

Good morning. Chairman Young, Ranking Member Miller, and Members of the House Higher Education Committee, thank you for the opportunity to provide proponent testimony on HB 98.

My name is Mary Winch Korff, the current president of the Salem High School Alumni Association. We were founded in 1882 by a group of alumni and their former teachers. A few years later, in 1903, the group established the first high school alumni scholarship fund in the state of Ohio. The graduates and friends raised funds to purchase a \$1000 bond. This yielded the first scholarship of \$60, which was awarded in 1908. This modest beginning has grown to an investment fund of more than \$12 million. This fund enables us to give scholarships annually to about 100 Salem High School students and alumni – on both an undergraduate and graduate level. We are proud that year after year, we are able to help our students pursue their educational dreams. In 2022, the Salem High School Alumni Association awarded over \$533,000. For a public high school with graduating classes of 160 to 180 students, these awards provide for a substantial portion of each graduating class. We are pleased to be one of (if not the) largest public high school scholarship foundations in Ohio, as well as nationally.

We are proud of our small town's commitment to its students and to helping promote education – on all levels. We eagerly give our dollars to motivate academic achievement and curiosity. It is for these reasons that we have been struggling with and concerned about the escalating issue of scholarship displacement. Every year, more and more of our scholarship recipients face this challenge. As a result, we have decided to take the lead in addressing this issue. We appreciate the support and help of representatives across the state in this matter.

Most simply put, scholarship displacement occurs when the financial aid package a college offers a student with their acceptance letter is reduced when the student receives other scholarships or awards. In our case, our scholarships sometimes go unused, un-applied for, or are unhelpful to reduce student college costs. This impacts our mission to promote higher education and to help Salem High school students pay for postsecondary education expenses. Our donors' intent is to reduce student loan debt, which is an acknowledged and growing problem in Ohio, and across the nation. When colleges balance their books without giving the students the full benefit of the outside scholarships they have obtained, it seems unjust. Not getting the benefit of our scholarships increases student's debt load and is a conflict to our mission.

For example, last year Brock Young, a 2022 Salem High School graduate who received a scholarship from the Salem High School Alumni Association, was accepted to Stark State College. As part of this acceptance, Stark State had offered his first semester free. This offer,

combined with the scholarship he received from us, would pay for his entire first year of college. However, when he registered for classes and mentioned his Alumni Association scholarship, Stark State informed him that based on that, he would NOT be eligible for the free first semester. They told him his Salem High School Alumni Association scholarship funds would be applied to that. He was very upset. In essence, he felt that by earning those dollars through his academic achievements and extracurricular involvements, he was being penalized by the college.

Hearing more of these discouraging stories, we have become active with researching this topic and working to get our dollars to students without impacting their school awards. We know this issue exists at both public and private institutions in our state. In our research, we are hopeful that Ohio's students can have protections from this – similar to states with current laws prohibiting this practice in Pennsylvania, Maryland, New Jersey, Washington, and California. For Ohio to remain a leader in higher education, we need to make sure our students can access funding from as many sources as possible and experience the full value of the scholarships they have earned.

At Salem High School Alumni Association, we have great interest in helping our students pay for their college expenses. However, we are concerned that our scholarship dollars are merely being switched with funds that the college has previously promised in its financial aid package. Our students compete for Salem High School Alumni Association scholarships, and most rely on them as part of a package of dollars to help cover their tuition, books, room and board, and living expenses.

We are grateful for your consideration of this matter and your help in making sure Ohio's students receive the full value of their earned scholarship awards. At the Salem High School Alumni Association, we are proud to have been assisting students with their postsecondary education costs for the past 120 years. We are eager to continue doing that AND advocating for our students and their higher educational goals.

Thank you for your time, I'd be happy to answer any questions.