

Proponent Testimony – House Bill 33 State Operating Budget

Chair Cirino, Ranking Member Smith and members of the Senate Committee on Workforce and Higher Education, thank you for allowing me to submit written testimony on behalf of our university. I am Neville Pinto, President of the University of Cincinnati (UC), and I write to share our support of the Governor's operating budget proposal and provide comment on some of the changes made in the House of Representatives.

The University has now completed five years of our strategic direction, Next Lives Here, with strong outcomes toward our vision of leading urban public universities into a new era of innovation and impact. We serve as an integral partner for our state and region for research, economic growth, and workforce development. Foundational to all our work is our commitment to providing a world-class education for our students. We are preparing them for a future that is digital, accessible, and inclusive. Our Bearcat Promise is a pledge to each student that they leave campus upon graduating with a diploma in one hand and a clear path to a career or further education in the other.

UC's Enrollment has reached a record 48,000 students, and our incoming classes have never been more academically prepared or more diverse. We will continue the strong momentum in all areas of our work: academic excellence, urban impact, and our innovation agenda. The strong partnership we have experienced with Governor DeWine and the General Assembly has allowed us to grow our mission, reach even more students and impact our community. The governor's budget proposal before you accelerates our work, providing resources for us to serve our students and our mission.

University of Cincinnati students graduate workforce ready. Our nationally recognized cooperative education (co-op) program provides students with an opportunity to gain real-world experience, build their resume, earn an income, and connect with potential employers as a component of their education. This learn-and-earn model results in more than 7,500 co-op placements each year with over 2,500 employer partner organizations in 46 states and 30 countries. Just last year, UC students earned \$76 million in wages through experiential learning. Our commitment to career-connected learning has culminated in the creation of a new College of Cooperative Education and Professional Studies. We are innovating new ways to work with employers to upskill and reskill their current workforce by recognizing professional work experience with college credit. We are advancing their knowledge, skills and abilities so they can in turn advance their careers.

I will take this opportunity to address several themes in the budget that align strongly with our mission and share how we expect the investments from the state to enhance our work.

AFFORDABILITY

The return on investment for higher education is robust. For every dollar a student invests in higher education in Ohio, they see an average annual rate of return of 16.3%, which beats the 30-year average stock market return of 10.5%. Bachelor's degrees still provide a significant increase in earnings potential, with around \$1.2 million more in lifetime earnings compared to an associate degree. The average student debt of a UC graduate is around \$25,000, which is more than offset by increased earning potential. In fact, because of co-op, UC students graduate with 12% less student debt than comparable institutions. Yet, we know that there is still more work to be done to make a university education more affordable.

There are many components in Governor DeWine's budget that improve affordability for Ohio students. There are two main factors on which I will focus. The first is the State Share of Instruction (SSI). In 2014, when the state moved to the tuition cap and guarantee model, SSI became the main resource to increase affordability for students. Overall, tuition inflation on Ohio is below general inflation in the economy overall. Our tuition is guaranteed for students for four years. The statutory maximum increase last year was 4.6%, which amounts to 1.15% on an annual basis, far below the national average.

We exercise restraint on our operations and provide our students with transparency and predictability when it comes to the cost of their education. As a public university, we are stewards of public resources and of the public's trust. We work diligently, even as we have now seen a decade of consistent enrollment growth, to

remain lean, nimble, and innovative. UC engages in annual reallocation of resources. We prioritize efficiency and in turn reinvest those savings in scholarships for our students. Over the last several years, we increased scholarships by \$20 million dollars due to our reallocation efforts. The modest 3% per year increases to SSI proposed by the Governor is the most critical tool for us as an institution to help hold down our costs, which the House reduced to 1.5% annually. We strongly support restoring the increase in SSI that the Governor introduced in the initial version of the bill.

The second significant item addressing affordability is the Ohio College Opportunity Grant (OCOG). One change to OCOG in the Governor's budget is significantly investing more state resources into Ohio's need-based scholarship program. This helps Ohio keep pace with neighboring states like Michigan and Indiana that are supporting financial aid at much higher levels. Another change is the expansion of eligibility to more of Ohio's middle-class families. The new formula would offer OCOG to families with an average adjusted gross income of \$87,000, meaning more students will become eligible for aid that was not previously accessible. The budget also makes OCOG more flexible for students, expanding its use to cover additional expenses like textbooks, which previously were the student's responsibility. We believe these changes will have lasting effects on Ohio students and families for generations to come. The House significantly reduced OCOG in their version, therefore we urge the Senate to adopt the increase in funding to facilitate the expansion of eligibility that was in the Governor's proposal.

