

Testimony of C. Todd Jones
President and General Counsel
Association of Independent Colleges and Universities of Ohio
Before the Senate Finance Committee
May 16, 2023

Chair Dolan, Ranking Member Sykes, and Members of the Senate Finance Committee, my name is C. Todd Jones and I am President and General Counsel of the Association of Independent Colleges and Universities of Ohio (AICUO). AICUO is comprised of 52 non-profit, independent colleges all over Ohio.

While I do represent colleges, today I am asking you to think of me as representing 52 large-scale economic partners to the state of Ohio. The path to our state's economically successful and robust communities requires a true workforce pipeline. At the most basic level, independent colleges are major employers in many cities and counties. What is Marietta without Marietta College? Wilmington without Wilmington College? Hiram without Hiram College? – I could go on and on.

But our higher education institutions are more than that. They are a cornerstone of Ohio's talent development system. The world is a rapidly evolving place for employers. You only need to look at the Intel announcement to understand. Intel has stated it needs 7,000 workers for its construction phase and plans to hire an additional 3,000 employees – all wonderful news for Ohio, except that there are not enough Ohioans to fill the needed roles.

Our colleges favor an all-of-the-above approach. Our state needs more people with post-secondary education: more technical degrees and certificates, more baccalaureates, more masters and doctoral degrees. Only with all of the above can we meet the demands of a growing, robust economy.

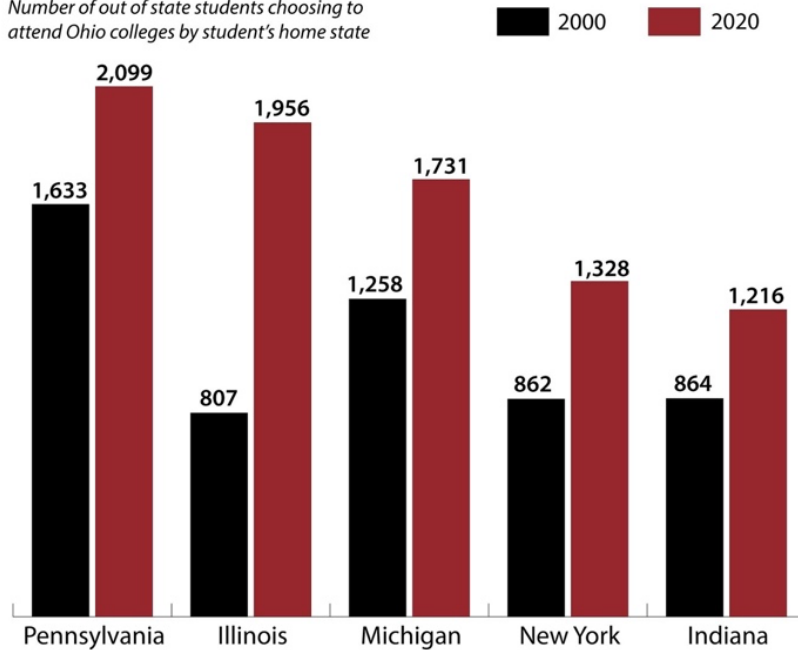
We believe the state's goal should be ensuring that each potential student (whether a high school senior or an adult learner) finds the right place for him or her. Whether that means an apprenticeship, a career technical center, a community college, or a traditional higher-education institution; if, as a state, we can ensure that the student is at the right place for them – rather than politically dictating a right or wrong path – only positive things will happen.

You also know that Ohio has a population-stagnation problem. Outside of the growth of the Franklin County bubble, many areas in Ohio are facing serious threats to their way of life with declining and stagnating populations.

Ohio Colleges Bring More Students to the State

Colleges draw students from throughout region with massive gains from Illinois

Number of out of state students choosing to attend Ohio colleges by student's home state



Note: First-time degree-seeking students only.
Source: IPEDS Fall Enrollment. (2000, 2020).



Ohio's independent colleges represent an answer to that problem. Ohio's colleges and universities import 16,326 students into Ohio annually. As a sector, we are one of your biggest population importers – one that requires very little financial investment from the state. As the state looks at ways to retain and attract Ohioans, higher education institutions should be seen as a recruitment tool.

