

**BEFORE THE JOINT COMMITTEE ON OHIO COLLEGE AFFORDABILITY**

**SENATOR STEVE WILSON  
CHAIR**

**TESTIMONY  
OF  
BRUCE JOHNSON  
PRESIDENT  
INTER-UNIVERSITY COUNCIL OF OHIO**

**JUNE 28, 2018**

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**The Public Universities of Ohio**

The University of Akron  
University of Cincinnati  
Miami University  
Ohio University  
Wright State University

Bowling Green State University  
Cleveland State University  
Northeast Ohio Medical University  
Shawnee State University  
Youngstown State University

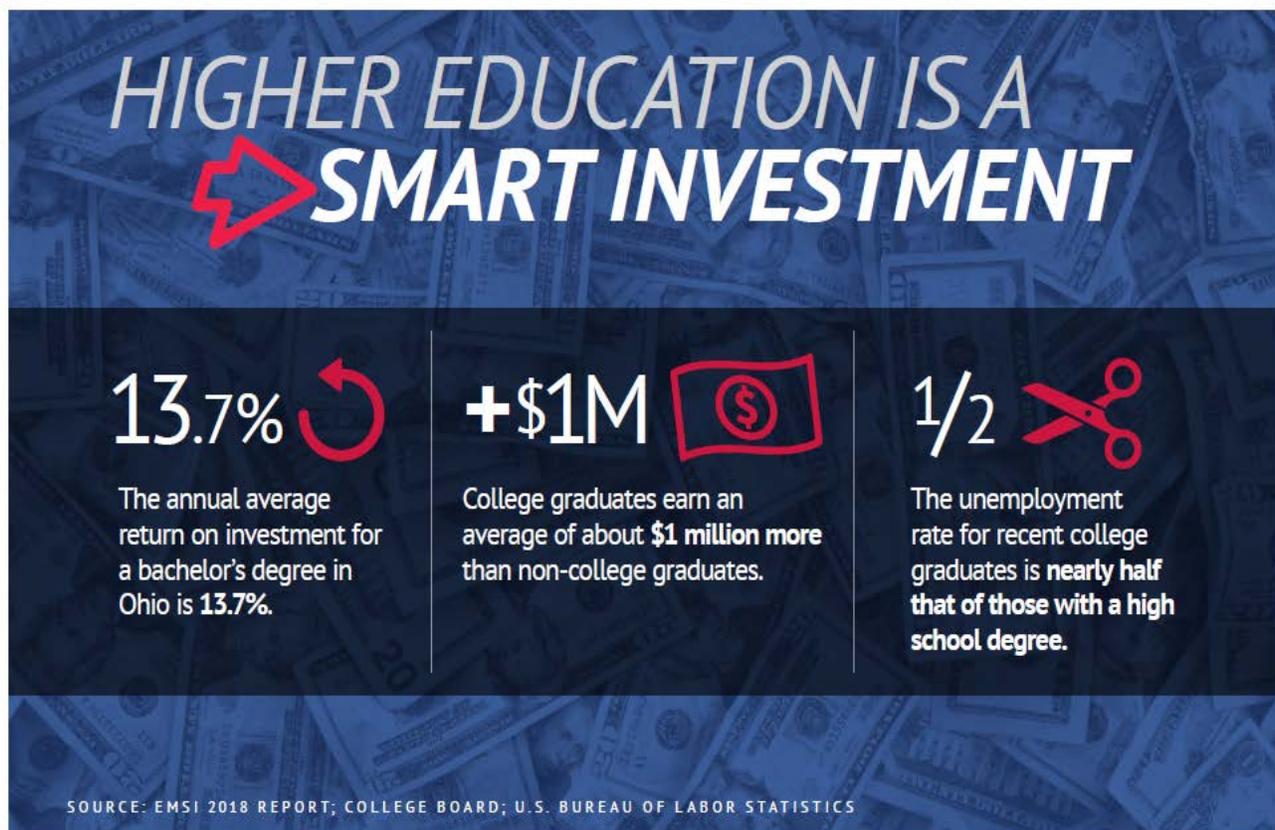
Central State University  
Kent State University  
The Ohio State University  
The University of Toledo

Chair Wilson, Vice Chair Duffey, and members of the Joint Committee on Ohio College Affordability, thank you for the opportunity to testify before you today on behalf of the state's fourteen public universities, all of which are members of the Inter-University Council of Ohio (IUC). My name is Bruce Johnson and I am the President of the IUC.

