



Education and Training

HIGHER EDUCATION IN OHIO: AMBITIOUS GOALS NEED BETTER FUNDING

Colleges, universities and students struggle during pandemic



Introduction

We all benefit when everyone has the opportunity to pursue their dreams. That's why Ohio's leaders set a goal that by 2025, 65% of Ohio adults **between the ages of 25 and 64 will have a degree, certificate or other postsecondary workforce credential of value in the workplace.**¹ **Recognizing the decreasing number of traditional-aged high school graduates who might enroll in college, the state also set a goal to increase the proportion of adults over age 25 enrolled in public higher education from the current 27% to at least 40% by 2025.**²

Even before COVID-19 hit campuses hard this year, these were ambitious goals. In Ohio, the pandemic has forced students to pause their pursuit of a college degree or abandon their aspirations for higher education all together. The health crisis has accelerated a downward trend in enrollment in public higher education, at least for now, and thrown into sharp relief the barriers that prevent Black and brown students, and those from families with lower incomes, from getting an excellent education.

It doesn't have to be this way. Even now, in the middle of a pandemic and a recession, Ohio policymakers must find ways to better fund postsecondary education and restructure need-based financial aid, with a clear focus on supporting public education for students from groups that face more obstacles to affording higher education, including students of color, and those who are older or come from families of modest means. The impact of cuts during past recessions provides a consistent lesson on the need to direct public resources toward education during tough economic times.

At the federal level, Congress can play a vital role in supporting higher education in Ohio and across the country by providing emergency relief and stimulus funding. Without federal support, states will likely be left without all the resources they need to spend money where it can make the most difference.

Even without federal relief, Ohio policymakers can and must take steps to ensure higher education can fulfill its crucial role in this crisis. How policymakers take on this issue matters to Ohio's future. In order to build a state where everyone thrives, no matter where they live or what they look like, our leaders need to strengthen public higher education. This will help us reach our educational goals, build intellectual capital, better prepare our workforce and build a better future for communities across the state.

Over the past 50 years, Ohio has built a strong postsecondary foundation, but underfunding of public colleges and universities and poor regulation of the for-profit sector have weakened the system and blocked too many Ohioans from pursuing their dreams.

¹ Attainment Goal 2025, Ohio Department of Higher Education: <https://www.ohiohighered.org/attainment>
² Finish for Your Future, Ohio's Adult Learner Initiative: <https://www.ohiohighered.org/FFYE>

State support for higher education

State policymakers have been shortchanging Ohio students for years. In the last state budget, lawmakers allocated less funding for the State Share of Instruction (SSI), the state's main financial support for public higher education, than they did in 2006, adjusted for inflation. Figure 1 shows that this was true for the amounts budgeted for fiscal years 2020 and 2021 even before Governor Mike DeWine announced SSI cuts in response to the coronavirus pandemic, by 3.8% in FY20; the reduced 2020 amount became the new baseline for FY21.³ SSI funding supports Ohio's 14 public universities, 24 branch campuses and 23 community colleges and makes up nearly three-quarters of the total biennial budget for the Ohio Department of Higher Education.⁴

The DeWine administration did not use federal funds from the Coronavirus Aid, Relief and Economic Security (CARES) Act to directly boost SSI. The CARES Act allocated \$277 million in support for Ohio's public colleges and universities, much of it intended to help schools comply with COVID-related safety requirements, with a requirement that at least half (about \$138 million) be given directly to students in the form of emergency grants. The DeWine administration distributed additional CARES Act funds under its control to colleges and universities, again largely for COVID-related support and relief. Because of those restrictions, and the additional costs for schools of the shift to online or safe hybrid instruction, federal relief cannot be seen as a replacement for the approximately \$164 million in state cuts to SSI for fiscal years 2020 and 2021. See the section below on the CARES Act for more information on federal relief.

