



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

Chair Cirino, Vice Chair Rulli, Ranking Member Ingram and members of the Senate Workforce and 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 \$68.9 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.<sup>1</sup> Individuals with bachelor's degrees typically earn 40% more than individuals with associate degrees.<sup>2</sup> 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

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<sup>1</sup> 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.

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



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.

IUC mostly concurs with the bill sponsors regarding the information potential students should be provided to inform their decision. In fact, two IUC member institutions, Kent State University and Ohio University, joined the College Cost Transparency Initiative, a task force of over 350 institutions of higher education nationwide, who are committed to using standardized financial aid offer letters.<sup>3</sup> This will provide students with more transparency and ability to compare financial aid offers across institutions. Bowling Green State University and Miami University are also looking to implement these standardized financial aid offer letters soon.<sup>4</sup> Additionally, the federal government requires most of the information outlined in HB27 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. However, the U.S. Department of Education is considering regulations that would require institutions to calculate and report "whether students can afford their yearly debt payment and that they are making more than an adult who did not go to college..." This so-called "gainful employment tests" could impact the U.S. Department of Education's consideration of the institution's eligibility for federal financial aid.<sup>5</sup>

As this committee can see, there is a lot of momentum within institutions and within the federal government to ensure students are provided as much transparency as possible. However, all this movement means Ohio's public universities could be left with conflicting mandates from the State of Ohio and the federal government if HB27 should pass. IUC suggests adding language in section (D) of the bill that allows the Chancellor to approve an existing alternative that provides students with all the information that is required in the bill.<sup>6</sup> Therefore, institutions could be in compliance with this bill by providing students with the College Cost Transparency Initiative standardized financial aid offer letter, if it includes all the required information in the bill, or by relying on the mandatory completion of the net cost calculator, if the calculator is updated to include the gainful employment test information. This will ensure students are not overwhelmed and confused with multiple pieces of financial aid information presented in different and conflicting manners.

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<sup>3</sup> Danielle Douglas-Gabriel, Hundreds of colleges agree to make financial aid offer more transparent, The Washington Post, September 26, 2023.

<sup>4</sup> College Cost Transparency Initiative, [https://www.collegeprice.org/partner\\_institutions](https://www.collegeprice.org/partner_institutions).

<sup>5</sup> Katherine Knott, *Education Department Eyes New Requirements for all Programs, Inside Higher Ed.*, June 20, 2023, <https://www.insidehighered.com/news/government/student-aid-policy/2023/06/20/regulations-would-give-ed-dept-more-authority-yank>.

<sup>6</sup> Sec. 334.026(D) The chancellor of higher education shall develop a financial cost and aid disclosure form template **or approve an existing alternative** that addresses the information described in division (B) of this section.



Additionally, this approach will allow the institution to transmit this information electronically to the student at a lower cost to the institution and, more importantly, in a method in which potential students are most comfortable, that is electronically and online.

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.

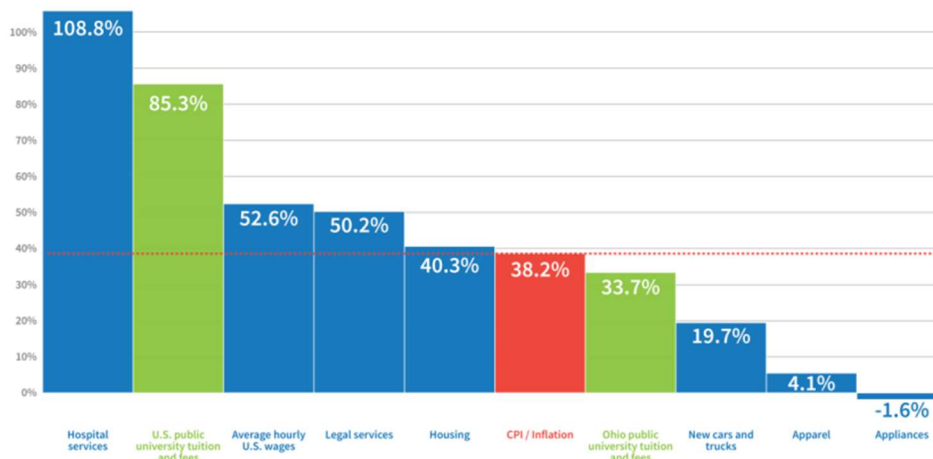
There are many benefits to obtaining a bachelor's degree that universities would love to tell potential students about on the financial aid offer letter. For example, "Americans without a bachelor's degree are likely to die roughly eight years younger than their college-graduate counterparts, according to new research."<sup>7</sup> Additionally, 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. *See the chart below.* But it is more important to not overwhelm students with too many pieces of paper, too many emails, and too much information. As is human nature, students will not read anything if they receive too much. If universities are permitted to use updated existing methods to provide the required information to students, universities can ensure they are not crushing them with duplicative, contrary, and confusing financial aid communications.

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<sup>7</sup> Charlotte Matherly, *Americans Without College Degrees Die Younger. Here's What the Latest Research Tells Us*, *The Chronicle of Higher Education*, October 3, 2023, <https://www.chronicle.com/article/americans-without-college-degrees-die-younger-heres-what-the-latest-research-tells-us>.



Ohio Public University Tuition and Fees vs. Overall Inflation and Price Changes in Other Goods and Services, 2007-2022



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 suggestion above will make this legislation even better. Chair Cirino, and members of the committee thank you for allowing me to submit interested party testimony regarding HB27 on behalf of IUC.