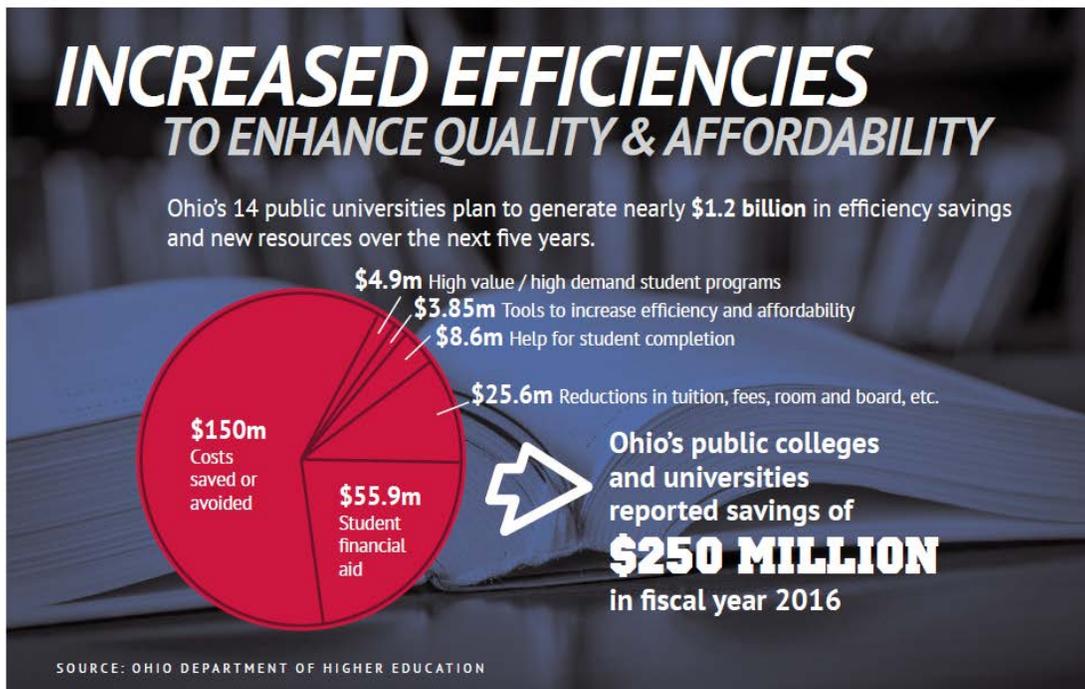
The IUC was established in 1939 as a voluntary educational association of Ohio's public universities. Today, the association represents all of Ohio's fourteen public universities. The IUC values providing access to a high quality, affordable education. It is committed to ensuring affordable opportunities for the more than 329,000 students attending our member institutions without sacrificing the quality of their education or experience.

Thank you for your vision, leadership, and dedication to the growing number of young people and their families from around the state and the world, for that matter, who chose to attend our public institutions of higher education in Ohio. The work you are doing on this committee is a credit to your public service and clearly demonstrates your commitment to and compassion for our students.

But for our students, Ohio's public universities would not exist. They are the very reason for our being and we would not function without their support. They are the men and women who have made an individual choice in deciding to attend a public university in Ohio and earn a degree.



Today's topic is affordability. Let me just say from the start, that the price of attending one of our institutions of higher education in Ohio is high. Higher than we would like it to be. To the extent that price presents a substantial barrier for our students to access what can be a life changing experience, we must continue to work hard to control price increases. So public universities are doing more to find efficiencies and make college more affordable. The graphic below is adapted from the Ohio Department of Higher Education's data showing cost-savings efforts to date.



### Cost Savings Efforts

1. The Ohio State University has expanded support in financial aid for students. Administrative efficiencies have funded \$60 million in President's Affordability Grants over three years; and other strategic institutional funds are supporting the expansion of the Land-Grant Opportunity Scholars program to cover the full cost of admission. Both programs are for in-state students.
2. The University of Toledo implemented a multifaceted approach to prescription drug cost savings. This approach included:
  - a. Achieving 85% utilization of in-house pharmacies;
  - b. Identification of a new prescription benefit manager with a projected savings of over \$500K;
  - c. Successfully negotiating collective bargaining contracts to make UT the primary for specialty drugs with a projected savings of \$816K;
  - d. Instituting a mandatory generic program with an estimated cost savings of \$367K; and
  - e. Achieving \$1.3M in overall savings by incentivizing the use of UT pharmacies to leverage UTMC cost of goods, which is 50-66% below what a retail pharmacy would cost.