SSI is directly tied to the cost of tuition, which means tuition rises when funding drops. By failing to ensure funding keeps pace with inflation and simultaneously limiting tuition increases as Ohio did for several years, lawmakers are asking public higher education institutions to do more with less. This will be particularly true as the effects of the pandemic continue, with budget cuts, dropping enrollment and increased costs for online education and safety measures for in-person instruction.⁵

3 The FY20 cuts represent an annualized reduction, as reported by Rich Exner: "See how much Ohio Gov. Mike DeWine is cutting funding to each college and university," May 6, 2020, <https://bit.ly/37iZ2HN>. Cuts for FY21 of 4.38% were communicated to public college and university presidents and chief financial officers from Randy Gardner, Chancellor, Ohio Department of Higher Education in a July 2020 email obtained by Policy Matters Ohio. An October 2020 email from the Legislative Service Commission described the reduced FY20 amount as the new baseline for 2021, increased by \$9.6 million that became available after the start of the fiscal year.

4 Legislative Budget Office Greenbook, Ohio Legislative Service Commission August 2019, <https://bit.ly/36vmm6n>.

5 See enrollment section of this report for more information.

Figure 1

State Share of Instruction below 2006 levels

In millions, adjusted for inflation, with pandemic cuts



Source: Appropriations from the Ohio Legislative Service Commission; cuts from ODHE letter, July 2020, and LSC email, October 2020.

OHIO'S NEED-BASED AID FALLS SHORT

Ohio provides most of its need-based aid to students pursuing postsecondary education through the Ohio College Opportunity Grant (OCOG). OCOG is essential to helping Black and brown students and those from low-income backgrounds continue their education after high school.

State lawmakers passed a 2020-21 budget in July 2019 that increased OCOG funding over the previous biennium by \$73 million, in contrast to previous years when they reduced funding or kept it flat. But as Figure 2 shows, even funded as appropriated for the current biennium, OCOG funding would still be well below previous levels and far below what is needed.

In 2010, when the legislature replaced the Ohio Instructional Grant (OIG) and the OIG part-time grant with OCOG, the goal was to direct \$250 million each year to need-based aid, a plan that policymakers have not yet implemented. This year, the DeWine administration decided to hold FY21 OCOG funding at the FY20 appropriation, erasing the increase planned for FY21 but keeping per-student award amounts the same. The cut won't affect current students, but combined with a structural flaw that shuts out many low-income students attending the state's most affordable public colleges and universities, it will make it more difficult for all students to pursue higher education, regardless of race or the wealth of their family.⁶

6 The Ohio College Opportunity Grant can only be used by students when tuition and general fees exceed the amounts of other aid, including the federal Pell Grant, effectively shutting out low-income students attending Ohio's community colleges, the most affordable schools that serve higher percentages of low-income students. <https://www.ohiohighered.org/ocog>.

Figure 2

Ohio College Opportunity Grant has fallen over time

In millions, adjusted for inflation, with FY21 cuts compared to appropriations



Source: Appropriations from the Ohio Legislative Service Commission; cuts from ODHE letter, July 2020.

National comparison also highlights shortcomings with need-based aid in Ohio, which averages only \$97 per student for all those attending public institutions in our state, compared to the national average of \$474.⁷

Punitive approach to debt collection undermines goals

Ohio law requires public higher education institutions to turn over student debt to the Ohio attorney general's office (AGO) for collection. Debts include not only unpaid tuition, but library and lab fees, fines for non-payment, parking fines, and other fees not directly related to tuition. At the same time, schools bar registration and withhold transcripts of students who owe money.

Debts that have been sent to the AGO accrue additional fees and are harder to pull back to the school for quick resolution that allows for timely re-enrollment. At the same time, students' plans to continue their education or get higher-paying jobs can be effectively halted by the inability to access a transcript. The students clearly suffer, and when they are blocked from reaching their full potential, so do Ohio's communities and the entire state.