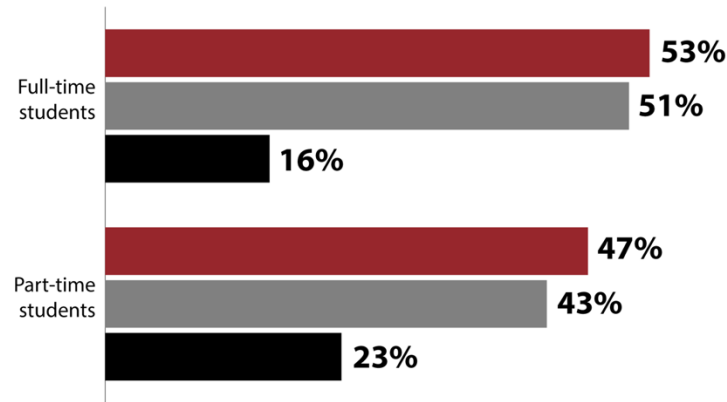
Today, I am here to talk about all of these issues – local economic benefits, developing the talent pipeline, and helping grow Ohio's population – and how Governor Mike DeWine's Executive Budget proposal takes major strides in addressing those issues for our state. Governor DeWine's proposed budget sends a clear message – one AICUO whole-heartedly supports – that Ohio is taking an all-of-the-above approach to post-secondary education.

The best outcome for any student, regardless of background, is completing his or her educational goal. A student not completing, especially if they take on debt, is the worst outcome.

Ohio Independents Lead in Graduation Rates

Average undergraduate award (degree and certificate) completion rates enrolled at Ohio institutions by enrollment status and sector

- AICUO independents
- Ohio public four-year main campuses
- Ohio community colleges



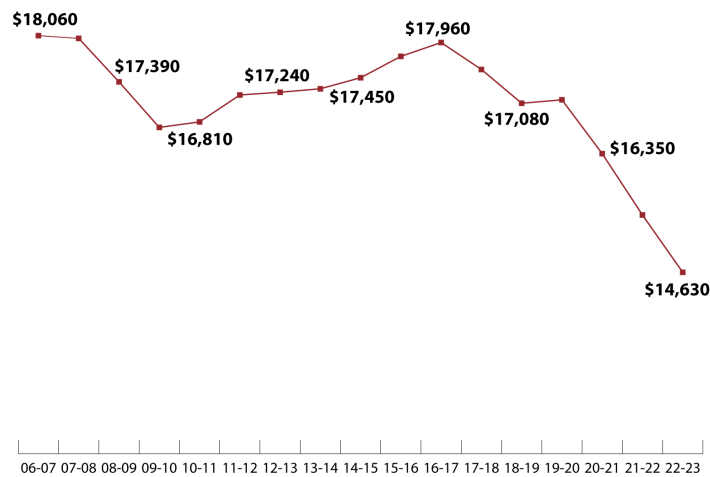
Note: Full-time student graduation is at a six-year rate; Part-time student graduation is at an eight-year rate
 Source: IPEDS Outcome Measures. (2021).



AICUO members are proud of the work they are doing to attract, retain, and graduate Ohioans, all while keeping the cost of attending an independent institution lower than it was 20 years ago.

Independent Higher Ed More Affordable Than Ever

Average net tuition and fees by academic year, adjusted for inflation



Source: CollegeBoard. (2022, October). *Trends in College Pricing and Student Aid 2022*.



With the help of Governor DeWine and this legislature, we can do even more to help Ohio with its workforce pipeline, economic growth, and population growth.

Ohio College Opportunity Grant (OCOG). OCOG is Ohio’s long-standing need-based student aid program for tuition and fees.