ACCESS

The second major theme I would like to address is robust access to postsecondary education. We know that pursuing higher education is key for citizens to increase their economic mobility over the course of their life. Opening pathways to education for those that are otherwise excluded can significantly alter the trajectory of an entire generation. At UC, we are proud of the work we have done to increase admissions for first-generation students, who now make up a quarter of our total enrollment. We not only admit them, we also surround them with the support services they need, including academic advising, mentoring, career coaching, community connection and much more.

Accessibility and affordability go hand in hand, which is why we support increasing need-based aid to students. Governor DeWine and Chancellor Gardner also included increased need-based aid for students attending community colleges, and, for the first time, regional campuses like UC Clermont and UC Blue Ash through the College Access Grant Program. The House replaced it with a similar program called the Ohio Work Ready Grant. Our regional campuses serve vital roles in our community and economy. They can open doors for adult learners, provide affordable options for local students to pursue an associate degree, or even create a pathway to a baccalaureate degree with direct admission to Main Campus once they complete their studies at the regional campus. Our regional campuses are also valuable engines for producing in-demand workforce. For example, we developed an associate degree in engineering technology that will produce workers to fill roles at the new Intel facility in New Albany, as well as partnering with Intel in its AI for Workforce initiative at UC Blue Ash. These are just two examples of the programs we have available on our regional campuses. We would greatly appreciate additional support for more students to attend these campuses and advance their educational and economic opportunities.

Another of the Governor's priorities for educational access is a coordinated, state-led effort to get more high school students to complete the Free Application for Federal Student Aid (FAFSA). Recent estimates conclude that 39% of Ohio students do not complete FAFSA, resulting in a loss of \$87 million in federal aid. The proposed Apply Ohio program aims to increase completion for our students so they are aware of all federal funding available to them through grants, work-study opportunities or low-interest loans. The House removed this program. We support any effort to improve FAFSA completion because it will improve outcomes for Ohio students.

WORKFORCE

Ohio's economic tide is rising. Businesses are locating here, companies are growing, new innovations are going to market, and we are writing a new chapter in the story of our state's prosperity. We are acutely aware, as we know you are, of the deep demand for talent in the state. Employers are constantly connecting with us and recruiting our students essentially from the moment they step foot on our campus. We have worked with JobsOhio and our partners to accelerate the completion of STEM degrees from UC by twofold, a goal for which we are currently ahead of schedule. We are encouraged by the inclusion of several programs in Governor DeWine's budget proposal that will help us widen our pipeline of graduates into in-demand career fields.

There are a number of existing initiatives expanded in the Governor's budget. We have been longstanding supporters of the Choose Ohio First scholarship and thank Lt. Governor Husted for his visionary leadership in this effort. We support increases in that program for more students to pursue STEM educational opportunities. Similarly, expanding the need-based aid program for short-term certificates to include regional campuses will allow us to scale our work in this space. We are a proud partner of TechCred and look forward to growing our relationship with employers to upskill their workforce. The Co-op/Internship line item will fund up to 30 UC co-op experiences in public service and policy to expose more students to opportunities in this field.

There are new programs that we are also excited to see proposed. The Internship Pilot Program aligns strongly with our commitment to experiential learning and cooperative education. The Super RAPIDS proposal will build on the success we have already seen in RAPIDS with a monumental investment of new resources. We are ready, willing and able to partner with businesses and other educational institutions to deliver the kinds of collaborative solutions needed to train the workforce of tomorrow.

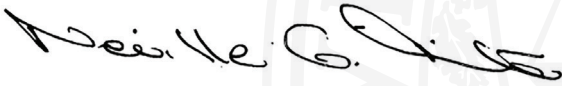
Finally, there are two programs that will increase our ability to produce top-flight medical talent for the state. Our Clinical Teaching funding and Area Health Education Center line items each see modest increases. Our College of Medicine is the preeminent medical school in our region. With our recent national experience during the Covid-19 pandemic, we know just how valuable medical professionals are in our state. We strongly urge you to restore these slight increases in funding for clinical education so we can continue growing these programs.

STUDENT SUPPORT

Another critical component exposed during the pandemic is the mental health support services our students need to persevere through trying times. There has arguably never been as much pressure on our students as there is now. We have increased the investments we make in all student support services, but mental health remains one of our highest priorities. The funding Governor DeWine is requesting will connect students with care they need and deserve on our campus and across the entire state.

In conclusion, the budget before you in the Senate is an opportunity for generational investment into higher education in our state. We encourage restoring funding for pivotal programs like SSI and OCOG. We are on a path to grow our mission, serve more students, impact our community and expand our economy. We look forward to deepening our relationship with this Governor and General Assembly over the next biennium and for many years into the future. The University of Cincinnati is pleased to recommend favorable consideration for the higher education components of this budget. We are here to serve as a resource for the greater good of our state.

Sincerely,



Neville G. Pinto
President, University of Cincinnati