

Higher Education Introduction and Statewide Coalition | Megan Wilson – The Cleveland Foundation

Chairman Edwards, Vice Chairman LaRe, Ranking Member Sweeney and members of the House Finance Committee. Thank you for allowing us all to submit proponent testimony on House Bill 33 in support of the higher education budget and for allowing us to testify as a panel.

My name is Megan Wilson, and I am the Chief of Staff and Director of Public Policy & Government Relations at The Cleveland Foundation. As the world's first and largest community foundation, we take our role of enhancing the lives of Greater Cleveland residents very seriously. That is why we believe that investments in higher education are vital to the success of our region.

I am here today to introduce our panel who are testifying on behalf a broad and growing coalition of businesses, college access organizations, community foundations, and higher education institutions, who collectively support the investments and policies in House Bill 33 focused on increasing education attainment in our state.

When the Governor introduced the historic higher education budget, The Cleveland Foundation, the Greater Cleveland Partnership, and College Now Greater Cleveland joined forces to bring together regional support for the higher education policies in the executive budget, particularly those proposals that will expand post-secondary education choices and access for more Ohioans. What started out as a Northeast Ohio coalition, soon expanded to include other crucial partners from across the state and continues to grow. Included in my testimony are the more than two dozen organizations who have officially signed on to support the proposed policies in the higher education budget we will focus on in our testimony today. These changes include:

- Expanding access to need based aid to low- and moderate-income Ohio families;
- Increasing the investment in the Ohio College Opportunity Grant;
- Guaranteeing aid to community college students through the Ohio College Access grant;
- Retaining talent in Ohio through Merit-based Scholarships;
- Supporting students to complete their degree/certificate program through Access Challenge; and
- Improving Ohio's FAFSA completion rate.

Higher Education Coalition Members

Appalachian Ohio P-20 Council	MyPath Mahoning Valley
Case Western Reserve	New Bridge Cleveland
City of Cleveland	Ohio Business Roundtable
Cleveland State University	Ohio Campus Compact
College Now	OhioExcels
Cradle to Career Cincinnati	Philanthropy Ohio
Cuyahoga Community College	Salus
Greater Cleveland Partnership	Summit Education Initiative
Greater Toledo Community Foundation	TeamNEO
Higher Education Compact of Greater Cleveland	The Cleveland Foundation
Inter-University Council	Toledo Tomorrow
Lakeland Community College	United Way of Greater Cincinnati
Learn to Earn Dayton	University of Toledo
MAGNET, Manufacturing Advocacy & Growth Network	

As you will hear in our testimony, we believe adopting these proposed changes is critical on two counts: first, it will provide tens of thousands additional Ohioans with the opportunity and choice to pursue a post-secondary education. Second, it will help grow the educated and skilled workforce to meet the job demands of Ohio's current and future employers and ensure Ohio remains competitive. Dr. Michele Scott Taylor from College Now Greater Cleveland and Kristina Scott from United Way of Greater Cincinnati will speak to my first point. While Tim Opsitnick from the Council of Smaller Enterprises at the Greater Cleveland Partnership and Bob Savage of CoreNetwork Fund and Toledo Tomorrow will discuss the workforce component.

Before I turn the testimony over to Michele, I want to ask you to keep in mind an important data point as you listen to our panel today – today, only 51.25% of Ohioans have a two-year degree, four-year degree, or high-value industry recognized certificate, far short of the 65% rate economists point to as critical for maintaining a competitive economy. We need to shrink that gap by 14 percentage points to sustain and continue building our economy and the policies in the higher education budget will support that goal.

Our current system fails to address the fundamental access and affordability pieces needed to reach our higher education attainment goals. However, Governor DeWine and Chancellor Gardner's post-secondary access and affordability proposals in HB 33 represent a much-needed overhaul of our current system and are critical to building and maintaining the workforce we need.

Thank you for taking the time to hear from us today. We will continue to grow support for the higher education policies statewide and work so all Ohioans have access to the education and well-paying jobs they deserve.

Higher Education Access and Affordability | Dr. Michele Scott Taylor – College Now Greater Cleveland

Chairman Edwards, Vice Chairman LaRe, Ranking Member Sweeney and members of the House Finance Committee. Thank you for allowing the five of us to submit proponent testimony on House Bill 33 in support of the historic higher education budget.

