

Budget Bite

Higher education

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We all will thrive when every Ohioan, no matter their race or income, can go wherever their abilities and aspirations take them. Ohio's world class public colleges, universities and adult education programs offer everything from GEDs to PhDs. Policymakers set ambitious goals that 65% of Ohioans between the ages of 25 to 65 will have a postsecondary degree or credential by 2025, and that 40% of all students enrolled in public higher education will be adult learners. The strength and survival of our communities, our state's economy, and our higher education institutions themselves depend on achieving this goal. But for too long Ohio policymakers have underfunded public higher education and created barriers that block students from completing their degrees. The budget proposal presented by the governor and revised by the House does not remedy this policy failure. If our lawmakers don't properly resource public higher education, Ohio won't meet its goals and we all will be left behind.

STATE SHARE OF INSTRUCTION

The State Share of Instruction (SSI) is the main support lawmakers allocate to fund Ohio's public colleges and universities. When inflation is taken into account, lawmakers have cut SSI funding over the past dozen years. In the House budget, representatives keep the funding levels proposed by the DeWine administration, with a 1% increase in FY22 and a .9% increase in FY23, amounting to a cut when adjusted for inflation. Particularly given the likely long-term impact of the pandemic on many of Ohio's public colleges and universities, this proposal does not meet the challenges facing our state.

When SSI falls, tuition goes up, making it harder for students to enroll and complete their studies, including those who come from families of modest means and those from communities that have had limited access to higher education in the past, especially Black and brown students. We have the resources as a state to increase funding for SSI so we can stop shortchanging our students.

OHIO COLLEGE OPPORTUNITY GRANT

Ohio's leaders also must do more to directly support students with lower incomes. The current budget proposal moves the Ohio College Opportunity Grant (OCOG), the state's primary need-based aid program, in the right direction. But increases of .9% in FY22 and 5.6% in FY23 will limit spending in the second year of the biennium to just under what was spent in FY2020, about \$108.5 million. This pales in comparison to \$223 million in FY08.

Putting more money into need-based aid, especially as we begin to shake loose from COVID's grip, would boost Ohio's recovery and help Ohioans who've been shut out of higher education begin to pursue their educational dreams. The General Assembly budgeted \$148 million for the current fiscal year before COVID cuts. The Senate should at least appropriate that amount — about \$85 million more over the biennium than the current budget proposal — with the goal of eventually restoring funding to 2008 levels.

Increasing funding alone is not enough. OCOG's structure shuts out students at Ohio's community colleges and blocks students at the state's lowest-cost public universities from the aid they need to better meet the costs of their education, which include expenses like housing, transportation and child care. Lawmakers can expand the use of OCOG beyond tuition and general fees. This would dramatically lift Ohioans who for too long have been prevented from achieving their potential without taking on crushing debt.



INSTITUTIONAL STUDENT DEBT AND TRANSCRIPT WITHHOLDING

This budget gives lawmakers a chance to boost higher education opportunities for Ohioans who have stopped going to school because of life circumstances. Many are barred from coming back because they owe money to the schools they attended. Fixing this problem doesn't require funding and would build a more prosperous future for all Ohioans.

Policy Matters Ohio showed that Ohio's punitive approach to student debt disproportionately harms people who attended schools that serve higher percentages of Black and brown students, students who come from families with low incomes, those who attend school part time, and students older than 24.¹ To make matters worse, Ohio's public colleges and universities withhold official transcripts for students and former students who owe money.

Policymakers should ban transcript withholding, which would immediately help Ohio build its workforce and intellectual capital and make it a leader among states by taking a more student-centered approach. The governor's budget proposal included a provision that would have allowed the chancellor of higher education to set rules regarding transcript withholding; the House stripped this provision out of the bill, but added language that would allow the AG some flexibility in its collection process.

These provisions are a step in the right direction, but they don't do enough to help students and build our economy. The Senate should adopt language that would shift Ohio away from its current, punitive approach to the collection of student debt. Ohio is one only five states that require schools to turn debt over to the AG.²

Current law requires schools to send debt to the state Attorney General's office within a short time period. At the very least, policymakers can make it optional for schools to turn debt over to the AG and set an amount below which debt cannot be turned over, allowing schools more flexibility to work with students. Pilot projects in Ohio and elsewhere have shown that forgiving debt, reenrolling students and providing them with additional support does more to improve schools' bottom line than sending the debt to the AG's office.³ This approach would be a win for students, our economy, and our public colleges and universities.

CONCLUSION

For far too long, Ohio policymakers have under-resourced public higher education and missed opportunities to better use existing funds. The result has been to weaken our state's economy and shut people out of the opportunity to pursue their educational goals and improve their career prospects, particularly Black and brown students, students with lower incomes and older students. Today, policymakers can move in a better direction that gives many more Ohioans a chance to pursue their educational dreams.

¹ van Lier, Piet, *Policy Matters Ohio. Collecting Against the Future*, 2020. <https://bit.ly/2R7nB6x>.

² Bressler, Kaitlin; Juana Sanchez; and Malia Sieve, *HCM Strategists. National Review of State and System Level Institutional Student Debt and Transcript Withholding Policies*. December 2020. <https://bit.ly/2SEGF6e>.

³ See "Promising Practices" section in *Collecting Against the Future*, <https://bit.ly/2R7nB6x>