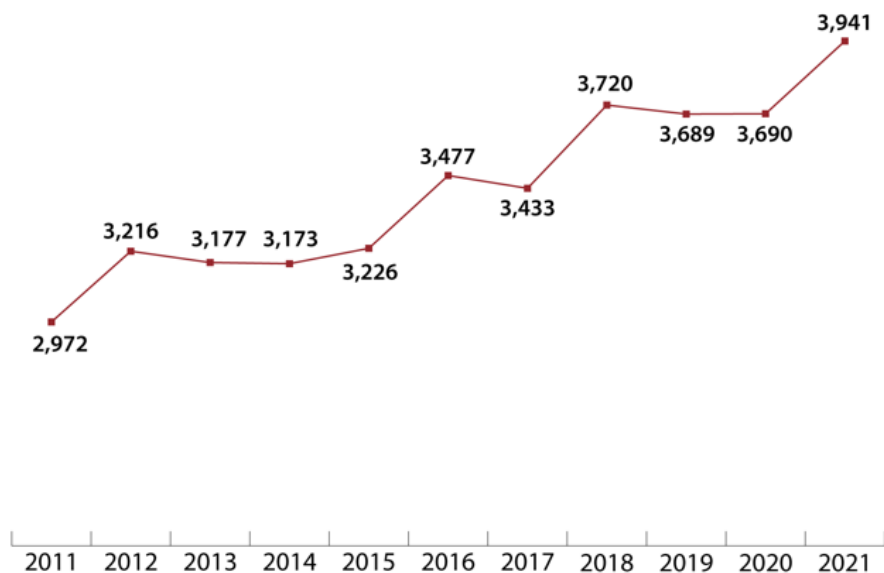
OCOG doesn’t just help students obtain post-secondary outcomes; it also helps them graduate. In fact, a 2021 [study](#) found that state scholarships to low-income students increased bachelor’s degree completion by 8.4 percent. (Interestingly, low-income scholarships did not improve the completion rates of two-year degrees). If the goal is – and the goal SHOULD be – graduation, then OCOG is the best investment you can make in the entire higher education budget.

Post-pandemic data also shows that students want to attend college, even in the face of a viral adversary. Governor DeWine’s Executive Budget proposal will do more to help students of the state obtain their educational goals than any governor since Governor Jim Rhodes.

Students Want to Attend AICUO Institutions

Average number of applications grew by 33% over a decade

Average number of applications to AICUO member institutions



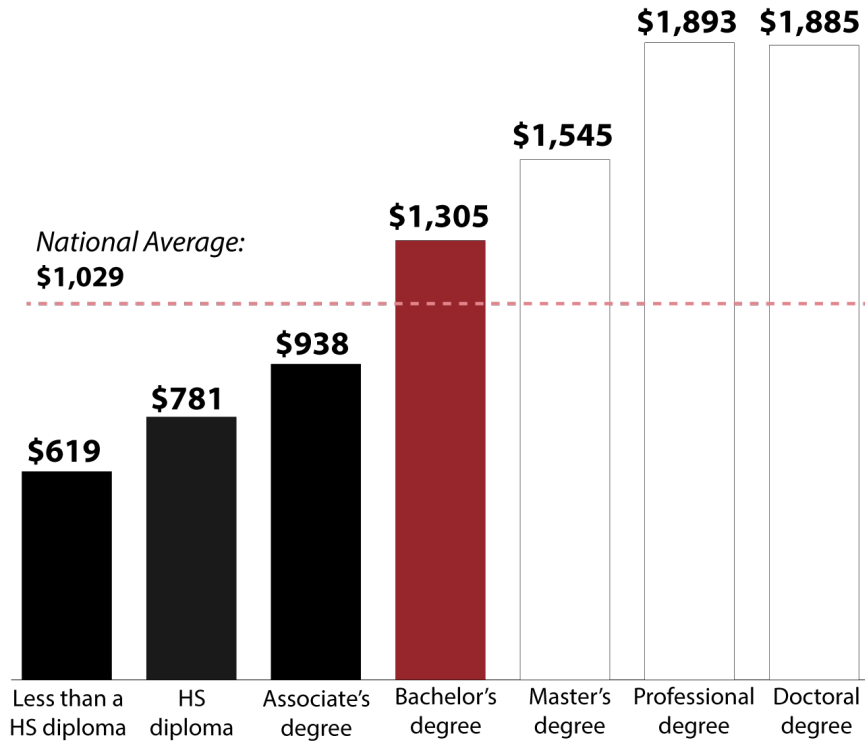
Note: Open admission institutions have been excluded from the dataset
Source: Integrated Postsecondary Education Data System



Ohioans NEED something beyond a high school diploma, and the increase of OCOG funding along with the eligibility shift will ensure Ohioans are prepared for the economy of the future.