My name is Dr. Michele Scott Taylor, and I am the Chief Program Officer at College Now Greater Cleveland. College Now is the oldest and one of the largest college access organizations in the nation. We provide services to 30,000 students and adults across Northeast Ohio in 80 school districts in 6 counties. We are grant-funded to serve low-income students and have a fee-for-service model for moderate- and high-income districts that we serve. Every day, we work with students who want to enter meaningful careers that require post-secondary education.

I was born and raised in the Greater Cleveland area, and I attended Warrensville Heights High School. I was a first-generation college student who was able to attend and graduate from the University of Akron because of need-based aid and loans, but it took me 15 years to pay off.

For the past 20 years I have worked in the higher education space focused on career and college advising, access and affordability. I began my career at Walsh University as a Resident Director in student affairs helping students persist to degree completion. I then went to the University of Pittsburgh and John Carroll University, also in student affairs, helping break barriers for students. I joined College Now thirteen years ago to become the chief program officer and build better advising

services for students, particularly for low- and moderate-income students, whose families often don't have the resources or knowledge and school counselors don't have the time to help students navigate the complicated post-secondary landscape.

I also have three of my own children, one who went to West Point, one who just graduated last year from The Ohio State University, and a third in high school.

I know from both my professional and personal experience the incredible impact financial aid can have on our children's future. I also know the significant flaws in Ohio's current system – flaws that are preventing tens of thousands of Ohioans from accessing post-secondary education and a successful middle-class life.

I am here today to tell you what an incredible opportunity is before you to support the proposals in the as-introduced higher education state budget and what a difference this historic investment would make for students and families. I want to focus my comments on four aspects of the proposed changes in Ohio's financial aid system.

First, at the heart of these reforms is making need-based aid available to low- and moderate-income families whether they attend a 2-year, 4-year, or qualified certificate program. As you know, the budget makes significant policy changes and investments to the Ohio College Opportunity Grant or OCOG and creates the new Ohio College Access Grant (OCAG) program for students attending two-year institutions, community colleges, or regional campuses. The proposal elevates income eligibility to an estimated adjusted gross household income from \$60,000 to approximately \$87,000. Together, these two programs will increase eligibility to 115,000 students – 93,000 are estimated to use OCOG and OCAG will open the door to 24,000 community college students who were previously unable to access state aid.

The average family income receiving aid in Ohio has been \$48,200 which is significantly lower than the average family income for federal Pell recipients which averages \$70,000. My experience at College Now is that there are so many students that are currently over the state's income threshold that don't have access to state aid, or very little of it.

Second, and equally important, is the proposed increase in the maximum award amount for students at 4-year programs at public and private institutions from \$2,700 to \$6,000 per year.

During the 2022-2023 school year, the state average for the cost of attendance at a 4-year public institution was \$29,063. After deducting a full Pell grant of \$6,895 and a full OCOG grant of \$2,700, a federally subsidized loan of \$5,500 – students still faced a deficit of \$13,968 to pay themselves to cover room, board, books, a computer, or any of the fees like health insurance and lab fees. Some students receive institutional aid, others work, many do both to help offset the costs. The proposed increase in OCOG is the difference for many students between going and not going to college.

Third, House Bill 33 also includes the new Ohio College Access Grant (OCAG) for community colleges – the institutions on the front lines of workforce development. As I mentioned before, this program is estimated to provide aid to 24,000 community college students who were previously unable to access state aid.

OCAG would guarantee every eligible student a \$1,000 grant to go towards the cost of attendance. In Northeast Ohio, for the 2022-2023 school year, the total cost of attendance for community colleges

was approximately \$13,500. After the Pell grant of \$6,895, the federally subsidized loan of \$5,500, and OCAAG, students would face a deficit of less than \$100.

Finally, the proposed Access Challenge Fund will help increase the retention rate enrollment of under-represented students by supporting critical wrap-around services and addressing barriers that may otherwise interrupt college completion.

We currently partner with Cuyahoga Community College on the Tri-C Say Yes Scholars Program that does exactly what the Access Challenge Fund is designed to do, such as advising, counseling, success coaching, bridge programs and other evidence-based wrap-around services. We are proud to share that as a result of three years of our success coaching, our first to second semester persistence rates are double those not participating in the program. Access Challenge will replicate this program across the state and improve degree completion rates for Ohio students that need more help crossing the finish line.

As a past recipient of these need-based aid funds and someone who manages programs that support these students, I urge you to fully support the higher education budget proposals. These proposals will open the door to tens of thousands of Ohio's young people and provide them a genuine opportunity to pursue a high-quality post-secondary credential and participate fully in Ohio's economy.

