposed programs in the Governor’s budget and some maintained by the House help us attain more postsecondary degrees. Providing aid for community colleges, increasing FAFSA completion, and retaining students in the degree path they choose are all policies we support, but we will use our time today to focus specifically on the importance of and strategies to increase four-year degrees completion, an essential piece of the talent pipeline puzzle.

For the last 15 years, Ohio has underinvested in higher education – particularly in need-based aid for four-year degree completion. From 2008 to 2023 Ohio’s financial aid funding decreased overall by nearly 49%. This underinvestment has contributed to Ohio’s relatively low rate of educational attainment. According to the St. Louis Federal Reserve, in 2020, only 30.6% of adult Ohioans had a bachelor’s degree or higher, placing Ohio in the bottom quartile of all states.

As a coalition, we thank Governor DeWine for including a much-needed increase of \$337 million in the Ohio College Opportunity Grant or OCOG program. This investment supports an increase to the income threshold for OCOG eligibility, providing thousands of additional low- and moderate-income students access to need-based aid. And, it increases the maximum award from the current \$2,700.

We thank the House for adopting the Governor’s proposed policy changes related to need-based aid eligibility and maximum award amounts. Unfortunately, the increased investment in OCOG of \$90 million in the current version of HB 33 falls short of funding these changes. In fact, because of the increase in eligible students, the award amount per student would go down from the current level of \$2,700 to an estimated \$2,025 in FY 24 and \$1,900 in FY 25.

We respectfully request this committee include our amendment to invest at least \$100 million more in OCOG and change the eligibility to match Pell eligible awards, which is an expected family contribution of \$6,656. **Our amendment will increase eligibility and the award amount per student.**

We outlined the award amount per pupil and the eligibility for OCOG in current law, as introduced in the Governor’s budget, as passed by the House, and our proposed change.

	Public College per pupil	Private College per pupil	Expected Family Contribution	Max family income	Increase \$ amount over FY 23 (\$112m) <sup>+</sup>	Total funding over biennium	Students Served
Current Law	\$2,700	\$4,200	\$2,190	\$48,200		\$217 million	45,000
As introduced	\$6,000	\$6,000	\$10,000	\$87,000	+\$337 million	\$562 million	+48,000
House budget	\$2,025*	\$3,150*	\$10,000	\$87,000	+\$90 million	\$315 million	+48,000
Proposed change	TBD	TBD	\$6,656	\$70,000	+\$190 million	\$415 million	+38,340

*\*The award amount in the House version is an estimated number. Estimated by the ODHE, the decrease would be \$2,025 in FY 24 and \$1,900 in FY 25 for public colleges.*

*+The increase is calculated from the total increase over the biennium from FY 23 levels of \$112 million. The proposed change will provide a \$100 million dollar increase over the House version.*

*The Award amount per student under the proposed change will need to be calculated by ODHE.*

We recognize the Ohio Senate is faced with countless proposals and policy changes that will help make Ohio a better place to live and work, but we believe further investing in need-based aid will be a significant driver of a vibrant future and productive economy.

## OCOG Increase on Ohio's Economy | Bob Savage – CoreNetwork Fund and Toledo Tomorrow

Chairman Dolan, Vice Chairman Cirino, Ranking Member Sykes and members of the Senate Finance Committee.

My name is Bob Savage, and I was born and raised in Toledo. I have experience in both the non- and for-profit space, which gives me the unique perspective in showing the significance of the proposed increase in OCOG funding and why this is critical to the state's economy.

I am the Founder and President of Toledo Tomorrow, which is a college and career access non-profit with the goal of providing more opportunities in Toledo and Northwest Ohio. I also am the Founder and CEO of Savage Consulting.