3. The University of Akron introduced the new Akron Guarantee Scholarships that provides full-time undergraduate students with scholarship increase over four years as they reach certain academic milestones. This innovative approach helps students reduce the need to borrow student loans by increasing their scholarships each year as they progress toward degree completion. The AGS provides ~\$3,500 more over four years than UA's traditional scholarship program.

### **Textbook Affordability Initiatives**

In addition to these initiatives, all of Ohio's public universities are in some way collaborating or working to reduce the cost of textbooks for students -- with tangible results. For example:

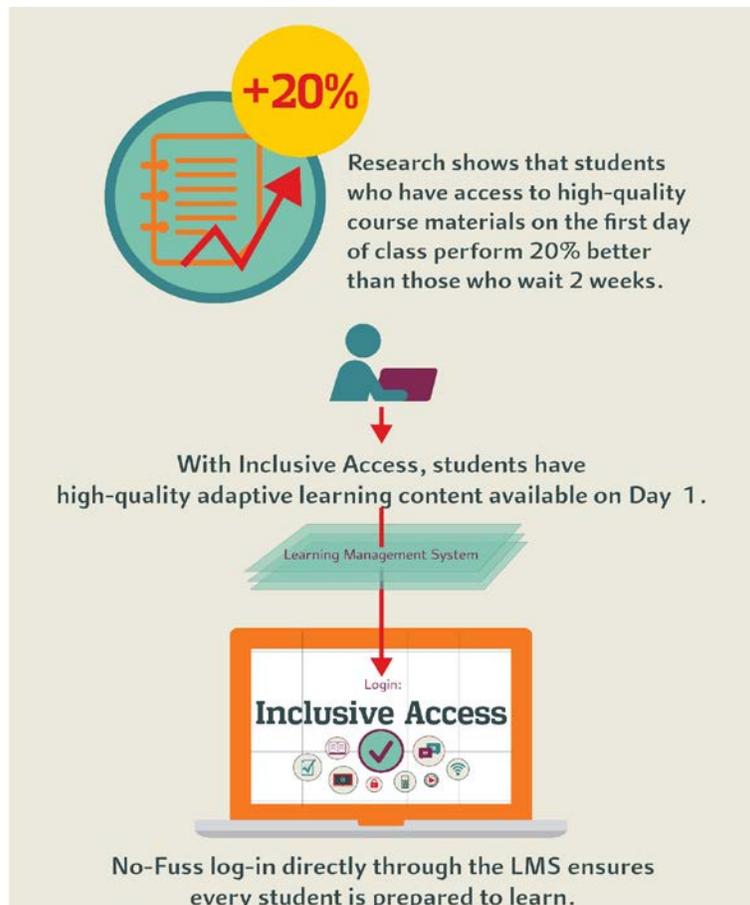
Faculty at Ohio University have converted enough required textbooks and course materials to the University's new open resource solution to save students \$600,000. This exceeds OU's original goal of saving students \$500,000 by fall 2018, which was announced in fall of 2017. Through its partnership with the private company Top Hat, OU and its faculty have had the opportunity to explore thousands of Open Educational Resources at no cost to them or their students. Top Hat also has provided one-on-one support to help faculty find these resources and adopt them to their specific course(s). To date, OU faculty who have participated in this partnership have affected 7,511 students across the University and the University continues to grow the program.

In FY17, the University of Toledo began working with its service provider, Barnes & Noble (B&N), on a range of strategies to reduce textbook costs for students, especially those in high-volume, high-cost courses. These efforts include earlier textbook adoption allowing the University's bookstore to obtain a wider range of options for students (used books and rentals) as well as the exploration of open-source materials for courses. Baseline comparisons to past years' data show students saved nearly \$800K in textbook costs across courses where lower-priced options were negotiated with publishers by B&N.

The University of Cincinnati, in partnership with Follett, privately-owned manager of UC's bookstore, continues to negotiate directly with publishers on behalf of its nearly 45,000 students. Of particular interest, the includedED® model saves students 40% on average. This strategy is ideal for courses requiring students to use an electronic workbook or other electronic consumable material. Since implementation in 2015, discounts have already saved students over \$3 million. Students have access to required learning materials immediately at the beginning of the course and because students' financial aid immediately applies to the cost of learning materials (material fee is included in their tuition and fees) students do not need to wait for financial aid to disburse in order to purchase learning materials.