Higher Education Access and Affordability | Kristina Scott – United Way of Greater Cincinnati

Chairman Edwards, Vice Chairman LaRe, Ranking Member Sweeney and members of the House Finance Committee. Thank you again for allowing us to submit proponent testimony on House Bill 33.

My name is Kristina Scott, I am the Public Policy and Advocacy Director at the United Way of Greater Cincinnati. I live in Dayton and work in Cincinnati. I also served as the CEO at Learn to Earn Dayton and helped found the Alabama College Attainment Network. I am honored to be here to share some of my own experiences and the impact that this budget proposal can make for students in Ohio.

As you have heard, our statewide coalition is here today to support additional need-based aid for students. It is the single largest driver to increase postsecondary enrollment, which we are still trying to recover following the pandemic declines. Tim and Bob will speak after me on how postsecondary enrollment and degree attainment directly impacts Ohio's economy.

Included in HB 33 are expanded eligibility requirements for need-based aid which will open the door for moderate income families and provide an increased award amount to make up for the years of low-level increases and the inability to keep up with inflationary increases. While the historic investment in need-based aid is crucial to the state, we also can consider how this will help individual Ohioans attain economic stability and freedom.

A 2015 study by the Georgetown University Center on Education and the Workforce found that people with a college degree can expect to earn 75% more over their lifetime — or \$1 million more — than those without a bachelor's degree. Additionally, college graduates from low-income backgrounds are less likely to experience unemployment compared to those who do not attend college. The same study showed that the unemployment rate for college graduates from low-income backgrounds was 3.8%, compared to 7.7% for high school graduates from the same background.

College graduates from low-income backgrounds are more likely to experience upward economic mobility after attaining postsecondary education. A 2017 study found that attending a college with high graduation rates increased the chances of upward mobility for students from low-income families. Higher education helps citizens become higher earners, and contributes to lower unemployment, economic mobility, better health outcomes, less incarceration, and a larger tax base. Ultimately, it helps Ohioans reach their fullest potential.

In Michele's testimony, she laid out how the expanded eligibility and programmatic changes will mean thousands more Ohioans will have the opportunity and choice to pursue postsecondary education, a choice they deserve. And as noted before, a choice that can change their lives.

However, Ohio students can only access these investments in need-based aid if they fill out the FAFSA, or the Free Application for Federal Student Aid. The FAFSA is the application for the Pell grant, OCOG, and OCAG. It's also how students and their families qualify for other scholarships and work-study jobs.

FAFSA completion is strongly associated with postsecondary enrollment: 92% of seniors who completed the FAFSA enrolled by the November following graduation versus 51% who did not complete a FAFSA.

Sadly, every year Ohio families leave about \$108 million in Pell grant aid on the table by not completing the FAFSA. Based on my work, one of the biggest reasons students don't complete the FAFSA is that they don't think they are eligible for financial aid. Included in HB 33 is a universal FAFSA policy so that Ohio students do not leave millions in aid that could truly make a difference.

Nationwide, other states have implemented these policies to fully leverage available financial aid and boost postsecondary enrollment, including Alabama, Louisiana and Texas. Louisiana, the first state to implement a universal FAFSA policy, saw increases in FAFSA filing, high school graduation, and postsecondary enrollment rates. Here in Ohio, providing universal FAFSA support to students and their families would catalyze conversations between educators, students, and families about attending and paying for education after high school.

It is important to note that Congress passed bipartisan legislation directing the U.S. Department of Education to make changes to the FAFSA making a more streamlined application process, expanding eligibility for federal financial aid, reducing barriers for certain student populations, and supplying a better user experience for the FAFSA form. This "Better FAFSA" will roll out in December 2023. Investing in students with increased financial aid – and equipping families to take advantage of that aid – is an investment in a more prosperous Ohio.

Lastly, many believe that the proposed Governor's merit-based scholarships are for the best and brightest in Ohio, supporting the wealthiest to attend our best universities. However, the proposed merit-based scholarship is for every high school in Ohio including all the top students in the 438 school districts (of the 612 total school districts) where the median AGI is below \$60,000. We want them to enroll in our postsecondary institutions, stay in Ohio and get great jobs here. Tim will touch more on the merit-based scholarship in his testimony and also include statistics on how Ohio is not keeping up with the degree attainment rate we need to support a robust and successful economy.

The higher education budget is a much-needed investment to not only support Ohio's economy, and to invest in people – for their personal growth and for their future successes.