A Policy Matters analysis found that these policies are more likely to present barriers for students attending the state's two-year community colleges. These institutions enroll more Black and Latinx students, older students, and first-generation students — groups who are more likely to be shut out from pursuing postsecondary education.⁸

7 2016 College Affordability Diagnosis: Ohio, Penn Graduate School of Education Institute for Research on Higher Education, <https://bit.ly/33Xkfx8>.
8 van Lier, Piet, Policy Matters Ohio, "Collecting against the future," February 2020. <https://bit.ly/3gETOWr>.

Enrollment

Enrollment for most of Ohio's public colleges and universities has been dropping at least since 2015, and in most cases the coronavirus pandemic seems to have accelerated that drop this year. The unadjusted numbers in Table 1 show that, on average, regional campuses of four-year universities have been hit hardest.

But the adjusted numbers tell a different story, with decreases masked by online enrollment gains at two schools. Adjusted to exclude these gains, it is clear that enrollment has dropped across the board.

Table 1

Enrollment changes at Ohio's public colleges and universities

| | Change, 2019-20 | | Change, 2015-20 | |
|------------------------------|-----------------|-----------|-----------------|-----------|
| | unadjusted | adjusted* | unadjusted | adjusted* |
| | -2.1% | -2.9% | -5.5% | -6.3% |
| University Regional Campuses | -7.1% | -7.1% | -14.9% | -14.9% |
| Community Colleges | 4.8% | -6.9% | 13.3% | -10.8% |
| Statewide total | 0.1% | -4.3% | -0.1% | -8.5% |

Source: Ohio Department of Higher Education Enrollment Data and Reports <https://bit.ly/3gvld01>.





Table 2 shows that enrollment gains at Eastern Gateway Community College and Central State University account for all the enrollment stability shown in the unadjusted headcount at Ohio's public colleges and universities.⁹ The fall headcount at Eastern Gateway, with campuses in Steubenville and Youngstown, saw a one-year increase of 80%, from 23,000 students in fall 2019 to nearly 42,000 in 2020, and an increase of more than 1,300% since 2015, when the school's fall headcount was below 3,000 students.

Table 2

Enrollment decreases at most public colleges and universities in Ohio

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | % change 2015-2020 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| University Main Campuses | 285,480 | 286,704 | 283,742 | 280,857 | 275,768 | 269,866 | -5.5% |
| Central State University | 1,804 | 1,742 | 1,784 | 2,099 | 2,033 | 4,021 | 123% |
| University Regional Campuses | 44,150 | 42,758 | 41,658 | 41,255 | 39,113 | 37,552 | -14.9% |
| Community Colleges | 162,925 | 161,940 | 164,843 | 167,970 | 176,523 | 184,643 | 13.3% |
| Eastern Gateway Community College | 2,879 | 3,863 | 8,309 | 15,707 | 23,122 | 41,843 | 1353% |
| Statewide Total | 492,555 | 491,402 | 490,243 | 490,082 | 491,404 | 492,061 | -0.1% |
| Minus Eastern Gateway and Central State | 487,872 | 485,797 | 480,150 | 472,276 | 466,249 | 446,197 | -8.5% |

Source: Ohio Department of Higher Education Enrollment Data and Reports <https://bit.ly/3gvld0l>.

⁹ Full-time equivalency (FTE) means that, for example, two half-time students add up to one FTE; headcount simply counts each student as one student, whether they attend part- or full-time.

Most if not all of this increase can be attributed to a partnership Eastern Gateway signed in 2015 with the AFL-CIO, the largest federation of labor unions in the country. The federation is providing free online classes to union members and their families across the country through the Ohio college, which contracts with an online program management company to help serve students.¹⁰ Much of the enrollment resulting from this partnership comes from outside Ohio, although many Ohio union members take advantage of the benefit.

Similarly, Central State, Ohio's only public historically Black university, last year inked a partnership with Eastern Gateway and the AFL-CIO to provide online bachelor's degrees; its headcount nearly doubled from just over 2,000 students in fall 2019 to more than 4,000 this year.