Wright State University has implemented multiple programs to save students on the cost of textbooks. Through a pilot project called Inclusive Courseware, WSU launched a pilot inclusive access program at the end of last summer. The proposed timeline assumed about ten courses for spring 2018, about 40 courses for fall 2018, about 200 courses for spring 2019, and at-scale for fall 2019. WSU now has cost-savings data for the first two semesters of that pilot. Actual student savings (in nine classes) in spring 2018 were \$102,404.76 (an average savings of 48%). Anticipated student savings (in 39 classes, assuming maximum enrollment in each class) in fall 2018 will be as much as \$651,000. In addition to the Inclusive Courseware program, on March 29 of this year, WSU adopted a policy to facilitate the timely adoption of textbooks, and provide students an opportunity to obtain those materials at a more reasonable cost. That policy is being used for the first time on a limited scale for the fall 2018 semester

but looks as if it will result in savings to students of at least another \$61,000. As the program develops, the Wright State Bookstore anticipates using the policy to auto-adopt textbooks for between 100 and 150 courses and conservatively estimates savings at \$200,000. Cleveland State University has proposed a similar auto-adopt program.



According to the Ohio Faculty Council, many public institutions of higher education in Ohio have realized significant savings for their students (on the order of \$10,000 to \$20,000 in annual savings for each one-time institutional investment of \$1,000) by instituting in-house grant programs that incentivize instructional faculty to create, adopt and/or adapt Open Educational Resources, particularly for high-enrollment courses.

Let me also emphasize that our public institutions are a great value for our students. It is our students who have determined that enrolling in a public university to earn a degree is the best investment for their future and that there is value in the educational experience and in the degree that is earned. They consider a range of options of varying price points that reflect the quality and value of each option and then make a choice of where to attend based on what is best for them. Some of those choices are more expensive than others, but when the return on investment is determined, what was once deemed unaffordable might now become affordable.

Some students can afford more, some less, just as some institutions offer more and some less. Ultimately, it is choice that protects the student. It should be the market and demand that determine price, that determine what is affordable, and what is not affordable for each individual student. In this relationship, it is the public university’s responsibility to provide its student with a valuable, high-quality product. We take that responsibility seriously.

**Holding the Line on Tuition**

Tuition that some may consider as “high” does not make something unaffordable, just as it does not automatically discourage or reduce demand. Quite the opposite in some cases. Consider Miami University. Despite having the highest Annualized Full-Time In-State Undergraduate Tuition and Fees of all Ohio public universities, for fall of 2018, Miami University received 30,124 applications for an incoming class target of 3,750. As of today, the class is larger than expected and Miami anticipates a first-year cohort of 3,920. The Ohio State University received over 52,000 applications with a target goal of 7,100 enrollees for its incoming cohort. OSU also will likely enroll a number higher than 7,100 due to that demand.

**Summary of Annualized Full-Time In-State Undergraduate Tuition and Fees\*, FY14 to FY18**

Sector/Campus	FY2014	FY2015	FY2016	FY2017	FY2018	Change FY2017-FY2018
<b>University Main Campuses</b>						
BGSU	\$10,726	\$10,726	\$10,726	\$10,726	\$10,726	0%
Cent State	\$6,058	\$6,246	\$6,246	\$6,246	\$6,246	0%
CSU**	\$9,499	\$9,686	\$9,720	\$9,768	\$9,874	1%
KSU	\$9,816	\$10,012	\$10,012	\$10,012	\$10,012	0%
MU***	\$13,748	\$14,233	\$14,233	\$14,233	\$14,233	0%
OSU***	\$10,037	\$10,037	\$10,037	\$10,037	\$10,037	0%
OU***	\$10,446	\$10,602	\$10,602	\$10,602	\$10,602	0%
SSU	\$7,176	\$7,364	\$7,364	\$7,364	\$7,364	0%
UA	\$9,736	\$10,056	\$10,270	\$10,270	\$10,270	0%
UC	\$10,784	\$11,000	\$11,000	\$11,000	\$11,000	0%
UT	\$9,054	\$9,380	\$9,380	\$9,380	\$9,380	0%
WSU	\$8,542	\$8,730	\$8,730	\$8,730	\$8,730	0%
YSU	\$7,900	\$8,317	\$8,317	\$8,317	\$8,317	0%
<b>University Main Campus Average</b>	\$9,502	\$9,722	\$9,741	\$9,745	\$9,755	0.11%

Source: Ohio Department of Higher Education. Fall 2017 Survey of Student Charges For Academic Year 2017 – 2018. As of 10-31-17