Ohio is at a pivotal point in its history. Thanks to the work of both Governor DeWine and the legislature, Ohio has secured major economic development projects. Honda, Intel, GE and more, all will have job openings that require higher levels of education and training. **According to an Ohio Excels 2020 report, Ohio needs nearly one million more adults with high-value credentials and postsecondary degrees to keep up with employer needs and to keep the state's economy moving.**

This shift toward occupations associated with higher education levels is well documented. Perhaps, what is not widely understood is the importance that four-year degrees play in our economic transformation. According to the Ohio Department of Jobs and Family Services' 2028 Ohio Job Outlook Employment Projections report, just a little more than 24% of the ten-year net job growth from 2018 to 2028 is expected to be in occupations typically associated with a high school diploma or less. 75% of net job growth is anticipated in occupations associated with some form of post-secondary education. **A predicted 58% of job growth will be in occupations associated with a bachelor's degree or higher.**

We are already seeing this trend toward the demand for higher degrees in ODJFS' recent *Labor Market Information in Review: 2021 Annual Economic Report*.

Top Ohio Occupations Advertised Online in 2021	Number of Listings	Required Education Level			
		H.S. Diploma or Equivalent	Postsecondary/non-degree	Associate degree	Bachelor's Degree
Registered Nurses	56,393				x
Heavy & Tractor Trailer Truck Drivers	37,930		x		
Software Developer/Applications	31,402				x
Computer Occupations, All Other	27,886				x
Firstline Supervisors/Retail Sales	27,211	x			
Stock Clerks & Order Fillers	23,345	x			
Retail Salespersons	22,647	x			
Customer Service Representatives	21,756	x			
Management Analysts	17,735				x
Marketing Managers	16,082				x
	282,386 (100%)	94,959 (33.6%)	37,930 (13.4%)	0	148,498 (52.6%)

Five of the top ten most heavily advertised jobs in 2021 in Ohio were concentrated in health care, computer related and management occupations – occupations that require a four-year degree. In fact, out of the more than 280,000 top 10 online advertised in-demand occupations, over 148,000 openings or 53% require a four-year degree. The increasing need for bachelor's degrees is particularly striking in several regions of our state. In the JobsOhio Central region, out of the 67,000 openings in the ten most advertised occupations, 60.7% require a bachelor's degree. In the West Ohio Region, 58.5% of the

33,000 open in-demand job openings require a bachelor's degree. The number is even more staggering in the Southwest Ohio region, where 70.5% of these job openings require a bachelor's degree.

The current and increasing demand for four-year degrees is clear. However, we are not producing these degrees at the required rate we need. Currently, demand outpaces supply. As a case in point, in my written testimony, I have included a chart that highlights the demand-supply gap in Northeast Ohio, data that is annually collected and reported by Team NEO, a JobsOhio affiliate.

As you can see, in 2021, there were nearly 57,000 openings across Northeast Ohio in the IT, health care and engineering sectors, openings that typically require a two- or four-year degree. Yet, the region's higher education institutions only awarded 15,500 credentials in those fields – resulting in a dramatic misalignment between demand and supply.

Occupation Group	Total Demand	Credentials Awarded	Alignment
	2021	2020	
Computer & IT Workers	15,544	2,725	-12,819
Health Diagnosing & Treating Practitioners	23,032	7,543	-15,489
Health Technologists & Technicians	13,971	3,075	-10,896
Architects & Engineering Technicians	4,256	2,105	-2,151
	<b>56,803</b>	<b>15,448</b>	<b>-41,355</b>

Increased investment in OCOG will help close this demand-supply gap across all regions of the state. It will position Ohio as a leader in higher education affordability, giving families the ability to choose what education path is best for them and giving them the tools to afford it. It will also boost our workforce pipeline, giving Ohio businesses, both small businesses and major corporations, the skilled workers they need to meet their demand. Increasing Ohio's commitment to OCOG and affordable higher education will send a message to employers nationwide that we are ready for them to invest here in Ohio.

### Higher Education Access and Affordability | Dr. Michele Scott Taylor – College Now Greater Cleveland

Chairman Dolan, Vice Chairman Cirino, Ranking Member Sykes and members of the Senate Finance Committee.