While a comparison of fall 2020 data available for Ohio with national data is not exact, given the different sources for the numbers, the adjusted Ohio numbers largely align with the national trend: Ohio's community and technical colleges have been hit harder than the state's four-year schools.¹¹ The impact on equity of the pandemic drop is particularly concerning, since public two-year colleges are more affordable and tend to enroll higher percentages of students from families with modest means and students of color than do other schools.

Nationally, community college attendance by Black, Latinx and Native American first-time students was down nearly 30% for each group.¹² Students' incomes have been a primary factor in decisions to continue or leave community colleges, according to one study based on U.S. Census data, which found that 40% of households reported that a community college student canceled plans, compared to 20% of students at four-year schools.¹³ This finding goes against expectations from previous recessions, which saw community college enrollment increase as workers enrolled to retrain or move into better-paying jobs. The expected increase for community colleges has so far failed to materialize across the country.¹⁴

Ohio's College Credit Plus (CCP) program also affects statewide enrollment trends, although not as significantly as the union agreement at Eastern Gateway and Central State. CCP, Ohio's dual-enrollment program, provides students in grades seven through 12 the opportunity to earn college and high school credits at the same time by taking courses from Ohio colleges or universities at no or limited cost to them and their families.¹⁵ Trends show participation in CCP more than doubling at public university main and regional campuses and increasing by more than 200% at community and technical colleges.¹⁶ The participation of these students is boosting enrollment numbers, but represents a non-traditional group of students.

Enrollment declines are not just an Ohio story. National data show a pandemic drop deepening a long-term downward trend for many schools in recent years. Based largely on a shrinking population of traditional-aged students, enrollment is projected to continue to fall in the future.¹⁷ The number of Ohio students graduating from high schools is projected to drop from approximately 137,000 in 2011 to fewer than 110,000 by 2032.¹⁸ These declines mean that Ohio leaders, if they hope to reach enrollment and attainment goals, must focus their efforts on students who have historically been under-served, including Ohioans of color, students of modest means, and those who are older than 25.

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- 10 Fain, Paul, "Ohio's Eastern Gateway Community College draws scrutiny from lawmakers for working with an OPM to rapidly grow online enrollment of out-of-state students." Inside Higher Ed, June 2019, <https://bit.ly/35ygyYS>.
- 11 Barshay, Jill, Hechinger Institute, "COVID has been bad for college enrollment, but awful for community college students, October 26, 2020.
- 12 Williams June, Audrey, "Plummeting Community College Enrollments: Inside the Numbers," The Chronicle of Higher Education. November 16, 2020. <https://bit.ly/2K6uVLJ>.
- 13 St. Amour, Madeline, Inside Higher Ed: "Low-Income Community College Students Most Likely to Cancel Plans," December 10, 2020. <https://bit.ly/3m2FGvT>.
- 14 Gardner, Lee, "How the Pandemic Worsened – and Highlighted – Community Colleges' Chronic Challenges," Dec. 8, 2020. <https://bit.ly/3neh8RS>.
- 15 Ohio Department of Higher Education, College Credit Plus. <https://www.ohiohighered.org/collegecreditplus>.
- 16 Ohio Department of Higher Education, Headcount Enrollment by Student Level and Age Fall. <https://bit.ly/3oGuFSz>. See "high school" lines in Table 2.
- 17 Williams June, Audrey, "Plummeting Community College Enrollments: Inside the Numbers," The Chronicle of Higher Education. November 16, 2020. <https://bit.ly/2K6uVLJ>.
- 18 Overall High School Graduation Trends, Knocking at the College Door. <https://knocking.wiche.edu/state-profiles>.

