Testimony on House Bill 110
Ohio House Finance Subcommittee on Higher Education
March 2, 2021

Thank you, Chairman Cross, Ranking Member Howse, and members of the House Finance Subcommittee on Higher Education, for allowing me to testify on behalf of Ohio’s independent, nonprofit colleges and universities and their students. My name is C. Todd Jones and I am president and general counsel of the Association of Independent Colleges and Universities of Ohio.

AICUO represents 51 nonprofit institutions of higher education in our state. Our members educate nearly 131,000 students, and award about one third of the baccalaureate degrees in Ohio each year, and an even higher share of our state’s degrees in mathematics, natural and biological sciences, and other key areas of study.

Graduation and Completion

When talking about post-secondary education, policymakers should start first with graduation and completion. State higher education policy should not just focus on enrollment but graduation. Unequivocally, the worst thing that can happen to any student is to enroll and not complete. Ohio’s independent colleges lead all sectors in graduation rates in Ohio, both for all students and among low-income students:

Who Graduates Ohio Pell Students Best? Independents
Pell students are 30% more likely to graduate at independent institutions than at public

Ohio completion rates for degree programs by sector and all/Pell rates for the 2019 graduation year

Note: Completion after three years at two-year publics and six years at four-year public and independents
Source: IPEDS (2019 Graduation Year)
Our graduates are also gainfully employed, as evidenced by the fact that they are the least likely to default on any student loans they receive.

Value of Higher Education

There is also no doubt that post-secondary attainment is necessary. Ohio needs more of everything: more vocational training, more career-tech, more credentials, more associates degrees, more baccalaureate graduates, and more post-doctoral degrees. Ohio lags on all fronts and in this global economy, just having a high school diploma will not cut it.
Even in the past year – a year we hope to never see again – education levels directly correlated with employment. For Ohioans to become more prosperous, even in uncertain economic times, the state needs to continue prioritizing all forms of post-secondary education.

Not only does having increased education lead to more employment, but it also tends to lead to higher paychecks.
Accessibility and Affordability

Independent colleges also recognize that college affordability and accessibility are a priority, and as a sector, it costs less to attend one of our institutions today than it did in 2002, after accounting for inflation and financial aid.

**Net Tuition and Fees at Independent Colleges Remain Lower Than They Were 15 Years Ago**
When you consider financial aid and inflation

*Constant 2018 dollars*

In the past decade, AICUO member schools have nearly doubled the school-based financial aid provided to their students (reaching over $1 billion collectively). Independent colleges overall have increased financial aid at a rate even higher than our public counterparts.

**Independent Colleges Lead in Expanding Financial Aid**
Higher levels of financial aid show institutions have skin in the game

*Percentage of first-time, full-time students awarded aid*

Note: Percentage of first-time, full-time undergraduate students awarded financial aid at four-year degree-granting postsecondary institutions, by type of institution

Source: IPEDS (2000-2017); "Digest of Education Statistics" (2019)
In fact, nearly 90 percent of aid that a student receives at independent colleges comes from the college itself.

**Supporting Our Own Students**

At Ohio independents, about 9 of every 10 student aid grant dollars comes from the college or university itself.

*Student aid grants by source at AICUO members, 2016–17*

- Federal grants: $150 million (9%)
- State/local grants: $39 million (9%)
- Institutional grants: $1.42 billion (88%)

*Note: Does not add to 100% because of rounding. Source: National Center for Education Statistics*

Ohio’s independent colleges are committed to supporting the students with the greatest financial need. Perhaps surprisingly to some, independent colleges educate a higher percentage of Pell-eligible students than Ohio’s public institutions.

**Ohio’s Independent Colleges Enroll Pell Students**

Ohio’s public and independent colleges enroll Pell students in similar proportions.

*Percentage of Ohio undergraduates awarded Pell grants*

- 24.7% (Publics)
- 27.8% (AICUO)
- 23.6% (AICUO)

*Note: Publics are 4-year main campuses only. Source: IPEDS (2008-2019)*
And the efforts on affordability by colleges in Ohio are working. Total federal borrowing is well below 2013-2014 levels. In fact, even spending on college textbooks declined.

In sum, Ohio’s independent colleges are accessible and affordable for Ohio students, providing a variety of pathways to success.
The College Landscape

A great deal has happened since I testified before this committee two years ago. As you may be aware, we had a pandemic. Like every other facet of society, COVID affected independent colleges. First and obviously, it directly impacted enrollment.

Ohio’s Fall 2020 Enrollment Varied by Sector
The pandemic’s impact on fall 2020 enrollment has varied, even within sectors of higher education

However, even during a pandemic, college students still preferred an in-person higher education experience.

College Students Preferred In-Person Instruction
A recent survey asked college students to rate the quality of their education by delivery model

Note: Among all currently enrolled associate and bachelor’s degree students. Source: Gallup & Lumina Foundation, “State of the Student Experience: Fall 2020” (2020)
Our institutions focused on maintaining in-person education whenever possible. We were pleased that Ohio allowed higher education institutions to operate safely in-person this past year and thank the governor and the legislature for their leadership and the resources provided for support.