My name is Dr. Michele Scott Taylor, and I am the Chief Program Officer at College Now Greater Cleveland. College Now is the oldest and one of the largest college access organizations in the nation. We provide services to 30,000 students and adults in 80 school districts in 6 counties. We are grant-funded to serve low-income students and have a fee-for-service model for moderate- and high-income districts that we serve. Every day, we work with students who want to enter meaningful careers that require post-secondary education.

For the past 20 years I worked in the higher education space, where I focused on career and college advising, access and affordability, and helping break barriers for students. I joined College Now thirteen years ago to become the chief program officer and build better advising services for families, particularly for low- and moderate-income students. I've seen firsthand that these families often don't have the resources or knowledge to navigate the complicated post-secondary landscape.

I want to focus my comments on two aspects of the proposed changes in Ohio’s financial aid system. First, the expansion of OCOG to include a greater number of low- and moderate-income families. The proposal elevates income eligibility to an estimated adjusted gross household income from \$60,000 to approximately \$87,000.

The average family income receiving aid in Ohio has been \$48,200 which is significantly lower than the average family income for federal Pell recipients which averages \$70,000.

Second, and equally important, is the proposed increase in the maximum award amount for students at 4-year programs at public and private institutions from \$2,700 to \$6,000 per year. This is critical in ensuring more Ohioans can afford pursuing a four-year degree.

During the 2022-2023 school year, the state average for the cost of attendance at a 4-year public institution was \$29,063. After deducting a full Pell grant of \$6,895 and a full OCOG grant of \$2,700, a federally subsidized loan of \$5,500 – students still faced a deficit of \$13,968 to cover room, board, books, a computer, or any of the fees like health insurance and lab fees. Some students receive institutional aid, others work, often two jobs, many students do all of this to help offset the costs and avoid debt.

						<b>Average IUC Cost of Attendance: \$29,063</b>	
<b>Pell</b>		<b>OCOG</b>		<b>Federal Loan</b>	<b>=</b>	<b>Total Aid</b>	
\$6,895	+	\$2,700	+	\$5,500		\$15,095	Cost covered by student: <b>(\$13,968)</b>

The proposed increase in OCOG is the difference for many students between going and not going to college and from taking on a debt burden that prevents them from making important investments in their long-term financial health such as buying a house, investing in retirement, and even deciding to start a family.

Increasing investment in OCOG would also make us competitive with other states. **Currently Ohio ranks 39<sup>th</sup> nationwide in average aid allocated per student.** Worse than that, **Ohio is dead last in the Midwest.** We currently only offer \$2,700 per student whereas neighboring states, including Illinois (\$7,200) and Indiana (\$6,200), are significantly higher. In my testimony, I included a graphic that shows Ohio last regionally.

**Figure 1. Regional need-based aid per student.**

State Need Based Aid	
1. ILLINOIS	\$7,200
2. INDIANA	\$6,200
3. PENNSYLVANIA	\$5,750
4. NEW YORK	\$5,665
5. MICHIGAN	\$5,500
6. KENTUCKY	\$5,300
7. WEST VIRGINIA	\$3,200
8. WISCONSIN	\$3,150
9. OHIO	<b>\$2,700</b>

*\*The amount per student is based on the max award amount for students attending public institutions.*

The Governor's proposed \$6,000 maximum grant per student would boost Ohio from 9<sup>th</sup> to 3<sup>rd</sup> place. However, while we thank the House for including an increase to OCOG, as written currently in HB 33, the award amount per student would go down because the total amount in the OCOG line per year does not cover the increased eligibility that the Governor and House included in their bill. Meaning the current OCOG award amount per student would decrease \$675 per student, disproportionately affecting our neediest students.

Additionally, included in House Bill 33 is a "maintenance of effort" provision for Ohio's colleges and universities, meaning they must minimally maintain their current spending. In other words, colleges and universities will be prohibited, for example, from making any change to their respective scholarship or financial aid programs with the goal or net effect of shifting the cost burden of the programs to OCOG. It also requires them to provide at least the same level of need-based financial aid to their students as in the immediate prior academic year – this protects the state's investment and provides an additional mechanism to help Ohio families afford college.

