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Piet van Lier

Testimony to the Senate Higher Education Committee on H.B. 96

Chair Roegner, Vice Chair Timken, Ranking Member Ingram and members of the Senate Higher Education Committee. My name is Piet van Lier and I represent Policy Matters Ohio, a nonpartisan, nonprofit research organization creating a more vibrant, equitable, sustainable and inclusive Ohio. Thank you for the opportunity to present this testimony regarding the current version of House Bill 96, the budget proposal, as it relates to higher education for fiscal years 2026 and 2027.

Policy Matters Ohio believes that everyone in our state deserves the opportunity to pursue their educational goals, and we strongly support efforts to increase state funding in ways that will allow more Ohioans, especially those who have traditionally been excluded from postsecondary opportunities, to continue their education and training after high school.

While there are positive aspects to the budget proposal that has come to you from Governor DeWine and the House, we are especially concerned that the State Share of Instruction (SSI), the state's main funding stream for higher education, has not kept up with inflation for decades. This budget will not change that trajectory. At the same time, the Ohio College Opportunity Grant (OCOG), by far the state's most significant financial aid program, remains underfunded and structured in a way that does not benefit Ohioans who attend our state's most affordable colleges and universities. Together, these proposals will continue to keep too many Ohio students from getting the education and training they want and need.

How Ohio compares

Ohio's per-student education appropriations in 2023 were at 61% of the U.S. average, for a total of \$6,741 per full-time enrollment (FTE) at public institutions, down from 77% of the U.S. average in 2006 (\$7,679).¹ In short, Ohio underfunds public higher education compared to the rest of the nation and is moving in the wrong direction.

¹ State Higher Education Finance, "[Per-Student Education Appropriations Over Time](#)," retrieved on February 24, 2025. General operating appropriations do not include state-funded financial aid; education appropriations do.

State Share of Instruction (SSI)

The House proposes a slight boost to SSI compared to the governor's budget, but adjusted for inflation this would provide less than 1% more for SSI over the biennium compared to actual and estimated spending in Fiscal Years 2024 and 2025. This is on top of the approximately 12% cuts in inflation-adjusted dollars from 2006 to 2023, a period when enrollment decreased by only 4%.

When state funding for higher education doesn't match inflation, it puts upward pressure on tuition and fees. While schools have put in place four-year tuition guarantees and the state has limited increases as well, there are other costs associated with postsecondary education and training, including textbooks, housing, childcare for students with families, transportation, and more. These rising costs put out of reach for many people the education and training they need to find stable jobs that pay a living wage. Postsecondary education and training also provide Ohioans with financial stability that allows them to become more actively engaged in their communities.

Provisions that include employment outcomes in the SSI formula, based on experimental U.S. Census data,² merit close attention. The success of this approach depends on how it is structured and what kinds of jobs are prioritized. For example, simply focusing on rewarding schools that send graduates to the highest-paying jobs would skew the formula. A better approach would be to help fill in-demand jobs, especially those that can provide benefit to our communities, such as nursing or teaching. The provision added by the House to weight the hiring of graduates by Ohio-based employers could benefit our economy and our communities, or it may prove a burden that further reduces SSI funding for our state's public colleges and universities.

In the end, what's most important is to fund schools that focus on what students need to succeed, including supports like advising, especially at community colleges, and course and training offerings that respond to local needs. Enrollment numbers provided by the state show huge differences between campuses, with some schools, both two-year and four-year, losing 40% to 50% or more of their enrollment between 2005 and 2024, even as others have grown.³ While at least some of the growth is due to online education, examining what is working and where may help more than

² According to the U.S. Census Bureau's website, [Post-Secondary Employment Outcomes](#) are experimental tabulations generated by matching university transcript data with a national jobs database.

³ Ohio Department of Higher Education, [enrollment data](#).

assuming that a job gained shortly after certificate or degree completion is indicative of the quality or relevance of a school's offerings.

What we know is that postsecondary certificates and degrees, on average, increase earnings potential. A study by the New York Federal Reserve showed a median income for people with a bachelor's degree at \$60,000 in 2024, while those with a high school diploma earned a median income of \$40,000.⁴ An Urban Institute study showed that average annual earnings of certificate holders are 10 percent higher than those of otherwise similar high school graduates.⁵

Ohio College Opportunity Grant (OCOG)

As he did in the last budget, Gov. DeWine proposed an increase to OCOG from biennium to biennium, this time totaling 7% without taking inflation into account. The House proposal maintains these increases, which is promising given the legislature's history of cutting the governor's OCOG proposals. At a time when the number of high school graduates is declining and postsecondary enrollment is dropping, Ohio must tailor aid to the needs of Ohioans who would benefit most, including those who are not able to attend without additional aid and those who have stopped out of college but could return.

Policy Matters recommends making OCOG a first-dollar award so low-income students attending Ohio's most affordable postsecondary options — community colleges and four-year regional campuses — would be able to cover tuition and general fees with OCOG and use the more flexible federal Pell Grant to cover other education-related costs. In the interests of expanding access, and for the benefit of students, their communities, and the state as a whole, we encourage this committee to consider allowing more Ohio students to access increased OCOG funding.

Another approach would be to borrow from our neighbor to the north, where the Michigan Achievement Scholarship helps graduating high school seniors earn a certificate or degree at a community college tuition-free and provides an additional \$1,000 for Pell-eligible students to be used for college costs beyond tuition.⁶

⁴ [Federal Reserve Bank of New York](#), February 2025.

⁵ Baum, Holzer and Luetmer, "[Should the Federal Government Fund Short-Term Postsecondary Certificate Programs?](#)" The Urban Institute, 2020.

⁶ See Michigan's Community College Guarantee on the [michigan.gov website](#).

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But we don't need to look to our rival state for guidance – Shawnee State University in Portsmouth, one of Ohio's lowest-cost public universities, provides free undergraduate tuition for incoming Pell-eligible freshman from ten Ohio counties who meet certain criteria.⁷

Regardless of what this General Assembly decides to do, you and your colleagues must closely watch what is happening at the federal level. Among other unpredictable changes, a proposal by the U.S. House of Representatives would shrink eligibility for the Pell Grant, requiring recipients to enroll for at least 15 credit hours to get the federal aid instead of the current minimum of 12. If our state does not respond to the possible decrease in opportunity for federal assistance by increasing support for students who want to enroll in their local community colleges and regional four-year campuses, we run the risk of shutting out lower-income Ohioans and those who need to continue to work or care for their families while they study part time.

Finally, the current proposal provides up to \$2,000 in OCOG grants for students attending private for-profit career college programs. We recommend that the Senate eliminate this funding. These for-profit programs cost more and have a poor track record, often failing debt-to-earnings tests, which means their graduates earn less and must pay on higher loads of debt.⁸ Rather than lining the pockets of private, for-profit firms, we should provide more aid to students attending our state's lower-cost public colleges and universities.

Thank you for this opportunity, and please feel free to reach out to me at pvanlier@policymattersohio.org with any questions you may have.

⁷ See shawnee.edu/free-tuition.

⁸ Halbert, Hannah, Policy Matters Ohio. ["Risky business: For-profit education in Ohio."](#) May 2017.