Workforce Pipeline | Tim Opsitnick – Council of Smaller Enterprises at Greater Cleveland Partnership

Chairman Edwards, Vice Chairman LaRe, Ranking Member Sweeney and members of the House Finance Committee. Thank you for allowing us to submit proponent testimony on House Bill 33.

My name is Tim Opsitnick and I have the privilege of serving as Board Chair for the Council of Smaller Enterprises, or “COSE” as many of you may know it, which is the small business arm of the Greater Cleveland Partnership. In addition to being a small business owner myself, I also serve as chair of the National Small Business Association’s Environmental & Regulatory Affairs Committee.

COSE was founded in 1972 and recently celebrated 50 years of supporting and advocating for small businesses in the region. Today, we are proud to represent over 11,000 small businesses throughout Northeast Ohio. We recognize that small business growth and success are the backbone of Ohio’s economy. While much of the information I will share here today is specific to the 18-county footprint of Northeast Ohio, we know all of Ohio is experiencing a workforce shortage that can be mitigated by improving post-secondary education access and affordability.

Specifically in Northeast Ohio, our labor force participation rate and unemployment rate are both currently near average, but our ability as a region to remain economically competitive has been stymied by the -4% population decrease and -8% labor force decline that have occurred over the course of the last two decades. At this moment, there exists a significant gap in in-demand jobs in our regional economy – nearly 100,000 jobs requiring post-secondary education or training are currently unfilled in Northeast Ohio.

As Megan referenced earlier, 65% of all new jobs in Ohio require a high quality post-secondary credential, which include two-year degrees, four-year degrees, and industry recognized credentials. That figure also resonates with our research and experience in Northeast Ohio.

Each year, Team NEO, Northeast Ohio’s economic development organization and a JobsOhio affiliate, publishes a report titled *Aligning Opportunities*. This provides a snapshot of the workforce demand and economic environment across six high growth and high demand sectors in the 18 counties that make up the Northeast Ohio region. According to their most recent report, 62% of job openings in these sectors require a high-quality credential, and 52% require a two or four-year degree.

As a region, we are not producing the talent we need. For example, in 2021, there were nearly 57,000 openings across Northeast Ohio in the IT and health care sectors alone, which typically require a two- or four-year degree. Yet, our area’s higher education institutions only awarded 15,500 credentials in those fields – causing demand to outpace supply by 40,000 open jobs in IT and health care annually in the region. I included in my written testimony a chart that shows Northeast Ohio’s in-demand job fields and how the demand significantly outpaces the awarded credentials needed to fill these jobs. These numbers are startling, and the bottom line is our Northeast Ohio region is only producing 27.2% of the credentials we need to meet demand. We are asking you to support the as-introduced higher education budget to increase the number of Ohioans who will be able to enter post-secondary.

Occupation Group	Total Demand 2021	Credentials Awarded 2020	Alignment
Computer & IT Workers	15,544	2,725	-12,819
Health Diagnosing & Treating Practitioners	23,032	7,543	-15,489
Health Technologists & Technicians	13,971	3,075	-10,896
Architects & Engineering Technicians	4,256	2,105	-2,151
	56,803	15,448	-41,355

Over the past several years, because of your leadership as policymakers, a number of collaborative initiatives involving the business community, workforce development system, and our institutions of higher education have sprung up across Ohio. These initiatives are largely focused on improving the number of individuals entering college, aligning degrees with in-demand jobs, and strengthening connections with employers through co-ops, internships, and other engagement programs. However, we cannot do this alone, we need the investments included in this budget to help expand these efforts statewide.

One of the policy proposals contained in this budget that's personal to me is the creation of a new merit-based scholarship which offers high-performing students \$5,000 per year if they attend an Ohio college or university. Incentives such as this are crucial for talent attraction and retainment in our state.

It's worth noting that this body worked diligently over the past couple years to tackle this issue of talent attraction and retainment. I'm specifically referring to House Bill 514 from the previous General Assembly, also referred to as the "GROW Act" – legislation championed by a member of this committee, Assistant Majority Leader Jon Cross, which included several innovative solutions to put a stop to the "brain drain" in Ohio.

We need to think boldly, with an eye toward what we want this state to look like 10 or even 20 years from now. The higher education policies contained in this budget will, if enacted, essentially act as the ignition switch in helping to fill the already-existing gap in our region's in-demand job sectors. The time to invest in higher education is now, we have the demand from employers, the resources to fund these policies, and the potential to give more Ohioans the opportunity for meaningful careers.