That's why we respectfully ask you to support an additional \$100 million dollars into OCOG and change the eligibility from \$10,000 expected family contribution to \$6,656 which would match the eligibility for Pell. This change will cover an increase in the award per student and capture middle-income families and more Ohioans pursue a four-year degree and participate fully in Ohio's economy.

### **Higher Education Return on Investment | Kristina Scott – United Way of Greater Cincinnati**

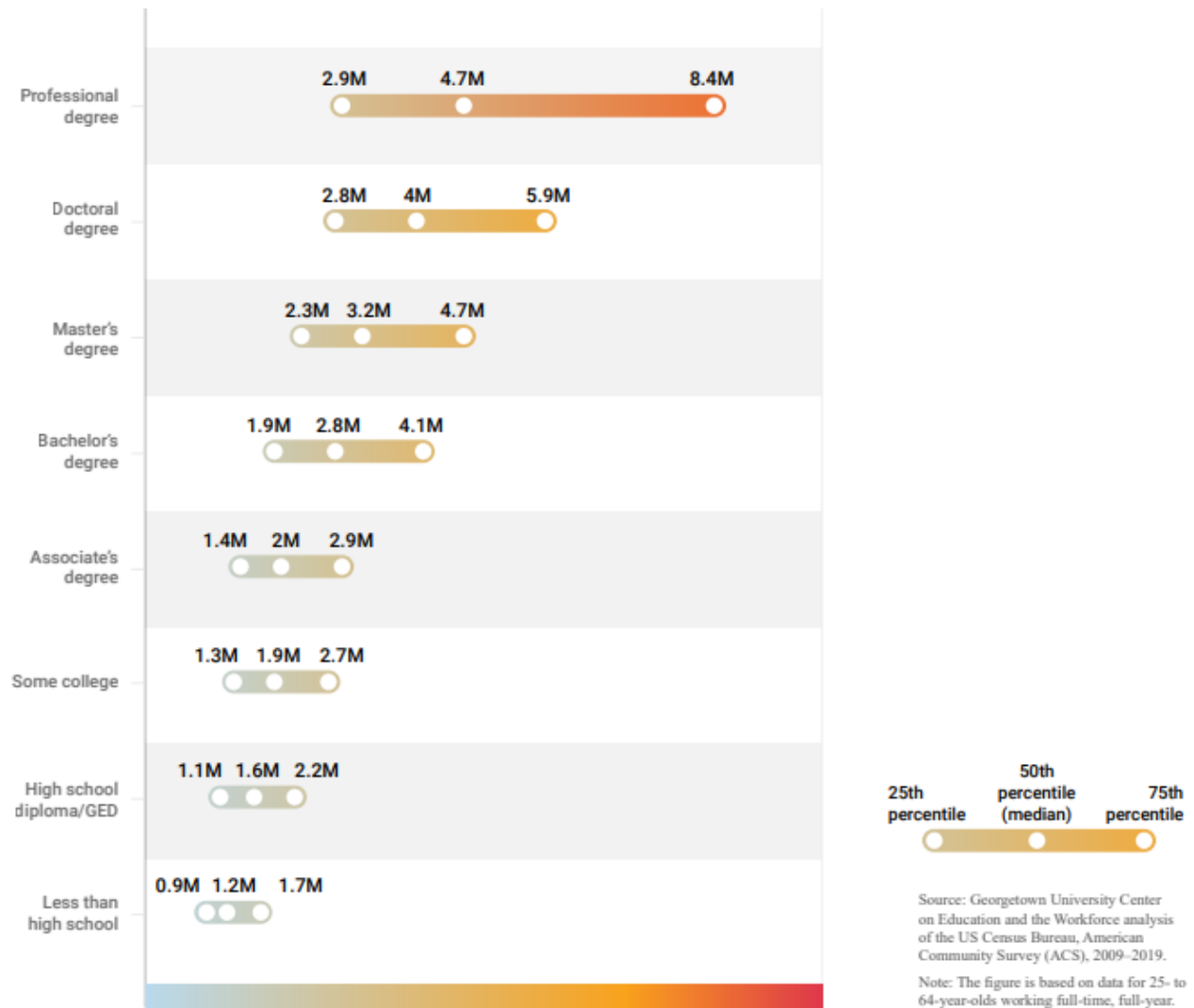
Chairman Dolan, Vice Chairman Cirino, Ranking Member Sykes and members of the Senate Finance Committee. Thank you once more for allowing us all to submit testimony on House Bill 33.

