



## Education and Training

### **Testimony on HB 110 before the Senate Finance Committee**

**Piet van Lier**

Good afternoon Chair Dolan, Vice Chair Gavarone, Ranking Member Sykes and members of the Senate Finance Committee. My name is Piet van Lier, and I'm a senior researcher with Policy Matters Ohio, a nonpartisan research institute that is building an Ohio economy that works for everyone. Thank you for the opportunity to testify on House Bill 110.

My testimony today focuses on ways to make sure all Ohioans, no matter their race or their income, can pursue higher education if that's where their ambitions and aspirations take them. We know that we will all thrive when every Ohioan has the opportunity to take advantage of our state's public colleges, universities and adult education programs, which offer everything from GEDs to PhDs. That's why policymakers set ambitious goals that 65% of Ohioans aged 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.

For too long policymakers have been underfunding public higher education in our state and misplacing priorities. The budget proposal presented by the governor and revised by the House does little to remedy that. If we don't change what we're doing, Ohio won't meet its goals and we all will be left behind.

#### **State Share of Instruction**

The State Share of Instruction, or SSI, is the main support Ohio provides to its 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 another decrease 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 and our public colleges and universities.

### **Ohio College Opportunity Grant**

Ohio's leaders also must do more to directly support lower-income students. A national comparison showed that public need-based aid in Ohio averaged only \$97 per student for all those attending public higher education institutions here, compared to the national average of \$474.

The current budget proposal moves the Ohio College Opportunity Grant, the state's primary need-based aid program, in the right direction. But the proposed 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.

I know that projected enrollment is down because of the pandemic, but 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 many Ohioans who've been shut out of higher education begin to pursue their educational dreams. The General Assembly budgeted \$148 million for this fiscal year before COVID cuts - the Senate should at least appropriate that amount -- an increase of about \$85 million over the current proposal for the coming biennium -- with the goal of eventually restoring funding to 2008 levels.

### **Change OCOG's structure**

Increasing funding alone won't address OCOG's structural shortcomings — Ohioans with low incomes who want to attend community colleges cannot access this state aid because it is only available to students whose tuition costs are not covered by the federal Pell Grant. This approach penalizes students who choose the most affordable options that meet their needs.

The remedy is to allow students to use OCOG for education-related costs beyond tuition and general fees, such as books, transportation, child care and housing, even if Pell covers all their tuition costs. Too often we've heard from students and former students about a broken-down car or some other unexpected expense that may seem minor to many of us here today, but these kinds of sudden, unexpected misfortunes can quickly derail someone's education.

Expanding permissible uses of OCOG would allow more students with lower incomes and Black and brown students — who make up much higher percentages of enrollment at community colleges and lower-cost four-year schools — to use both Pell and OCOG. Doing so would dramatically expand opportunities for Ohioans who for too long have been blocked from following their dreams.

Ohioans need our lawmakers to increase funding overall, but another way you can help fund this shift would be to prohibit private for-profit schools from accessing OCOG. This would free up grants for newly eligible students and stop public funds from being siphoned off by these expensive, often predatory, schools that too rarely provide their students with training that advances their career prospects and too often leave Ohioans in debt.

### **Institutional student debt and transcript withholding**

I also want to talk about institutional debt and transcript withholding. This budget represents an opportunity to boost higher education opportunities for many Ohioans, especially adults, who have stopped going to school because of life circumstances and are now barred from coming back because they owe money to the schools they attended. Addressing this issue won't cost the state anything but would unleash more Ohioans to pursue a more prosperous future and pay off for all of us.

A recent scan of state debt collection policies around the country showed that Ohio takes one of the most punitive approaches to collecting debt owed by students and former students directly to public colleges and universities. This is different from student loan debt, which is generally not owed to schools. Ohio law requires public colleges and universities to turn debt over to the Ohio Attorney General's office, which then begins a collections process that adds fees and interest, quickly doubling or tripling original amounts owed, sometimes by more.

A 2020 study by Policy Matters Ohio showed that Ohio's punitive approach to this issue disproportionately affects people who have gone to 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 those who are older than 24. To make things worse, Ohio's public colleges and universities withhold official transcripts for students and former students who owe them money.

The Senate could implement straightforward solutions to this problem that cuts short the educational dreams of too many Ohioans and shuts them out of jobs that require official transcripts.

First, the Senate should ban transcript withholding as a means to leverage payment on institutional debt. Senate Bill 135, sponsored by Senator Cirino, includes language that would do this for the state's universities; with a tweak to include the state's community and technical colleges, including this ban in HB 110 would immediately begin to help Ohio build its workforce and intellectual capital and make it a leader among states by taking a more student-centered approach. I want to note that 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.

But this language doesn'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. Current law requires schools to certify debt to the AG within 45 days; an amendment proposed in the House would allow schools to turn debt over to the AG if they choose to, but only after 60 days. A second amendment would allow only debt over the amount of \$500 to be certified; current law has no minimum. A number of schools, in Ohio and elsewhere, have shown that forgiving debt, reenrolling students and providing them with additional support improves the bottom line for schools, returning more on their investment than would had the AG collected all their debt. This kind of approach would be a win for students, would boost for our economy, and would help our public colleges and universities increase enrollment.

The Senate should also tap into American Rescue Plan dollars to address these issues. The state's discretionary dollars could be used to help set up programs that would help resolve debt issues on a one-time basis so students who want to continue their education could reenroll. On the related issue of student loan debt, the state could use federal relief dollars to support pilot projects proposed by schools to help Ohioans navigate the complexities of borrowing and repaying their loan debt. Language to set up this initiative was proposed in the House.

### **Adult Basic and Literacy Education**

The current budget proposal continues to flat fund Adult Basic and Literacy Education in the General Revenue Fund at just over \$7 million per year, where policymakers have held it since at

least FY18. Adjusted for inflation, this amounts to cuts to a program that provides Ohioans with basic literacy and math skills, preparing them for careers and to continue their education. The program also draws on federal funds, which in HB 110 remain at FY21 levels through the coming biennium. Given the need to provide more Ohioans with opportunities to pursue their educational goals, it is important to boost funding for Adult Basic and Literacy Education as we come out of the pandemic.

For far too long, Ohio policymakers have been underfunding public higher education and missing 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. This Senate has the opportunity to begin to boost equity and access to higher education in Ohio, both by increasing funding, making sure we support more low-income students, and updating state law.

Thank you again, Chair Dolan and members of the committee, for your time and attention today. I would be happy to answer any questions you may have.