



Proponent Testimony on House Bill 27
The Higher Education Return on Investment Act
Senate Workforce & Higher Education Committee
October 3, 2023

Chairman Cirino, Ranking Member Ingram, and members of the Senate Workforce & Higher Education Committee, thank you for the opportunity to testify today in support of House Bill 27. I am Tom Walsh, Vice President of the Ohio Association of Community Colleges (OACC), which represents the trustees and presidents of Ohio's 23 public community colleges.

OACC applauds Representative Mathews and Thomas for advancing this legislation that will improve the accuracy and cost transparency to help students and their families better understand the true costs of attending a college or university. For most of us, the decision of where to attend college can be one of the most exciting and important decisions of our lives. And yet, we know for many individuals, the complexity around understanding actual costs and how they will pay for them can be confusing and overwhelming.

Simplifying this decision process by providing students with a clearer picture of the net costs, financial aid and earning potential for students is long overdue. HB 27 will help put Ohio ahead of a growing national issue over how costs and financial aid are shared with students and their families – which too often lead to confusion, frustration, and an incomplete picture of what students will ultimately owe.

A 2022 report by the Government Accountability Office (GAO), found that many colleges and universities are not providing students with cost and financial aid information in ways that make it difficult for students to compare and assess affordability between different institutions. In fact, the GAO report found that an estimated 41% of private and public colleges or universities do not include a net price, while 50% understated the net price by excluding key costs and other factors in loans that must be repaid. All of this, according to the report, “may leave students guessing how much they will need to pay” and makes “a college appear less expensive than it is.”

This is an issue that higher education experts at both the state and national level know needs to be addressed. Just last week, national higher education leaders across the country announced the College Cost Transparency Initiative. More than 360 public and private colleges and universities, serving over 3.8 million students, have voluntarily committed to implement a set of standards and principles that will improve transparency, consistency and understanding about the information provided in financial aid letters. These standards will incorporate best practices that were developed by the National Association of Student Financial Aid Administrators (NASFAA) in their ongoing efforts to make cost transparency a priority.

The 2022 GAO Report recommended that Congress pass legislation requiring all public and private postsecondary institutions to provide student financial aid offer letters that follow similar best practices. However, until Congress acts on passing federal legislation, efforts like the College Cost Transparency Initiative will be necessary. While more limited in scope since it currently applies only to public institutions (federal efforts also include private institutions of higher education), HB 27 will help make Ohio a model state on improving cost transparency and ROI to help students and their families make an informed decision on what best fits their needs.

While OACC supports HB 27 and its the goal to improve information for students and families, after reviewing the bill with the presidents, financial aid directors, and bursars of Ohio's community colleges, we are concerned that it is written for the admission and enrollment processes and timelines of universities and not the more flexible, open admission processes of community colleges.

For example, HB 27 would require each state institution to provide the financial cost and aid disclosure form "prior to the student decision deadline to accept admission." Community colleges, unlike our 4-year partners, do not have admission deadlines. Rather, college are often accepting applications, enrolling students, and working with them to complete the FAFSA and financial aid forms right up to the first day of class. These timelines are made even more complicated by the fact our colleges will often have rolling starting dates throughout the semester for split terms or course sections to better accommodate students' schedules and increase course offerings.

Since the bill was first introduced, we have been working with Rep. Mathews on language to clarify how the requirements in HB 27 can align with the different admission, enrollment, and financial counseling processes at community colleges. OACC appreciates his willingness to understand our concerns. We look forward to continuing to work with the bill sponsors and members of this committee on language that will better apply the requirements for when and how community colleges enroll and admit students.

Once again, thank you for the opportunity to testify. I would be happy to answer any questions you may have.