

Testimony before the Senate Finance Committee
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Thank you Chairman Oelslager and members of the Senate Finance Committee for allowing AICUO to submit written testimony on behalf of Ohio's independent, nonprofit colleges and universities in support of Senate Bill 5.

AICUO represents 53 nonprofit institutions of higher education in our state. Our members educate 134,000 students, and award one third of the baccalaureate degrees in Ohio each year, and even higher shares of our state's degrees in mathematics, natural and biological sciences, and other key areas of study.

Senate Bill 5 introduced by Senators Hottinger and Eklund, would increase the state income tax deduction allowed for contributions to an Ohio 529 college savings plan from \$2,000 to \$10,000. College affordability is always a hot topic for policy-makers, college presidents, and reporters. This legislation would provide an even greater incentive for families to save on their own for college.

Nationally, federal aid, specifically the Pell Grant, will only cover about 10 percent of the cost for a student who chooses to go to a private, non-profit, four-year institution. Ohio's 529 plans are a great resource for saving since, on average, only 5.64% of the value of the account is considered in determining federal financial aid and is not a detriment to a student earning additional need-based aid. The more Ohio can do to encourage families to save now rather than borrow later, the better off our state will be.

SB 5 would also create the Joint Committee on Ohio College Affordability, which would study and develop strategies to reduce the cost of attending college in Ohio. Our institutions are already doing their part to increase college affordability by lowering or freezing tuition costs, creating three-year degree programs, promising graduation guarantees, and much more. We look forward to working with the Committee on this issue to continue our progress.

While our schools do everything they can financially to assist those student in need, AICUO applauds Senators Hottinger and Eklund as well as cosponsors Senators Gardner and LaRose for increasing families' capabilities to save just that much extra on their own. A decision on whether to attend college can, at many times, come down to just a few thousand dollars.