My name is Kristina Scott, I am the Public Policy and Advocacy Director at the United Way of Greater Cincinnati. I live in Dayton and work in Cincinnati. I also served as the CEO at Learn to Earn Dayton and helped found the Alabama College Attainment Network. I am honored to be here to share some of my own experiences and the impact that this budget proposal can make for students in Ohio.

Our goal in this budget is to increase eligibility requirements for need-based aid and provide an increased award amount per student. While investing more in need-based aid is crucial to the state, we also can consider how this will help individual Ohioans attain economic stability and freedom.

The positive correlation between educational attainment levels and lifetime earnings is well-documented and the gap is widening. A 2015 study by the Georgetown University Center on Education and the Workforce found that people with a college degree can expect to earn 75% more over their lifetime — or \$1 million more — than those without a bachelor's degree. This was recently updated and those with a four-year college degree now earn 84% more or \$2.8 million over the course of their lifetimes.

Figure 2. Median earnings rise with each additional level of education.



There is a chart in my testimony that shows the median increased earning with each additional level of education that can be expected. To summarize, those with a high school diploma earn \$1.6 million during their lifetimes, those with some college earn \$1.9 million, an earnings boost of 19%. Associate’s degree holders earn 25% more than those with a high school diploma, averaging \$50,000 per year and **bachelor’s degree holders earn 75% more than those with a high school diploma, translating into about \$2.8 million over a lifetime and averaging \$70,000 annually.**

Median earnings vary by state as well, and in Ohio an individual with a bachelor’s degree is expected to earn \$1.1 million dollars more over a lifetime than someone with a high school diploma as their highest level of education.

The Georgetown Center recently released another report called the Ten Education, Training and Work-Based Pathway Changes that Lead to Good Jobs. The report focuses on the decision points between high school and age 26 that have the greatest potential to improve outcomes for young adults and lead to good paying jobs. **Pursuing a bachelor’s degree made more of a difference than any other decision that researchers analyzed.**

“The main road to a good job is still to go get the bachelor’s degree,” according to Anthony Carnevale, who directs the Georgetown Center.

Additionally, college graduates from low-income backgrounds are less likely to experience unemployment compared to those who do not attend college. The unemployment rate for college graduates from low-income backgrounds was 3.8%, compared to 7.7% for high school graduates from the same background.

College graduates from low-income backgrounds are more likely to experience upward economic mobility after attaining postsecondary education. A 2017 study found that attending a college with high graduation rates increased the chances of upward mobility for students from low-income families. Similarly, the recent Georgetown Center study I cited earlier regarding the most effective decisions to good paying jobs found that earning a bachelor’s degree puts low-income individuals and high-income individuals on nearly equal footing in terms of their likelihood of having a good job at age 30. It truly is the great equalizer.

Higher education leads to higher earning potential, lower unemployment, economic mobility, better health outcomes, less incarceration, and a larger tax base. Ultimately, it helps Ohioans reach their fullest potential.

In closing, strong need-based financial aid is critical to sustaining and growing a productive state and economy. We respectfully ask this committee to support a bump the OCOG line. This increase is a much-needed investment to not only support Ohio’s economy, and to invest in people – for their personal growth and for their future successes.

Thank you, Chairman Dolan, for giving us time to speak to you all today, we are happy to take any questions.