

College Now Greater Cleveland Written Testimony in support of HB32

Good afternoon Chair Hillyer, Vice Chair Grendel, Ranking Member Galonski, and members of the House Civil Justice Committee. My name is Julie Szeltner, and I am the Senior Director of Adult Programs and Services at College Now Greater Cleveland, a college access organization dedicated to increasing postsecondary access opportunities for students of all ages from across Northeast Ohio. Thank you for the opportunity to submit written testimony in favor of House Bill 32, which would halt the collection of debt owed to the state of Ohio's public institutions of higher education.

The COVID-19 pandemic is a crisis unlike anything we have faced in recent memory. This important bill would help Ohioans who owe money to the state's public colleges and universities, as well as hospitals operated by public universities. In 2020, College Now commissioned a study that was released by Policy Matters Ohio that focused on student institutional debt in Ohio and the impact that current laws have on students pursuing – or attempting to pursue – higher education. A major aspect of that study was the negative impact of the Ohio law that requires institutional student debt at public colleges and universities to be turned over to the state Attorney General within 45 days after the debt is incurred, or within 10 days of the start of the next school term.

In the study, our findings showed that debt includes not only unpaid tuition, but library and lab fees, fines for non-payment, parking fines, and other fees not directly related to tuition. Additionally, students with debt turned over to the AG's office face not only late fees charged by schools, but an additional 10% collections commissions rate from the AG's office. The AG pays third-party debt collectors 21% on a contingency basis, and special counsel retained by the AG to sue Ohioans who owe money charge up to 33%. Ohio law allows the AG to add collections fees on top of debt owed, meaning students and former students may have even more money to pay back than originally owed to their institutions.

Beyond the financial burden, students with institutional debt also may not be able to re-enroll in a new postsecondary program; Ohio's public colleges and universities bar registration and withhold official student transcripts in situations of institutional debt.

These policies are most likely to affect students attending community colleges and lower-cost universities in Ohio, which enroll more students who have historically had less access to postsecondary education, including Black and brown students, older students, first-generation college students, and those from families with modest means.

Ohio's approach to institutional debt is the most punitive in the country, and Ohio is one of only five states that **requires** student institutional debt to be turned over to the state AG. Ohio has the most rigid timelines and no threshold amounts below which debt is not turned over. In the 2020 Policy Matters Ohio study, it was revealed that the Ohio AG's office had more than 390,000 active student accounts, with each likely being tied to a withheld transcript and a student whose educational dreams are in jeopardy.

Ohio's approach to institutional debt is always a barrier to educational attainment but is even more so during the COVID-19 pandemic, when the financial situation of numerous students and families is in more jeopardy than ever before. As jobs, industries, and sources of income have been threatened, the ability for students and families to find ways to pay off institutional debt and its subsequent collections fees may be near impossible.

Ohio has a statewide attainment goal of ensuring all Ohioans aged 25 to 64 earn a degree, certificate, or other postsecondary workforce credential by the year 2025. When faced with insurmountable financial hurdles, such as paying off institutional debt, many Ohioans will not be able to achieve such an ambitious goal without policy support. If we cannot achieve that goal, Ohio's economy and the future of our state will be in jeopardy.

House Bill 32 offers the solution that Ohioans need during these times, and that our state economy needs, as well. Ohioans need to feed themselves and their families, and we need Ohioans to be able to achieve their educational goals at a time when retraining and upskilling is more important than ever so Ohioans can find a place to thrive in the forever-changed workforce landscape.

Thank you for your consideration of House Bill 32. If you have any questions, I would be happy to answer them. You can reach me at jszeltner@collegenowgc.org or 216.635.0445.