Tuition

Low levels of state support for public colleges and universities and inadequate and poorly structured student financial aid make postsecondary education unattainable for many Ohio students. These two factors combine to put pressure on schools to increase tuition and fees even as students have to take out loans or pay more out of pocket to cover their costs. As a result, 44 states have public university systems that are more affordable than Ohio's for students of low and moderate income, according to a 2016 study, the most recent such data available.¹⁹ For Ohio families with incomes of \$30,000 or less per year, on average it would take 38% of family income to attend one of the state's two-year schools, 57% to attend a four-year university, and 81% to attend one of the state's public research institutions full time.²⁰

For several years, the state maintained a tuition freeze for Ohio's public colleges and universities, although it allowed schools to add new fees for things like health or career services. Under the freeze, for example, six of the state's 14 university main campuses added fees for academic year 2018-19 (FY19), for an average increase of less than 1% in the combined cost of tuition and fees compared to the previous year, a rise of less than \$50. The state's community and technical colleges added fees for an average increase of more than 10%, or just over \$400, in tuition and fees.²¹

For academic years 2019-20 and 2020-21, the state budget authorized public universities and their regional campuses to increase in-state undergraduate tuition and general fees by no more than 2% over what the institution charged in the prior academic year. It authorized community and technical colleges to increase tuition and general fees by no more than \$5 per credit hour over what the institution charged in the prior academic year. Table 3 shows that over the past few years, increases have varied significantly depending on school type.

| Tuition and general fees charged by Ohio's public colleges and universities | | | |
|---|-----------------|--------------------------|----------------------|
| Academic year | 2-year colleges | 4-year regional campuses | 4-year main campuses |
| 2017-18 | \$4,300 | \$6,011 | \$9,763 |
| 2018-19 | \$4,738 | \$6,039 | \$9,817 |
| 2019-20 | \$4,828 | \$6,114 | \$9,950 |
| 2020-21 | \$5,012 | \$6,120 | \$10,076 |
| % change since 2017-18 | 16.6% | 1.8% | 3.2% |

Source: Annual Survey of Student Charges, Ohio Department of Higher Education, <https://bit.ly/3prRv1B>.

These trends are concerning, especially for public two-year schools, which enroll higher percentages of students of color, as well as students who are low-income, first-generation, or older than 24. The fault lies largely with the state's underfunding of the State Share of Instruction even as it imposed tuition caps.

¹⁹ Penn Graduate School of Education Institute for Research on Higher Education, 2016 College Affordability Diagnosis: Ohio <https://bit.ly/3qHtMex>.
²⁰ Ibid. The cost used to calculate these amounts includes tuition, mandatory fees, room/board and books minus all financial aid (federal, state and institutional).
²¹ Fees include mandatory charges that are assessed to all full-time students, not included in the general fee and charged each term. This may include facility fees, technology fees, and parking fees. See <https://bit.ly/3prRv1B>.

Federal Work-Study

With SSI declining, an intended OCOG increase thwarted by the pandemic, and campus economies near standstill,²² jobs funded by the Federal Work-Study (FWS) program have taken on more importance than ever. The program provides part-time jobs for undergraduate and graduate students with financial need, allowing them to earn money to help pay education expenses.²³ While the pay may not be flashy — participating students earn less than \$1,900 per academic year, on average²⁴ — FWS provides an important financial boost and helps students buy books, pay rent and cover unforeseen expenses.

But the pandemic may be putting the program's benefits out of reach for many students. Campus closures and virus-related restrictions have eliminated many FWS jobs and even impacted off-campus FWS employment, which often depends on now-reduced student spending.

The CARES Act allowed institutions to continue to pay student workers if their positions were eliminated due to coronavirus closures. But since the fall semester marked the beginning of a new FWS year and FWS jobs generally end when the school year ends, students whose workplaces have not yet reopened cannot continue to be paid in the new school year. This leaves those who haven't found new jobs without this crucial aid, even when they remain enrolled in school. Campus closures mean jobs are scarce, and while some positions have gone virtual, even students continuing to work may not be employed at pre-pandemic levels.