Learn More, Earn More

Average weekly earnings in 2020 by educational attainment



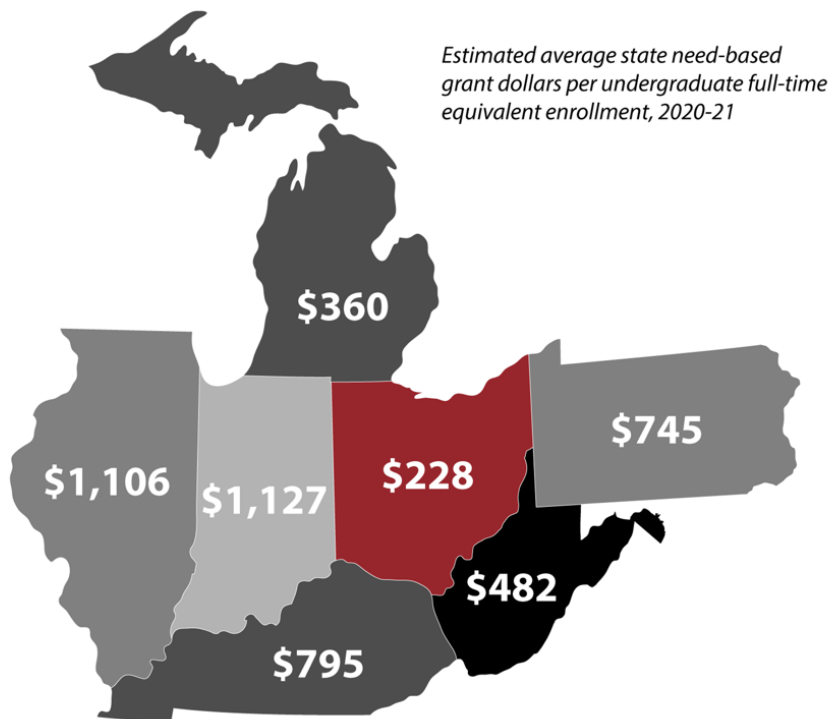
Source: U.S. Bureau of Labor Statistics. (2020). *Education pays*.

In 2021, about 19 percent of Ohio's population age 25 and over held a bachelor's degree as their highest level of education. Furthermore, about 33 percent of people had a high school degree or equivalency as their highest level of education in that year. However, the Ohio Bureau of Labor Market Information projected that between 2018 and 2028, 75 percent of job growth in Ohio will be in occupations requiring at least a postsecondary non-degree credential, and 58 percent of growth will be in occupations requiring a bachelor's degree or higher. No matter your ability to understand math, you can see that these numbers do not add up to economic growth without a better-educated workforce than we currently have.

This problem is not Ohio's alone, and unfortunately, we are not alone in figuring out a solution. Our neighboring states already recognize this need and are dramatically "upping their game."

Ohio Last in Midwest in Need-based Aid

Michigan is taking action by increasing aid to compete with neighbors



Source: National Association of State Student Grant and Aid Programs. (2022).
52nd Annual Survey Report.



Ohio is dead last in the Midwest in helping low-income students attend post-secondary options. DEAD LAST. And this graph does not even incorporate the massive investment Michigan announced just last year. Our surrounding states – our direct workforce competitors – are sending a message: don't stay in Ohio. We will pay for you to come, get your degree, and be part of our workforce. I cannot imagine this body wants to lose to Michigan . . . again.

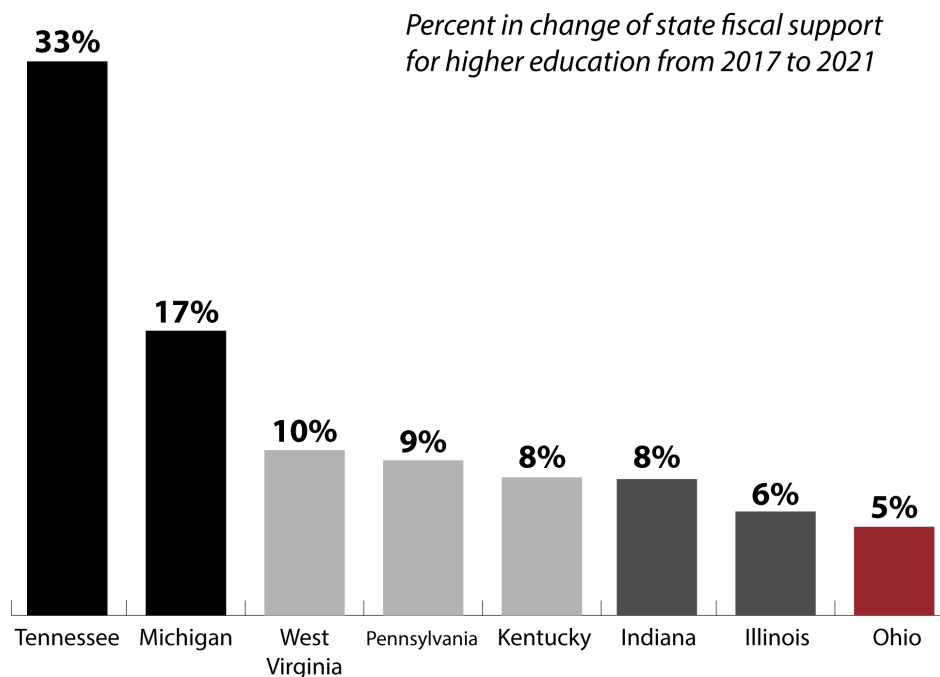
The House, as I am sure you have heard, made some major cuts to the higher education budget at-large. First, we appreciate the House retaining a 24 percent increase in FY24 and an additional 25 percent increase in FY25 to the current OCOG funding line-item. It is a decrease to the line-item from the Governor's proposal, but an increase over current funding.