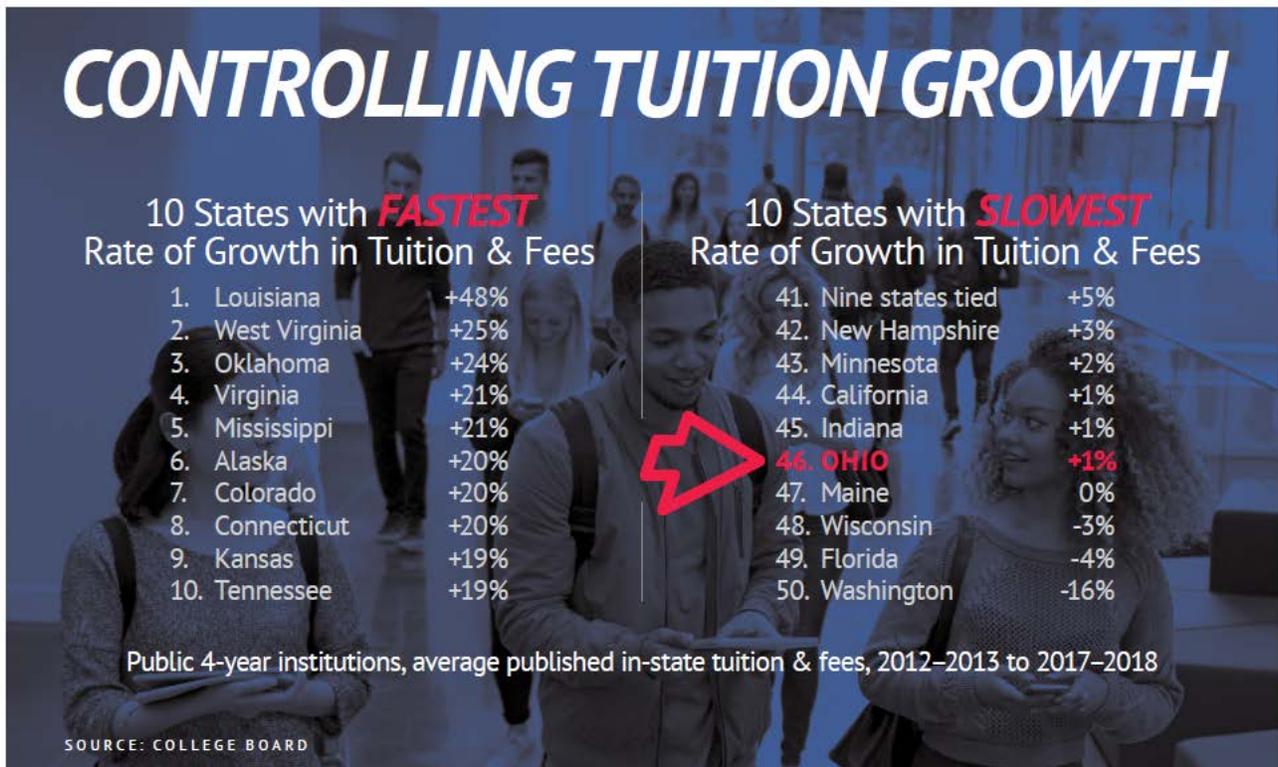
**Table Notations:**

\* Fees reported in the summary table include the general fee as well as all other mandatory fees assessed to full-time students which meet each of the following: they are in fact mandatory, are not included in the general fee, and are charged each term. The latter may include facility fees, technology fees, parking fees, or other mandatory fees.

\*\* Includes a new career services fee.

\*\*\* Amount for FY2016 and 2017 is based on the tuition rate for continuing undergraduates. These institutions have a Guaranteed Tuition Programs with different tuition rates for each cohort year.

As the previous table demonstrates, Ohio's public universities have held the line on tuition. Contrary to popular belief, it is not spiraling out of control. Despite the state's investment in support for higher education lagging the nation by approximately \$1,580 on a per FTE basis, tuition growth in Ohio has remained well below the national average and fairly constant. According to the College Board, with a five-year tuition and fees growth rate of just one percent, Ohio ties for fifth lowest, nationally, as demonstrated by the graphic below.



While the General Assembly has addressed tuition constraint through freezes in state law, it is important to note that many of Ohio's public universities have taken their own initiative to freeze or reduce tuition. Additionally, most public universities in Ohio are now participating in the state's tuition guarantee program. Enacted in House Bill 59 from the 130<sup>th</sup> GA, the legislation authorizes the Board of Trustees of a state university to establish an undergraduate tuition guarantee program.

Under the program, eligible students in the same cohort will pay a fixed rate for general and instructional fees for four years. This brings predictability and stability to the budgeting process for students and parents.