²⁵

With a second federal relief bill yet to gain traction in a divided Congress, and full campus reopenings uncertain for the current school year, it is more important than ever to ensure that qualifying FWS students get paid even if their jobs have disappeared and new ones are not yet available.

The CARES Act removed the requirement that schools match FWS funding, and allows them to turn all FWS money into direct grants to eligible students.²⁶ The legislation also provided funds for colleges and universities to give emergency grants to students in financial distress. Well over 60,000 Ohio students have received grants thus far.²⁷

Nationwide, more than 600,000 students rely on FWS, but hundreds of thousands—perhaps millions—of additional students should qualify for it. For example, in 2015-2016, 40% of eligible undergraduate students received Pell Grants but only 5% received FWS.²⁸ To make matters worse, the program's outdated and inequitable allocation method means FWS dollars disproportionately flow to expensive, private institutions rather than to the community colleges and four-year public universities that serve the students with the greatest financial need.²⁹

While fixes to these shortcomings are largely outside the control of states, Ohio's institutions can work within existing law to do their best to ensure FWS students continue to receive compensation. One way is to provide access to virtual positions to ensure that as many low-income students as possible participate in FWS. Short of this, colleges and universities should award Federal Supplemental Educational Opportunity Grants (FSEOG) to students unable to find FWS positions due to pandemic shutdowns and the resulting economic fallout.

22 Liu, Siyang, Policy Matters Ohio: "College towns need support," August 20, 2020. <https://bit.ly/33XK4q1>.

23 For more information see <https://studentaid.gov/understand-aid/types/work-study>.

24 Kerr, Emma, US News and World Report: "What Work-Study Looks Like During the Coronavirus," <https://bit.ly/2JG7wBe>.

25 According to a July 2020 advisory from the United States Department of Labor, "an individual participating in work study who is not eligible for regular unemployment compensation, whose worksite closed as a direct result of COVID-19, and who has suffered a loss of income, may be eligible for pandemic unemployment assistance." <https://bit.ly/2W9x1Nz>.

26 Congressional Research Service In Focus, CARES Act Higher Education Provisions, July 8, 2020.

27 Jennifer Smola, "Nearly 32,000 students at central Ohio Colleges get emergency COVID aid," The Columbus Dispatch, September 7, 2020. <https://bit.ly/2VDzkbx>.

28 Baum, 6.

29 Scott-Clayton, Elizabeth, Brookings: "Federal Work-Study: Past its prime or ripe for renewal?" June 22, 2017. <https://brook.gs/3IZplbu>.

Pandemic impact on students

Access to technology, food, employment and safety topped the list of student concerns in a survey conducted this fall by the Ohio Student Association.³⁰ Despite direct grants of CARES Act funds, students across Ohio reported financial uncertainty and remained concerned about the adequacy of safety protocols, both on- and off-campus.

The most resounding message from Ohio students may be that college during COVID-19 has little resemblance to what they once knew or imagined: Seeing friends entails risks, online classes lack the warmth and engagement of in-person discussions, and campus life is all but non-existent. Almost all OSA respondents reported a lack of “connection” both inside and outside the classroom, and have grown weary of constant online meetings and never-ending screen time. Much of what makes college so vital is participation in the campus community, but today many students are virtually isolated. Furthermore, the loss of employment opportunities has eliminated the work-school balance that so many students require and even enjoy.

All of these factors take a toll on students’ mental health, according to OSA respondents. Improvements in transparency and communication are another area of opportunity, as students have expressed frustration and confusion over the availability of relief and the process of establishing safety protocols.

In a separate series of interviews, representatives of Ohio schools reported hearing similar priorities from students, with surveys showing several areas of concern that could cause students to stop attending.