Workforce Pipeline | Bob Savage – CoreNetwork Fund and Toledo Tomorrow

Chairman Edwards, Vice Chairman LaRe, Ranking Member Sweeney and members of the Ohio House Finance Committee. Once again, thank you for allowing us to submit proponent testimony on House Bill 33.

My name is Bob Savage, and I was born and raised in Toledo, Ohio. I have experience in both the non- and for-profit space, which gives me the unique perspective in showing the committee the significance of the proposed higher education budget and how this can help the state's economy.

I am the Founder and President of Toledo Tomorrow, which is a college and career access non-profit with the goal of providing more opportunities to all children and adults in Toledo and Northwest Ohio. I also am the Founder and CEO of Savage Consulting, which for over 25 years, I worked with companies and their management teams to find the best way to position them for profitable growth. I also have

sat on 10+ private company boards and started four venture funds. I say this all to show that I have spent my career helping companies profit, but I know this can't be done without securing skilled talent and keeping Ohio's economy competitive regionally and nationally. I believe the higher education policies in this budget will help build Ohio's workforce and allow students the ability to participate in the post-secondary education of their choosing regardless of their family's economic status. This budget helps ALL of Ohio, and Ohio's economy.

Ohio is at a pivotal point in its history. Thanks to the work of both Governor DeWine and the legislature, Ohio has secured major economic development projects across our state and those projects will require a highly skilled workforce to meet their needs. Honda, Intel, GE and more, all will have job openings that require higher levels of education and training. According to an OhioExcels 2020 report, Ohio needs nearly one million more adults with high-value credentials and postsecondary degrees to keep up with employer needs and to keep the state's economy moving. This statistic was taken even before the investments of the companies I mentioned, once this is recalculated, it is sure to be a higher number. However, as Tim from COSE just reported, we are not producing the degrees and credentials we need. Currently, across the state, demand outpaces supply.

Fortunately, the executive budget includes crucial investments in higher education, as outlined by both Michele and Kristina. The strong need-based financial aid policy is critical to building and sustaining the workforce we need. If these policies are left out or defunded in the budget, Ohio's current system will fail to address fundamental access and affordability issues. This unfortunately will significantly limit higher educational and career choices for Ohioans and undermine current and future economic prosperity of the state.

For the last 15 years, we have underinvested in higher education – particularly related to access and affordability. From 2008 to 2023 Ohio's financial aid funding decreased overall by nearly 49%.

While Ohio was stepping back, other states were stepping up their investments. Ohio currently ranks 39th nationwide in average aid allocated per student. Worse than that, from a regional perspective, Ohio's current maximum annual Ohio College Opportunity (OCOG) grant of \$2,700 for public university students ranks the state dead last among nine neighboring states, including Illinois (\$7,200), New York (\$5,665) and Michigan (\$5,500). In my testimony, I included a graphic that shows Ohio placing last regionally, and where we could be if the OCOG funding and policy changes in HB 33 are enacted.



Ohio's access and affordability issues have contributed to Ohio's relative low rate of educational attainment, which is 39.1% of adults 25-64 with an associate degree or higher, compared to a national average of 41.7%. This places Ohio 33rd out of 50 states. Worse yet, according to the St. Louis Federal Reserve, in 2020, only 30.6% of adult Ohioans had a bachelor's degree or higher, placing Ohio in the bottom quartile of all states.

HB 33 aims to increase our education attainment rates by greatly investing in two need-based aid programs – the Ohio College Opportunity Grant (OCOG) and the new Ohio College Access Grant (OCAG). I know this was mentioned earlier, but it's worth repeating – these two programs will increase eligibility to 115,000 students – 93,000 are estimated to use OCOG and 24,000 are estimated to be eligible for OCAG.

As my colleagues have testified, Governor DeWine's postsecondary access and affordability proposals in HB 33 represent a comprehensive, well thought out overhaul of our current system and are critical to building and maintaining the workforce we need. This budget will make Ohio a leader in higher education affordability and access, giving families the ability to choose what education path is best for them and giving them the tools to afford it. It will also boost our workforce pipeline, giving Ohio businesses, both small businesses and major corporations, the skilled workers they need to meet their demand. Historic investments in HB 33 renew Ohio's commitment to affordable higher education which will send a message to employers nationwide that we are ready for them to invest here in Ohio.

Thank you, Chairman Edwards, for giving us time to speak to you all today, we are happy to take any questions the committee may have.