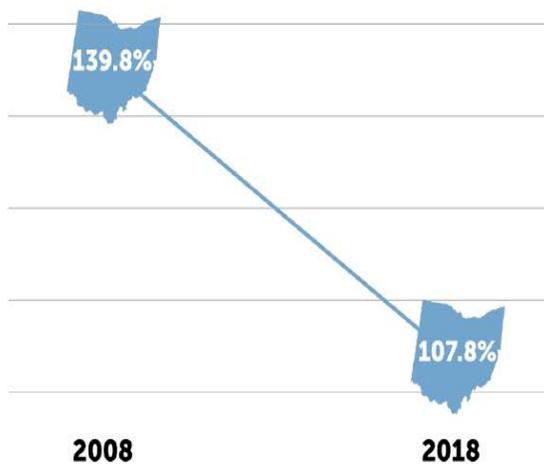
It helps families plan and save for college in order to reduce the necessity of borrowing. Each institution presents its rules for the program to the chancellor for approval. To date, eleven of the fourteen public

universities are offering a guarantee to their students. Those eleven include OU, MU, OSU, WSU, CSU, SSU, UT, YSU, BGSU, UA, and KSU.

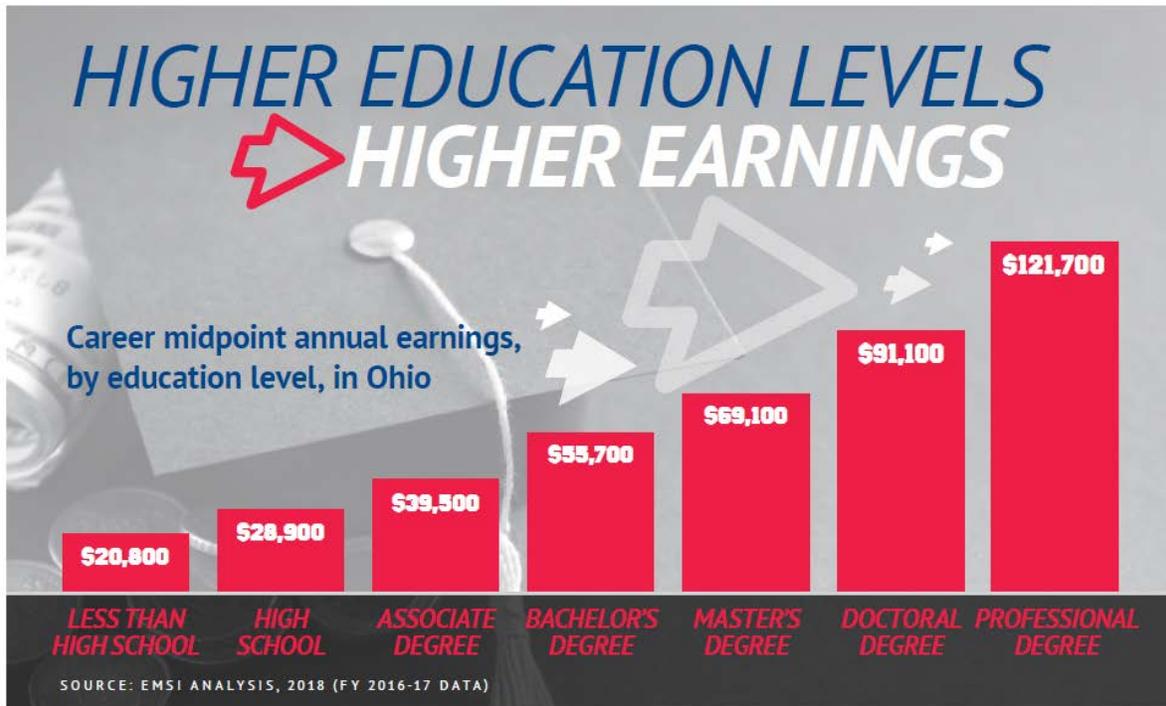
Without question, Ohio’s public universities are sensitive to the issue of cost. We recognize that tuition in Ohio is still above the national average. However, the totality of these efforts demonstrate that we are working hard to reduce the cost of earning a degree – without compromising its value or quality. We are making progress and will continue to do so.

