Policy Matters Ohio

TESTIMONY

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Testimony to the House Workforce and Higher Education Committee on H.B. 96

Chair Young, Vice Chair Ritter, Ranking Member Piccolantonio and members of the House Workforce and Higher Education Committee. My name is Piet van Lier and I represent Policy Matters Ohio, a nonpartisan, nonprofit research organization building a more vibrant, equitable, sustainable and inclusive Ohio. Thank you for the opportunity to present this testimony regarding the current version of House Bill 96, the budget proposal, as it relates to higher education for fiscal years 2026 and 2027.

Policy Matters Ohio believes that everyone in our state deserves the opportunity to pursue their educational goals, and we strongly support efforts to increase state funding in ways that will allow more Ohioans, especially those who have traditionally been excluded from postsecondary opportunities, to continue their education and training after high school.

While there are positive aspects in Gov. DeWine's budget proposal, we are especially concerned that the State Share of Instruction (SSI), the state's main funding stream for higher education, has not kept up with inflation for decades. This budget will not change that trajectory. At the same time, the Ohio College Opportunity Grant (OCOG), by far the state's most significant financial aid program, remains underfunded and structured in a way that does not benefit Ohioans who attend our state's most affordable colleges and universities. Together, these proposals will continue to keep too many Ohio students from getting the education and training they want and need.

At the same time, we are concerned that including employment outcomes in the SSI formula, based on the experimental Post-Secondary Employment Outcomes database created by the U.S. Census Bureau,[1] may reduce opportunities for Ohioans.

[1] U.S. Census Bureau. https://lehd.ces.census.gov/data/pseo_experimental.html.

Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.

How Ohio compares

Ohio's per-student education appropriations in 2023 were at 61% of the U.S. average, for a total of $6,741 per full-time enrollment (FTE) at public institutions, down from 77% of the U.S. average in 2006 ($7,679).[2] In short, Ohio underfunds public higher education compared to the rest of the nation and is moving in the wrong direction.

State Share of Instruction (SSI)

The governor's budget proposal would provide a less than 1% increase for SSI over the biennium compared to actual and estimated spending in Fiscal Years 2024 and 2025. This is on top of the approximately 12% cuts in inflation-adjusted dollars from 2006 to 2023, a period when enrollment decreased by only 4%. When state funding for higher education doesn't match inflation, it puts upward pressure on tuition and fees. While schools have put in place four-year tuition guarantees and the state has limited increases as well, there are other costs associated with postsecondary education and training, including housing, childcare for students with families, transportation, and more. These rising costs put out of reach for many people the education and training they need to find stable jobs that pay a living wage. Postsecondary education and training also provide Ohioans with financial stability that allows them to become more actively engaged in their communities.

Regarding the inclusion of employment outcomes in the SSI formula, a better approach may be to focus on what students need to succeed, such as supports like advising, especially at community colleges, and course and training offerings that respond to local needs. Enrollment numbers provided by the state show huge differences between campuses, with some schools, both two-year and four-year, losing 40% to 50% or more of their enrollment between 2005 and 2024, even as others have grown. While at least some of the growth is due to online education, examining what is working and where may help more than assuming that a job gained shortly after certificate or degree completion is indicative of the quality or relevance of a school's offerings.

What we know is that a four-year degree, on average, increases earnings potential. A study by the New York Federal Reserve showed a median income for people with a bachelor's degree at $60,000 in 2024, while those with a high school diploma earned a median income of $40,000.[3]

[2] State Higher Education Finance, "Per-Student Education Appropriations Over Time," retrieved on February 24, 2025, at https://shef.sheeo.org/state-profile/ohio/. General operating appropriations do not include state-funded financial aid; education appropriations do.

[3] Federal Reserve Bank of New York, retrieved at https://shorturl.at/OJ6K3.

Ohio College Opportunity Grant (OCOG)

As he did in the last budget, Gov. DeWine proposes a healthy increase to OCOG from biennium to biennium, this time totaling 7% without taking inflation into account.

The legislature has a history of cutting the governor's OCOG proposals and should refrain from doing so this year. At a time when the number of high school graduates is declining and postsecondary enrollment is dropping, Ohio must be smart about how it provides aid, tailoring it to the needs of Ohioans who would benefit most, including those who have stopped out of college but could return.

Policy Matters recommends making OCOG a first-dollar award so low-income students attending Ohio's most affordable postsecondary options — community colleges and four-year regional campuses — would be able to cover tuition and general fees with OCOG and use the more flexible federal Pell Grant to cover other education-related costs. In the interests of expanding access, and for the benefit of students, their communities, and the state as a whole, we encourage this committee to consider allowing more Ohio students to access increased OCOG funding.

The executive budget would provide up to $2,000 in OCOG grants for students attending private for-profit career college programs. We recommend that the House reduce this funding. These for-profit programs have a poor track record, often failing debt-to-earnings tests, which means their graduates earn less and must pay on higher loads of debt.[4]

Thank you for this opportunity, and please feel free to reach out to me at pvanlier@policymattersohio.org with any questions you may have.

[4] Halbert, Hannah, Policy Matters Ohio. "Risky business: For-profit education in Ohio," May 2017. https://bit.ly/2L6UQOF.