Testimony before the Joint Committee on Ohio College Affordability
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Thank you, Chairman Wilson and members of the Joint Committee on Ohio College Affordability 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 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.

As you are all aware, college affordability and accessibility has been a major focus of the entire higher education sector. In your thinking about those topics, it is important to remember that college affordability is not a simple equation because college students are individuals with their own goals, plans, and needs. College students include:

- Undergraduate, graduate, doctoral, and professional degree students.
- People with vastly different financial backing, including:
  - Traditional-aged students who enter directly after high school supported primarily by parents;
  - Young people or working adults with no family support;
  - Military service members attending during or after their service with support from our state and federal government.
  - Non-traditional students who are seeking new skills after another career or job; and
  - Young people creating the base level of education necessary to meet the challenges of the modern economy and society.
- Students living in dorms on campus, commuting from home to school, and earning a degree on the laptop at their kitchen table.
- People studying the range of human knowledge – from the human genome to middle-school reading remediation; from large farm-equipment repair to large data-set modeling; from Spanish to marketing to marketing in Spanish; and from nonprofit management to law enforcement.

Every different variant of student I described defines affordability differently because of the nature of their education, of their background and resources, and their station in life. For the same reason, I want to encourage this committee to think of college affordability and access as a collection of hundreds of thousands of choices made by individuals.

Of course, every college and university thinks about affordability and accessibility, and AICUO member schools are no different. AICUO member schools have nearly doubled the school-based financial aid given to their students over the last eleven years, reaching over $1 billion collectively.
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*

- Institutional grants: $1.42 billion (88%)
- State/local grants: $39 million (9%)
- Federal grants: $150 million (2%)

*Note: Does not add to 100% because of rounding*

*Source: National Center for Education Statistics*
And the efforts on affordability by colleges in Ohio are working. The total federal borrowing in Ohio at all four-year institutions is below 2008-2009 levels.

![Graph showing total federal borrowing by Ohio college students continues to drop.](image)

To gain perspective, the first comparison needs to be Ohio’s independent institutions compared to others in the U.S. Tuition at Ohio’s independent colleges is $4,600 less than the national average.

![Bar chart showing average published tuition and fees at independent colleges and universities.](image)

Sources:
- US Total: The College Board
- Ohio: AICUO Counselor’s Guide 2016-17
Of course, with independent colleges and universities, tuition is not the cost of education. Net tuition plus fees and other costs is the proper comparison. AICUO members operate in a free market where they must compete against other public and private institutions. That competition helps keep costs low, and in Ohio, it has meant that costs have not risen in the last 15 years. Today, students attending an independent college in Ohio will pay less than they would have 15 years ago, net of inflation and student aid.

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

Cost also depends upon the nature of the program a student chooses. AICUO members are offer undergraduate programs like tuition guarantees, 2+2 partnerships with community colleges, and programs charging no additional fees. For example, the University of Dayton has partnered with Sinclair Community College to create an academy where a student who enrolls at Sinclair is also automatically enrolled at UD to create a seamless transition. Columbus State has a similar type of partnership with Capital University, Columbus College of Art & Design, Ohio Dominican University, Ohio Wesleyan University, and Otterbein University. The list of these partnerships around the state could go on.

Many of Ohio's independent colleges participate in College Credit Plus (CCP) to help improve both access and affordability. CCP allows high school students to gain college credit while completing college courses before high school graduation. The savings can be remarkable. For example, a couple years ago, a CCP student from Mechanicsburg showed up at Urbana University to apply on the same day for admissions and for graduation the next year.

Tuition guarantees are another way to make college affordable for individual students who value it. Baldwin Wallace University, the University of Dayton, Hiram College, John Carroll University, and the Union Institute and University offer tuition guarantees, where tuition does not rise in a student’s four years as an undergraduate. Some, such as Baldwin Wallace and John Carroll, go farther and guarantee that students who stay with the program they selected on entrance will not
pay for tuition and costs in rare cases where class unavailability prevents a student from graduating on time. Finally, nearly all our members permit a student or family to pay tuition over time without charging interest or additional fees.

Franciscan University in Steubenville offers a 50 percent discount rate to the local population of Steubenville and surrounding counties if they live at home. This both helps the local economy and reduces the tuition rate, even before state and federal aid, to about $13,000.

