

Testimony before the House Finance
Committee on House Bill 64
Kathy Krendl, President of Otterbein University

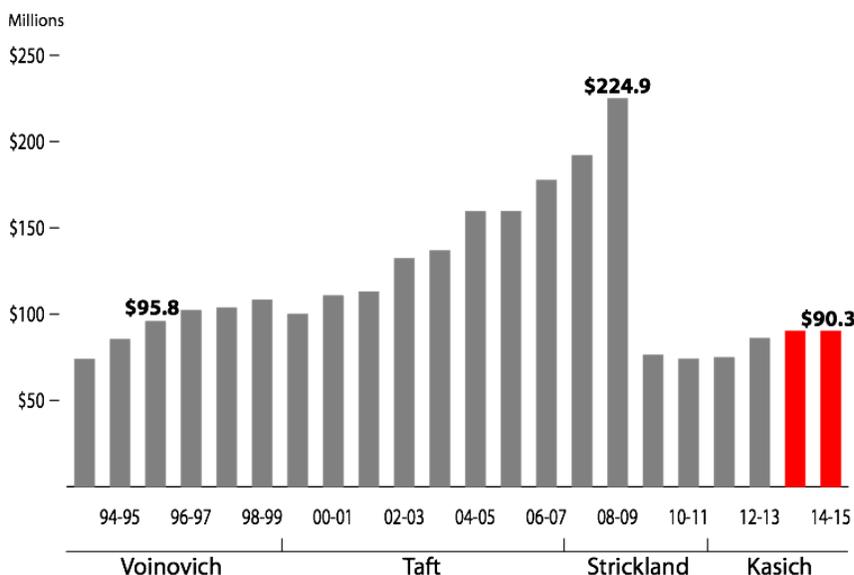
April 15, 2015

Thank you, Chair Smith, Ranking Member Driehaus, and members of the House Finance Committee, for allowing me to testify on behalf of Ohio's independent, nonprofit colleges and universities and their students. My name is Kathy Krendl and I am president of Otterbein University.

Today, I would like to talk to you about the Ohio College Opportunity Grant, otherwise known as OCOG. OCOG is Ohio's only need-based aid program.

As seen in the chart below, OCOG is funded currently at just over \$90 million for all college students, a lower amount in actual dollars than the need-based aid program received 20 years ago.

**Need-Based Financial Aid From State of Ohio
By Gubernatorial Administration, AY 1993-94 to 2014-15**



Source: Ohio General Assembly

As you debate how to make Ohio more competitive and expand its education workforce to the nation, I urge you to consider how we assist our at-need students. Ohio ranks *next to last* in the amount of state per-student funding compared to neighboring states. The only state we beat is Michigan. Pennsylvania, Indiana, New

York, Illinois, Kentucky and West Virginia all provide more state aid to their neediest students than Ohio.

Multiple national studies have proven that need-based aid has the most impact on graduation rates; more than ANY other kind of aid given to students. Last year, Ohio's independent colleges and universities gave out over more than \$1 billion in institutional aid to students. We are asking that the state do its part as well.

At Otterbein University, we have 461 OCOG recipients, representing 20 percent of our undergraduate student population. Our students with the greatest need receive OCOG funding in the amount of \$2,568 per year per student. This is the only source of state-funded assistance that our students receive; there is no further subsidy per student at independent colleges. As a result, our institutions provide internal aid from our own budgets to help our poorest students complete their college education.

At the same time we are committed to remaining affordable for all Ohio students. Otterbein has frozen tuition for three consecutive years. We are also actively involved in partnerships with the K-12 community through the College Credit Plus program, offering early college experiences to high school students, and we have expanded our program-specific articulation agreements with two-year institutions. Through such efforts we are working to remain affordable, to increase access to early college experiences, and to reduce time to graduation.

While the substitute bill includes a \$5 million increase for OCOG, which we think is a step in the right direction, it actually will result in a \$436,000 cut for students at independent colleges in Ohio. While this may sound counterintuitive, the way the funding formula is implemented to maintain a 2:1 ratio, the substitute bill would result in public colleges and universities realizing a net gain \$5.4 million, and students with the highest level of financial need at our independent institutions suffering a reduction in their OCOG award.

As a result, we strongly encourage you to increase the OCOG funding so that it benefits students across all sectors of higher education rather than reducing aid to only the poorest students in the independent sector.

The bottom line is: if you want to have more Ohioans graduate college and graduate on time, you should be prioritizing your funding of OCOG.

Thank you for allowing me to address you this morning. I am happy to answer any questions you may have.