



Interested Party Testimony Regarding House Bill 27 Inter-University Council of Ohio

Chair Young, Vice Chair Bird, Ranking Member Miller and members of the House Higher Education Committee. My name is Laura Lanese, and I am the President and CEO of the Inter-University Council of Ohio (IUC). IUC submits this interested party testimony regarding Amended House Bill 27 (HB27) for the committee's consideration.

The IUC was established in 1939 as a voluntary educational association of Ohio's public universities. Today the association represents Ohio's 14 public universities. Together, these institutions offer a broad range of associate, baccalaureate, graduate, and professional programs. Ohio's public universities collectively contribute approximately \$67.8 billion to Ohio's economy and support one out of every eight jobs in Ohio.

IUC's purpose is to facilitate the development of common interest and to assist in sustaining and improving the quality of public higher education. IUC also engages in public relations, research, and government liaison work. The major goal of the IUC is to sustain a consortium that establishes a dynamic forum that fosters idea exploration and problem solving. IUC member institutions are committed to ensuring affordable opportunities for the more than 290,000 students attending Ohio's public universities without sacrificing the quality of their education or experience.

IUC prioritizes equipping potential students with the necessary information they need to ensure they make the best and most informed decision for their future. For example, students should know that individuals with a bachelor's degree will, on average, make \$1.2 million more over their lifetime than individuals with a high school diploma.¹ Individuals with bachelor's degrees typically earn 40% more than individuals with associate degrees.² According to an economic impact study conducted by Lightcast, an independent and nationally recognized company that provides colleges and universities with labor market data, for every \$1 an individual spends to attend an Ohio public university, they will have a return of \$5.60 in lifetime earnings.

IUC applauds the efforts of the bill sponsors to provide even more transparency to individuals considering attending a state institution of higher education. Furthermore, the leadership of Representatives Mathews and Thomas regarding this legislation has been remarkable. They have engaged IUC in dialogue and have been open to feedback. IUC is grateful for their experience, expertise, and willingness to consider IUC's suggestions. The amendments already made to HB27 improved the legislation and helped ensure state institutions of higher education can implement the bill pursuant to the intent of the Ohio General Assembly. IUC thanks the bill sponsors for offering those changes.

¹ Association of Public & Land-Grant Universities, <https://www.aplu.org/our-work/4-policy-and-advocacy/publicvalues/employment-earnings/#11>; citing Abel and Deitz, "Despite Rising Costs, College Is Still a Good Investment," Federal Reserve Bank of New York, 2019.

² The State of American Higher Education Outcomes in 2023, Third Way, Feb. 22nd, 2023, <https://www.thirdway.org/report/the-state-of-american-higher-education-outcomes-in-2023>; last accessed Feb. 27th 2023.

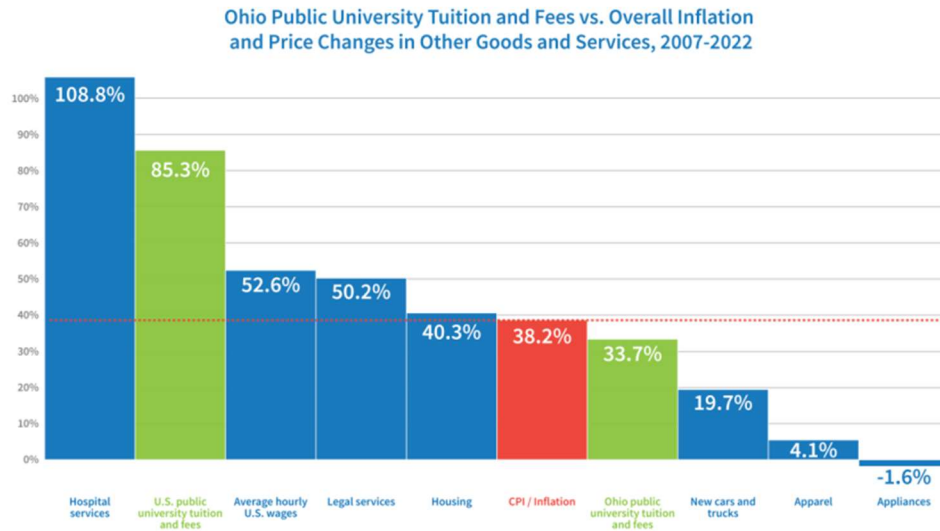
IUC mostly concurs with the bill sponsors regarding the information potential students should be provided to inform their decision. In fact, the federal government requires most of this information to be available to students online through a net cost calculator. The only information not currently included in the net cost calculator is the estimated monthly student loan payment amount and the salary data of recent graduates. IUC suggests adding this information to the net cost calculator, including a link to the alumni salary data, and requiring that institutions provide the link to the online calculator to potential students pursuant to the timeline in HB27. It will also help ensure the intent of the legislation is reached if the bill requires students to complete the online calculator prior to attending the institution. This approach will provide potential students with all the information required in HB27 as currently written but will achieve this same result at a lower cost to the institution and in a method in which potential students are most comfortable, that is electronically and online.

IUC appreciated the testimony from Mr. Mattingly, who on top of obtaining his Ph.D. in Cognition, Brain, and Behavior, clearly has a lot of experience with computers and data. Despite his expertise, he is unfamiliar with the systems of the universities. IUC had numerous conversations with individuals at the state institutions who, every day, work with the systems the universities currently use to provide potential students with the necessary information and documents for enrollment. These individuals provided an estimated range for implementing HB27, approximately \$140,000 best case scenario to approximately \$400,000 worst case scenario. While the low-end cost is not outrageous, it could be greatly minimized by allowing institutions to use the online calculator described above.

IUC also suggests removing “federal graduate plus loan” from section (C)(3)(b) for two reasons. First, it is IUC’s understanding that this bill is only applicable to undergraduate students as admission to a graduate program is a different process. Second, federal graduate plus loans are similar to private loans in that the student can get approved for different amounts depending on their circumstances. Federal direct subsidized and unsubsidized loans have a maximum consistent amount that a student can receive. Therefore, the institution can calculate a monthly repayment amount. Since the institution does not know how much the graduate student will receive on the federal graduate plus loan, the institution is not able to make this calculation. This request also comes with a confession that IUC requested the inclusion of federal graduate plus loans. After suggesting this language IUC learned about the issues above. IUC apologizes for the inconvenience and any confusion this request may cause.

Unfortunately, HB27 is only applicable to public universities and community colleges. It’s laudable goal of providing transparency to all undergraduate students will not be realized as private institutions are not required to provide the information in the format outlined in HB27. Private universities tend to cost more than public universities, and that could result in more debt for their students. Because of the tuition guarantee program implemented in 2014, Ohio’s public universities are required to hold their costs of attendance frozen for

four years for their incoming class of freshmen. This is part of the reason that tuition and fees at Ohio’s public universities has increased less than the rate of inflation since 2007.



Source: Ohio Department of Higher Education

HB27 is important legislation that addresses an important matter – ensuring that potential students understand the economics of their decision to attend a state institution of higher education and study a particular major. IUC believes the suggestions above will make this legislation even better. Chairman Young, and members of the committee thank you for allowing me to submit interested party testimony regarding HB27 on behalf of IUC.