The House also changed the implementation around how OCOG is distributed – a change AICUO supports. The Governor's proposal would have dramatically increased the award amount per student, but only for incoming freshman. AICUO supports an increase in award amounts for **all students**, including the students currently in college (not just incoming freshmen), as the program has done since its inception.

AICUO, along with other groups, supports an amendment that would restore \$100 million to OCOG. This does not mean a full restoration of the Governor’s proposal – but at least it would signal to businesses that you are serious about increasing the talent pipeline.

Ohio 44th in Increasing Higher Ed Fiscal Support

Ohio also remains last in region in creating an educated workforce



Source: Statista. (2023). 5-year percent change in U.S. state fiscal support for higher education from fiscal years 2017 to 2021, by state.



Do you want to know why we are having trouble finding new employees for our workforce? It is right there in one graph. Ohio’s funding to support and build a modern, educated, and trained workforce is 44th in the entire country. Independent colleges are by far the best return on investment to the state – we get ZERO operating dollars. All we are asking is for additional scholarship money to help Ohio’s neediest students.

Merit Scholarship. Currently, Ohio does not have a merit-based scholarship. Governor DeWine proposed the establishment of a new \$5,000 merit-based grant to the top five percent of each high school graduating class. The grant could be used to attend any post-secondary higher education institution of the student’s choice. To be clear, this is not five percent of the whole state. This proposal means the top five percent of each high school in every single Ohio school district will be eligible for the scholarship. This proposal sends a message to our future workforce that our state is willing to invest in you to help make Ohio a better place for all of us.

New Mexico recently completed a [study](#) of their state merit-based program, which provides a scholarship for residents who earned a 2.5 GPA or higher in their first semester at college. The study showed that the aid increased graduation rates by ten percent. That is a serious return on investment.

Additional Programs. AICUO also supports the following programs in the governor’s Executive Budget:

- Ohio Internships – \$5M in funding to build out student support needs related to internships;
- Workforce Ohio – \$60M to help increase degree attainment around high-demand jobs; and
- Mentorship Program – A \$2,500 per student, per year scholarship to help eligible students receive mentorship while attending college.

The House removed the funding for all of these new programs. In a time where Ohio is welcoming new job developers and large businesses, you must ask if this is the right time to be pulling back on workforce-related initiatives.

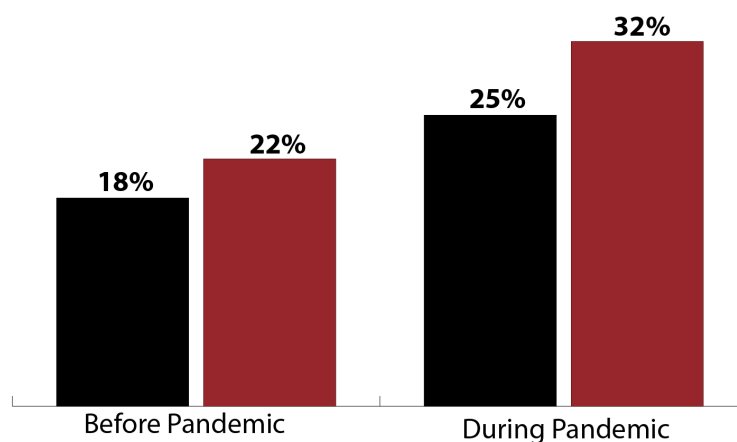
Student Mental Health. In 2020, Governor DeWine was the first governor in the nation to dedicate student-focused mental health funds to independent colleges. House Bill 33 builds on that foundation by continuing to provide desperately needed resources to Ohio’s college students.

