



November 5, 2020

Speaker Robert Cupp
Riffe Center
77 South High Street, 13th Floor
Columbus, OH 43215

Sent by email

Dear Speaker Cupp:

We are writing in support of two bills introduced in the Ohio House of Representatives this year, House Bill 595 and House Bill 597. These bills would help protect students by easing Ohio's punitive approach to collecting institutional debt owed to our state's public colleges and universities.

Ohio's postsecondary goals

Ohio policymakers set official goals that by 2025, 65% of Ohioans have a postsecondary degree, credential or certificate of value and that adult learners make up 40% of the state's postsecondary students. We strongly support these goals because postsecondary education opens opportunities for people of all races and backgrounds to follow their dreams. It is more and more essential for people to secure a good-paying job and having a better-educated workforce will strengthen the economies of our communities and state. Every Ohio student, no matter where they live or what they look like, should benefit from supportive, student-centered higher education policies.

That's why we urge you to schedule hearings for HB 595 and HB 597 early in the coming legislative session to ensure they are approved by the Ohio House of Representatives in time for consideration by the Senate before the end of this year's session.

Ohio's punitive approach to debt collection

Ohio law requires public colleges and universities to certify student institutional debt to the Ohio Attorney General's Office (AGO) within a short time after the debt is incurred. The AGO then initiates a process that starts with collections by the AGO. If these efforts are unsuccessful, the AGO contracts with third-party debt collectors, and finally special counsel.

As of last November, more than \$735 million in student debt had been certified to the AGO by the state's higher education institutions, according to a report by Policy Matters Ohio. This debt is connected to more than 390,000 student accounts, many of which are likely tied to withheld student transcripts and students being unable to re-enroll and pursue their educational goals.

While demographics are not collected on these accounts, the report found that the state's policy disproportionately impacts students enrolled in Ohio's two-year public colleges, which enroll higher percentages of students of color, as well as students who are part-time, first-generation, or older than 24.

Many higher education institutions say the rigid collections process limits their ability to work with students to get them re-enrolled. Nevertheless, anecdotal evidence does show that some schools hold the debt longer than others.

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Two bills are a start

The two bills introduced in the House this year are a good starting point.

HB 595 would prohibit higher education institutions from using debt as a reason to withhold student transcripts or to charge a higher fee to obtain them. In short, the bill would stop schools from using transcript issuance as a debt collection tool.

HB 597 would, during the pandemic emergency declared by Gov. DeWine in March 2020, halt the collection of all debt owed to state institutions of higher education – including the hospitals they operate – and freeze the accrual of interest and collection of fees on all outstanding debt owed to these entities.

What else will improve attainment in Ohio?

Creating a more supportive, student-centered approach to student debt in Ohio should be a top priority of state policymakers. We recommend that the legislature consider the following solutions:

- Create a process that allows schools the freedom to manage debt as they see fit.
- If the AGO is to continue its role as debt collector, extend the deadline for certification and put in place minimum debt thresholds to trigger certification.
- Ensure student records are not negatively affected by debt.
- Reduce and limit fees and fines charged by the AGO and its contractors.
- Exclude fines and fees added by schools from the amount certified to the AGO fees.
- Implement income-based repayment to ensure payment plans are affordable.
- Ensure oversight in the selection and evaluation of third-party collectors and special counsel.
- Promote and support new approaches to debt forgiveness and re-enrollment that benefit both students and higher education institutions.

In Ohio and around the country, many schools have instituted debt forgiveness and re-enrollment programs that removed barriers for students and provided a better return on investment for schools than traditional approaches to the collection of student debt.

Please let us know how we can be of assistance as the House considers these important reforms. Ohio's problematic policies have been holding our state back for many years, but the coronavirus pandemic has made even more clear why this is an urgent crisis that must be addressed immediately.

Sincerely,



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