### Tuition and Fee Restraint

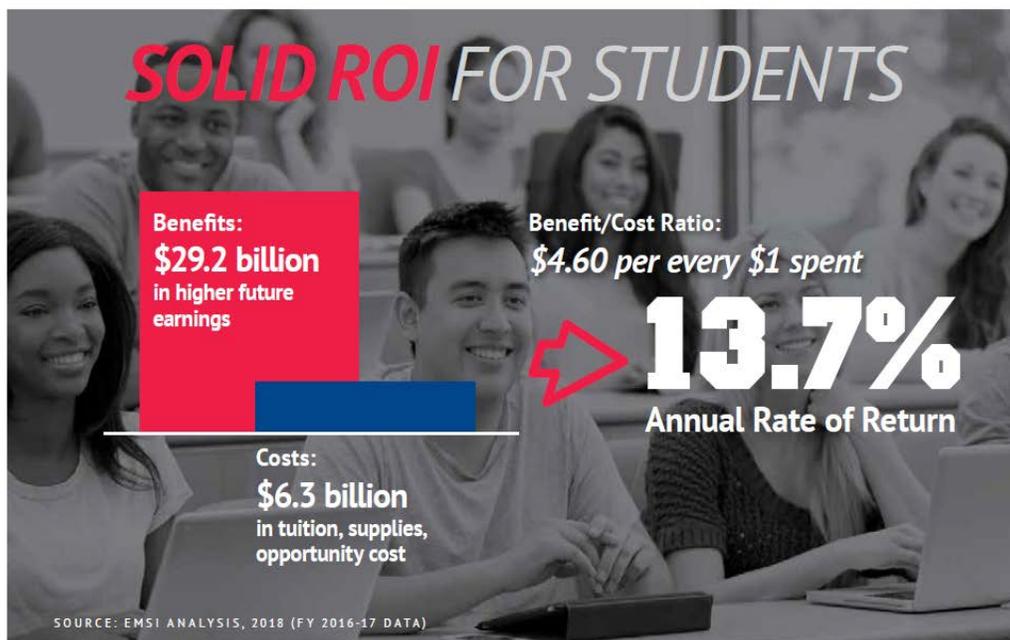
Ohio Tuition as % of U.S. Average - Public Universities



So what does affordable mean? I would argue that it is more than just “cost” or “price.” Affordable absolutely does not mean inexpensive or cheap. Higher education is an investment. In fact, because of the positive return on investment a student realizes from earning a public university degree, it is unaffordable not to go to college.



To be able to afford something means to be able to do, manage, or bear without serious consequence or adverse effect. We believe that as the return on the investment of earning a degree, as the value of that achievement, appreciates over time, it will more than compensate for the initial cost and offset any perceived “adverse effects” of earning it. What is not affordable, however, is when a student begins college, does not complete, incurs cost and debt, and then drops out without earning a degree. Ohio’s public universities are working to prevent that from happening. There is a greatly diminished return on investment when there is no degree earned.



## Innovative Student Support Services

To help students stay in college to complete and earn a degree, to realize that return on investment, our universities are offering a comprehensive array of services to support students in their work. Student should be surrounded by services specifically designed to support them in not just their academic endeavors but also in planning for the future, career counseling, and other life-skills.

The chart below outlines the trends of Student Success Initiative.