The college student of today differs somewhat from the college student of past. They face mental health issues unlike generations before them. Ohio is the only state in the country to dedicate a portion of the corona virus federal relief funds to help support student’s mental health. Because of the nature of the educational experience, independents help meet these needs by ensuring that their students are aware of these support services.
Another modern problem is that 38 percent of students at four-year institutions are also facing food insecurity. While USDA expanded the SNAP program for students who have financial need, our campuses are also dedicated to helping their students have a healthy and safe environment. Otterbein University has the Promise House, which is a student-led community resource center and food pantry for Otterbein students on its campus. Near Cleveland, Baldwin Wallace University students received a $100,000 grant to develop The Campus Plate—an app that will allow college students to access a map showing a list of available food on campus, which will also show how far away the sustainable food spot is from their current location.

The Christ College of Nursing in Cincinnati also has food pantry available to students on campus as well as a specific fund for students to access Kroger gift cards to help with food insecurity. These are just a few examples of how our campuses take a leading role in helping support today’s college student.

**Economic Impact**

Finally, Ohio’s higher education sector brings people and resources to our state. Our state is a net-importer of students—the higher education sector brings thousands of students into Ohio.
However, we believe Ohio can do a better job of retaining those college graduates. A little under 60 percent of college graduates stay in their home state. Ohio has a program called “Grants for Grads” via the Ohio Housing Finance Agency, which provides discounted mortgage interest rates to recent graduates as an additional incentive to make Ohio home. The student must have graduated within the last 48 months with an associate’s, bachelor’s, master’s, doctorate or other post-graduate degree from an accredited college or university.

However, I doubt that many in this room knew that this program even existed. Ohio needs to make a concerted effort to market itself to our college students. AICUO hopes that the announced $50 million in marketing in this budget will go directly towards marketing to soon-to-be college graduates.

**Ohio College Opportunity Grant (OCOG)**

We are very happy to see that Governor DeWine’s proposed budget reflects the value that all of higher education provides to Ohio; specifically, Governor DeWine’s increased investment in OCOG. This is a desperately needed priority, as Ohio’s state need-based aid program has been woefully underfunded.
AICUO fully supports increasing our state’s need-based financial aid program. However, we hope this body can do more. As this state slowly comes out of the pandemic and the overall tax revenues continue to look better than anticipated, reinvesting additional funding into OCOG would be a worthwhile decision. In fact, a 2019 national report found that every additional $1,000 in state grant-aid per student increases postsecondary persistence and attainment by 1.5 to 2 percent – more than any other kind of state aid. 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.

The reality for this body and for the state, is that the small investment you make into independent college OCOG recipients results in dramatic savings to the taxpayer.
As you can see, for every degree awarded at an independent college, the state only pays $1,428 on average, while it pays $22,693 for a four-year state degree and $24,448 for a community college degree. Let’s be clear: any student who attends an independent college costs the state drastically less than a student who attends a state institution.

This committee has heard about the state’s “Pell first” policy. AICUO supports this policy as it allows OCOG, which has been historically underfunded, to go as far as possible. Limiting OCOG to direct tuition and fees allows for accountability and oversight. It also ensures that every state dollar is meeting the maximum level of direct college costs for each low-income student before any money goes to pay for other important but indirect costs, such as rent, transportation, and food – expenses that every Ohioan, whether in college or not, must bear.

**Free Application for Federal Student Aid (FAFSA)**

Ohio needs to do a better job of helping Ohioans complete FAFSA. If this committee wants to improve college affordability and accessibility as quickly as possible, increasing FAFSA completion is the best means to that end. Ohio’s high school graduating class of 2017 left $92 million of Pell grant funds on the table by not filing a FAFSA. FAFSA completion also strongly correlates with postsecondary enrollment. Ninety percent of high school seniors who complete the FAFSA attend college directly from high school, compared to just 55 percent of FAFSA non-completers.

COVID led to a decrease in FAFSA completion at all income levels, but most impactfully on those who make $25,000 per year or less. FAFSA completion also declined all over Ohio, but our small towns and rural communities were hurt even more than our cities.
However, FAFSA completion among current college students actually increased during the pandemic. This data shows that once a student knows the real savings from completing the FAFSA – not just the theoretical value during high school – the student is more likely to complete the FAFSA.

This is why AICUO is a strong proponent of the budget language that will add FAFSA completion to the list of high school graduation requirements. The language is modeled after Louisiana and includes a very simple opt-out. Louisiana had a FAFSA completion rate in 2015 of 56 percent. In 2019, it skyrocketed to 83 percent, the number one state in the country at the time. The graduation requirement works as a proven strategy and AICUO is very excited to see Ohio take the bold step in this budget language.

The End Goal: Employment

While all post-secondary attainment matters and is needed, the data clearly show that if Ohio wants to prepare its workforce for the future, it must increase baccalaureate attainment.
We believe that Governor DeWine’s budget proposal will support higher education in a way that will help close that gap. His emphasis is in the right place and makes meaningful changes that our association supports.

We look forward to working with this committee to helping Ohioans achieve their educational goals. I would be happy to answer questions the committee may have.