Mental Health Concerns Increase Among Freshmen

Long-term study shows anxiety and depression rising since start of pandemic

Percentage of students reporting moderate to severe mental health issues

■ Anxiety ■ Depression



Note: Anxiety and depression scores were obtained from the same group of students at one institution

Source: Fruehwirth et al. (2021). The COVID-19 pandemic and mental health of first-year college students: Examining the effect of COVID-19 stressors using longitudinal data. *PLoS ONE*, 16(3).



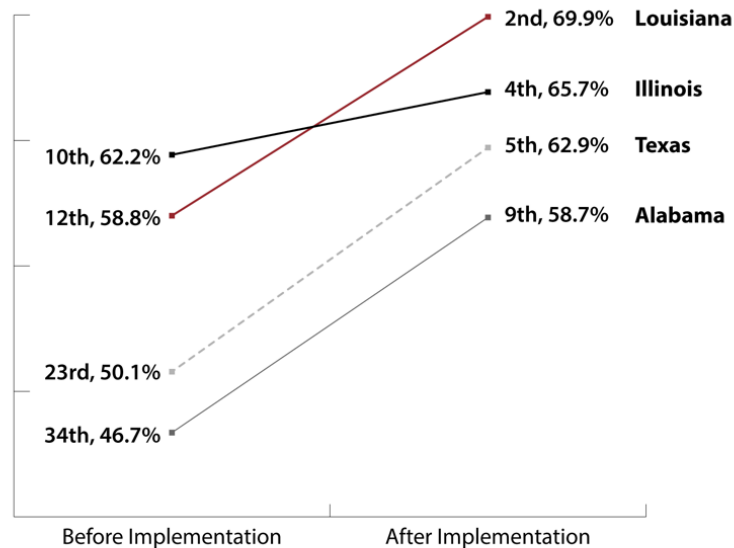
FAFSA. While technically a part of the Ohio Department of Education’s budget items, AICUO whole-heartedly supports Governor DeWine adding FAFSA completion to Ohio’s high school graduation requirements (one that requires ONE signature to opt-out of by the way, no questions asked). According to the National College Attainment Network, last year Ohio’s high school seniors lost out on \$108 million in Pell Grants (the federal aid program). Seniors that graduated in 2021 left \$111 million on the table. Ohio was eighth highest in the country for a total combined missed opportunity of **\$219.4 million**. Over two hundred MILLION dollars our students should have received to help them obtain any kind of post-secondary education.

FAFSA graduation requirements work. Just look at the outcomes for the first year of implementation from Alabama, Illinois, Louisiana, and Texas. Is Ohio really going to let those four states better help their students with federal aid than our own?

The House changed the FAFSA language from being a part of the high school graduation requirements to being a part of the financial literacy requirements. While we support ANY movement on FAFSA, the data is clear that the high school requirement is by far the most effective tool for the job.

Universal FAFSA Increases Completion Rates

State rank by percentage of seniors completing, on or about June 30



Source: National College Attainment Network. (2022, September 7). *Digging Deeper into Universal FAFSA Impacts in Four States.*

Governor DeWine’s proposal will undoubtedly help more Ohioans afford post-secondary education: from career technical training, to associate degrees, to bachelor’s and beyond. Ohioans cannot afford to be left behind anymore; Ohio needs this requirement now.

Before closing, want to note an important aspect of our budgetary ask. As I mentioned earlier, in representing the state's nonprofit colleges, I am making this budgetary request on behalf of colleges that are receiving no additional money from the state to graduate baccalaureate students. We receive no operating subsidy for our undergraduates. Only one of our 52 institutions receives a direct subsidy from the state – and that is a small subsidy for a Cleveland medical school you may know. When you fund these programs, you are funding students, not their institutions.

According to the Ohio Department of Development, Ohio's population is projected to decline by approximately 675,000 people (5.7%) by 2050 if current rates of fertility, mortality, and migration remain unchanged. That is over a half million people gone.

However, Ohio's independent nonprofit colleges are here to be your partners to change those migration patterns. We are in every region of the state, providing the economic backbone for numerous communities, and are key partners in many more. We have the capacity and a desire to graduate as many current Ohioans and future Ohioans as we can, which will bring more economic growth and employable people. We just need this subcommittee to invest a small amount of funding for students, and we will deliver a large return on that investment.

Thank you and I would be happy to answer any questions you may have.