Contrary to popular opinion, Ohio's independent institutions actually have a higher share of adult undergraduate learners than public institutions.

![Bar chart showing Ohio Independent Colleges Meet the Needs of Adult Students](chart)

Those adult students are often in very career-focused programs and majors. For example, the University of Northwestern Ohio has a two- and four-year degree for students to graduate in automotive management. This degree, which is very unique, lends itself to jobs in automotive and heavy equipment retailers, manufacturers, and suppliers, and the aftermarket industry. Mount Carmel College of Nursing has a degree program for those with a baccalaureate degree who want to enter nursing. Going full time for 15 months results in a newly minted B.S. Nursing graduate.

Franklin University and Ohio Christian University partner with businesses to improve skills and retrain workers. Both work with business to develop a curriculum to meet specific needs and will teach the classes at the local business. This makes college more affordable and accessible because employers are paying for it and the education occurs in the workplace.
AICUO knows that textbook costs are a major concern of both this committee and the general public. While intuitions themselves are not in charge of pricing textbooks, this is another instance where the competitive market is bringing about change. Students today share textbooks, rent them – even electronically, borrow them from libraries, and use Amazon and Barnes & Noble. As a result, the average annual student spending on course materials has decreased 17 percent since 2007, according to the National Association of College Stores.

Not to say that more cannot be done, but the trend is turning around. Our colleges are also doing their part. For example, the University of Dayton created a textbook fund for its students. As long as a student visits Dayton’s campus and fills out the Free Application for Federal Student Aid (FAFSA) they will receive a $4,000 grant ($500 per semester) for textbooks.

There is another role that we have not discussed: the role of government in addressing college costs. For the last fifty years, the federal government and the State of Ohio have assisted low and middle-income students in accessing college affordably. The federal Pell Grant has anchored financial aid for low income students since the 1960s, along with other aid and loan programs. The State of Ohio’s Ohio College Opportunity Grant (OCOG) is also a key tool for affordability.

You may ask yourself why need-based aid is so important. Everyone has need. Why does our nation and state concentrate on aid for low income students so greatly? The answer is that while every student values aid, government aid is the go/no-go gap filler for low income students. For middle- and upper-income students, aid affects WHERE a student goes. For low income students, government aid often determines WHETHER a student goes to college and whether he or she succeeds by graduating on time, at both public and independent colleges.

More Aid: Faster Success For the Neediest Students

Four-year graduation rates fall 1999 entering cohort for lowest income quartile by net price (tuition less aid) at public flagship universities

Bottom Income Quartile

Net price of tuition (Sticker price less grant aid)

Source: Bowen, Chingos and McPherson,
Crossing the Finish Line:
Completing College at America’s Public Universities
© 2009 Princeton University Press
Ohio is making some of the right decisions on OCOG. Since state budget funding is limited, the state focuses on unmet, actual costs for students – tuition and fees, and the cost of books and supplies. Where our state comes up short is on actual funding. While aid has rebounded from its post-recession low, Ohio is 33rd among states in need-based aid provided and lags every state in the region by a substantial amount.

Ohio Still Lowest in the Region in Need-Based Student Aid
This data reflects two academic years ago, not the current budget year.

One of the most important things this committee can do is strongly support the necessary, substantial increases in OCOG to bring Ohio back among its peers in the region.

Savings are another key. 529 education savings plans help families save money for tuition as a child grows, with growth that is tax free for later educational expenses. Ohio’s legislature deserves kudos because last year, it doubled the amount that families – often working and middle-class families – can save each year tax free, rising the maximum from $2,000 to $4,000. Savings are important, because one of our problems nationally is that only 6 out of 10 families are now saving for college. Families have a role in making college affordable for students, and Ohio has helped make it easier.

Committee members should also put discussions of debt in proper perspective. Education costs money – for faculty, support services, technology, housing, and meals. There is no “free” college. Someone is paying for these services. Students, employers, parents, and our state and federal governments contribute to paying for these costs. Debt is another part of paying for costs.
In recent years, you cannot throw a newspaper far enough to miss an article about student debt and recent graduates working as baristas. Yet despite stories of students taking on six-figures in debt, the reality is that only three percent of students take on that much debt, and almost all of them choose that path because they want one of four sets of letters after their name on their resume: J.D., M.B.A., M.D., or D.D.S.