³¹

- **Basic needs:** The most consistent concern expressed by students in college surveys included needs like food and housing. Schools report using institutional and CARES Act funds for emergency grants.
- **School accounts:** Many students are less able to pay college costs than in previous years, in large part because they lost jobs or had their work hours cut. Some schools raised limits on student accounts, allowing registration even if students owed more than previously allowable.
- **Technology:** Many students depended on the easy availability of school equipment prior to pandemic closings, and relied on school, library or coffee shop internet service to do schoolwork. Schools have worked to provide equipment or emergency funds to help with these needs.
- **Academics:** Online class causes students to feel isolated and miss the interaction with teachers and other students. Some schools allowed students to opt for pass-fail grades, providing relief from completing all assignments.
- **Home life:** Students found themselves competing for time, space and technology to continue their coursework, and those caring for children have had to juggle roles as both parents/guardians and students, even as some worked essential or frontline jobs.
- **Mental health:** Colleges reported increasing staffing and referring those with mental health needs to in-house counselors with whom they are able to meet online.³²

³⁰ The Ohio Student Association fall 2020 survey received 42 responses from students attending 10 Ohio institutions.

³¹ Interviews conducted by Julie Szeltner of College Now Greater Cleveland with representatives of Lorain County Community College, Sinclair Community College and the University of Akron.

³² In addition to interviews, see Morona, Amy: “Ohio colleges and universities receive \$13.5 million to offer more mental health support for students,” Crain’s Cleveland Business. <https://bit.ly/3g9Ldj7>.

Federal relief



The CARES Act provided nearly \$14 billion to help colleges and universities with pandemic-related institutional costs and grants to students. While this help was absolutely essential, the United State Department of Education allocated funds using its financial aid formula, prioritizing institutions that enroll higher numbers of full-time Pell Grant recipients.³³ The CARES Act also used a measure called “full-time equivalent” to count enrollment at schools receiving relief funding and weighted funds to favor schools having more full-time students with federal financial aid. This approach, while appropriately focused on schools serving lower-income students, shortchanged public two-year schools that enroll higher percentages of part-time students who are also likely to be of modest means.³⁴

The CARES Act also provided relief to public and private schools out of the same fund, treating them equally even though federal and state governments have more responsibility for public schools, which educate many more students, more affordably, than do private schools. More than three-quarters (77%) of students enrolled in higher education in Ohio attend public colleges and universities, while the remaining 23% attend private institutions, both for-profit and nonprofit.³⁵

CARES Act higher education relief formula allocations for Ohio postsecondary schools and programs totaled \$277 million (70% of the total) for public institutions and \$119 million for private ones.³⁶ Because the formula favors institutions that enroll more full-time students, private for-profit schools received larger allocations than their enrollments warranted. For-profit schools enrolled less than 4% of all Ohio postsecondary students but were allocated more than 8% of formula relief in Ohio. The state’s community and technical colleges enrolled 30% of Ohio’s postsecondary students but their allocation totaled less than 20% of the state’s higher ed CARES Act formula aid.³⁷ Future relief must focus more appropriately on public colleges and universities, especially those that serve low-income students and students of color.

33 Coronavirus higher education relief fund: Simulated distribution of funds under the CARES Act. The American Council on Higher Education. <https://bit.ly/330Xe56>.

34 See van Lier, Piet and Hopcroft, April: Strengthen public higher ed with targeted relief, July 27, 2020. <https://bit.ly/33DDFjh>.

35 Ohio Department of Higher Education, “Total Headcount Enrollment by Institution and by Campus: Fall Term 2008 to 2018, January 2020, <https://www.ohiohighered.org/data-reports/enrollment>.

36 Miller, Ben, Center for American Progress: “How Much Money Each College Can Receive From the CARES Act,” July 1, 2020. Spreadsheet with national and Ohio data at <https://ampr.gs/3g9LXon>.

37 Ibid.

Recommendations & Conclusion

Even in the middle of the pandemic, Ohio leaders must find ways to make it easier for all Ohioans — no matter where they live or what they look like — to pursue higher education. State policymakers have made cuts to higher education during past recessions, and the end result has always been negative. They should not make the same mistake again.