In reality, almost a third of students obtain a baccalaureate degree with no debt on graduation. Today, the average debt on graduation for students is comparable to the cost of a new Chevy Malibu. (Current MSRP base of $21,680.) Yet 25 years ago, the average student debt was about the same as the cost of an average new car, according to USA Today. Of course, the important thing about taking a loan to buy a Malibu is that you drive it a few years, it wears out, and you buy another car. A baccalaureate education does not drop in value; it continues to gain value throughout a graduate’s life.

That is why it is also important to compare the cost of college to its value. People earn increased income throughout their lives. When I entered college in 1984, it took more than 15 years to reach the break-even for increased income, according to the Federal Reserve Bank of New York. By the turn of the century, that figure dropped to about eight or ten years, where it has remained ever since.

Baccalaureate degrees are now more affordable because the economy has changed. Today, they are worth far more than when we were children. The data is stark. In 1979, the average hourly
earnings of men who had attended college and those who had not was about the same, as you will see on the graph below, which has been adjusted for inflation.

**Wage Gap Grows for Undereducated Men**

Increase since 1979 for college-educated is 65%, while decrease for non-college is 43%

Today, men with college earn nearly three times more than men who did not attend. When you think about college cost, you must consider the value. Your computer, your dental work, your car, and your plumbing are all better than they were one or two generations ago. Regardless of cost, their value is greatly higher. The same is true for the college education they students earn today.

Finally, I would be remiss if I did not at least mention that the concern about affordability is moot if this committee does not also discuss completion and graduation rates. Objectively, the worst situation any student can find themselves in is one where they took on debt and never completed their goal. Ohio’s independent colleges are the leading sector in graduation rates in Ohio:

**Independent Colleges: Still The Efficient Path**

4-year on-time graduation rate at Ohio independents remains roughly equal to 5-year rate at Ohio publics

Source: National Center for Education Statistics
Part of the reason for this success is the individualized support that independent institutions provide their students – both financially and practically. By example, one college works individually with students who do not have a home to return back to during breaks. They allow those students to stay on campus year-round free of any additional cost.

Ohio Northern University mandates career counseling to any of its students who change majors. This allows students to understand the full picture of what it means for both their academic and professional careers to change a major. And at the University of Northwestern Ohio’s College of Applied Technologies, where 40 percent of the students are Pell recipients, advising and counseling begins with home visits to the family and continues through automatic scheduling of courses in the major to ensure that the student remains on track to timely graduation. These are but a few of the kinds of assistance provided by Ohio’s institutions.

The data bears out this assertion. The graduation rates for lower income students are lower than the average for all students at most institutions, primarily because they often face challenges in academic preparation, family support, and otherwise that middle and upper-income students do not face. Yet at independent colleges, the difference in graduation rates is smaller than average.

Nationally, the difference between six-year graduation rates for Pell grant recipients and students generally is about 18 percent, and the average gap per institution is 7 percent. Yet at Ohio’s independent colleges, the gap is smaller. At Lourdes University outside Toledo, the gap is less than 4 percent. At Franciscan University of Steubenville, it is less than 3 percent. And at John Carroll University, the graduation rate for Pell grant recipients is actually higher at 79 percent than the six-year graduation rate for all JCU students. Independent colleges make college affordable because students graduate.

One way to increase college affordability “overnight” is to increase the number of students who fill out the FASFA. Less than 50 percent of high school students fill out the form. Almost all financial aid of any kind requires a student to fill out the FASFA before they are eligible for any kind of aid.

**Majority of Students Don’t Even Apply for College Aid**

Percentage of HS Seniors Who Filed FAFSA, US Total, 2014

- Filed FAFSA: 45%
- Didn’t file: 55%

*Source: National College Access Network*
This means students are literally leaving real money on the table. Other states have formalized an educational campaign around completing the FASFA and this committee may want to consider doing the same.

There is no silver bullet to college affordability because there is no one particular kind of need. Each student and family is different. Their needs are different, and what makes college affordable and accessible for students is particular to each student. However, every Ohio independent institution is helping to make college more affordable and attainable for every Ohioan.

Thank you very much and I look forward to working with this committee to help Ohio increase its educational attainment. I would be happy to answer any questions.