Pass more federal aid

Federal relief is an essential aspect of this effort in Ohio and around the country, and that relief should build on the success of the CARES Act. Any aid should be structured to prioritize schools that provide an affordable entry point to higher education for students who will need education and training more than ever in the ongoing recession. One priority should be to weight enrollment of part-time students equitably by using headcount rather than full-time equivalent to measure enrollment and allocate relief.

Put public schools first

Support should prioritize public schools over private institutions, because public schools provide the most effective, affordable and accessible opportunities. If private schools are part of the next round of relief it should be from a separate, smaller fund. Because of questionable practices and poor outcomes, for-profit schools should be excluded.³⁸

Tap the rainy day fund and rebalance the tax code

As the state enters its upcoming budget cycle, policymakers should tap into Ohio's \$2.7 billion rainy day fund to meet needs in education and other areas. It's also time for lawmakers to close special interest tax breaks and tax cuts for the wealthy that drain our public revenue. Policy Matters has identified a number of approaches, including the elimination of tax loopholes,³⁹ decoupling from federal tax breaks for affluent business owners,⁴⁰ and rebalancing the state income tax.⁴¹

Fully fund public higher education & reform state need-based aid

While Ohio faces many needs, properly funding higher education should be one of its major priorities. Providing more resources to public colleges and universities through the State Share of Instruction and opening access to more students of color and people from families of modest means through the Ohio College Opportunity Grant are key.

One reform would have a profound impact on low-income students: The state should restructure OCOG to make it a first-dollar grant that can be used along with federal Pell Grants and other assistance, including for education-related expenses aside from tuition and general fees. OCOG, which is Ohio's main need-based financial aid program, currently can be used only by students whose tuition and general fees exceed other sources of aid, including the federal Pell Grant. That effectively shuts out students at lower-cost public colleges. Changing it to a first-dollar grant and allowing its use for a broader set of expenses would open new opportunities for low-income students attending more affordable schools. The state should also exclude for-profit schools from accessing OCOG money.

38 Halbert, Hannah, Policy Matters Ohio: "Risky business: For-profit education in Ohio," May 25, 2017. <https://bit.ly/36Xfu1r>.

39 Patton, Wendy, Policy Matters Ohio: "Cut tax loopholes, not schools and hospitals." July 7, 2020. <https://bit.ly/39KC6US>.

40 Schiller, Zach, Policy Matters Ohio: "Ohio legislators need to plug a hole in the tax system," November 17, 2020, <https://bit.ly/33FNILF>.

41 Patton, Wendy, Policy Matters Ohio: "Rebalance the income tax to build a better Ohio for everyone," October 15, 2020. <https://bit.ly/37AxZbh>.

Change state law on student debt collection

Policymakers should eliminate the law requiring Ohio's public colleges and universities to turn student debt over to the attorney general. This would allow schools more time to collect debt on their own or institute debt-forgiveness and re-enrollment initiatives. Barring a change in law, the attorney general should get rid of fees and penalties related to student debt or at least take fines and fees out of amounts collected for past-due accounts, rather than charging individuals fees and fines on top of the amounts they owe.

Ohio lawmakers should consider banning transcript withholding, as California did in 2020. They should also encourage and incentivize promising school-level practices that focus on debt-forgiveness, individual support, re-enrollment and degree completion that will help Ohioans thrive.⁴²



Conclusion

Postsecondary education, whether it takes the form of a degree or a credential of value in the workplace, is increasingly essential to finding a living-wage job and helping create an Ohio economy that works for everyone. In setting its ambitious enrollment and completion goals, Ohio leaders have shown that they value higher education. We cannot achieve these goals if Ohio policymakers do not take immediate steps to provide essential support for our colleges and universities.

Policymakers must make sure everyone has the opportunity to take advantage of Ohio's world-class education system by updating our state's approach to funding higher education.

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42 For more information, see our February 2020 report, *Collecting against the future*. <https://bit.ly/3gETOWr>.