# The Evolution of STUDENT SUCCESS

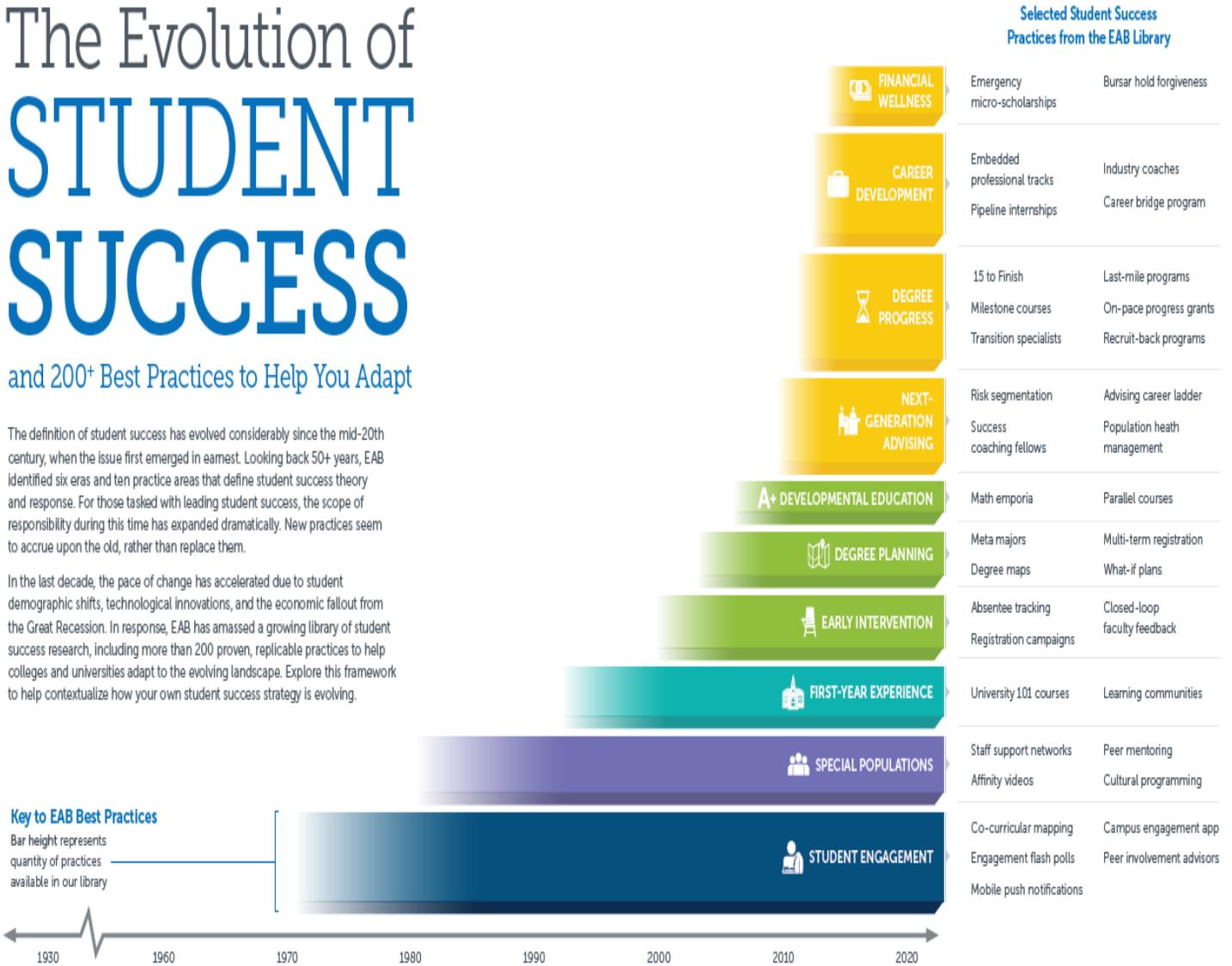
## and 200+ Best Practices to Help You Adapt

The definition of student success has evolved considerably since the mid-20th century, when the issue first emerged in earnest. Looking back 50+ years, EAB identified six eras and ten practice areas that define student success theory and response. For those tasked with leading student success, the scope of responsibility during this time has expanded dramatically. New practices seem to accrue upon the old, rather than replace them.

In the last decade, the pace of change has accelerated due to student demographic shifts, technological innovations, and the economic fallout from the Great Recession. In response, EAB has amassed a growing library of student success research, including more than 200 proven, replicable practices to help colleges and universities adapt to the evolving landscape. Explore this framework to help contextualize how your own student success strategy is evolving.

### Key to EAB Best Practices

Bar height represents quantity of practices available in our library



Miami University utilizes data-driven, predictive modeling programs in conjunction with more intentional/proactive and personalized advising to better ensure students are on a timely path to graduate. These advising sessions assist students in selecting an appropriate major and path to graduation including options for accelerated graduation. Students “at risk” to graduate or to stay on an accelerated path to graduation benefit from being identified early and offered additional resources and support to assist them in achieving their graduation goal.

Cleveland State University has been particularly aggressive at helping students stay in college and graduate. It is providing students with a variety of services, including:

1. Multi-Term Registration – allowing students to plan for an entire academic year with Freshman Intrusive Advising and wrap around support – focusing resources on students who need most help.
2. Co-Requisite English course – helping students who need remedial work to earn college credits more quickly.
3. Math Emporium – tailoring math instruction to individual student’s need.
4. Summer Transition Enrichment Program (STEP) – giving students who need extra help a head start; and
5. Degree Mapping – showing students how to best schedule classes to complete their degrees in four years.

Student success has been one of CSU’s highest priorities for the past decade and the numbers prove it. Freshmen cohort one-year fall-to-fall retention rate has improved from 57% to 70% and the freshmen cohort 6-year graduation rate has improved from 26% to 43%. For these efforts, CSU's success is being recognized nationally. It was awarded the 2015 Excellence and Innovation Award in the category of Student Success and College Completion given by the American Association of State Colleges and Universities (AASCU) and the Association of Public and Land-grant Universities named CSU as one of five finalists for its 2016 Project Degree Completion Award.

### **Financial Aid Affects Affordability**

In addition to support services, financial aid plays a large role in keeping students in college. Institutional support and support from the state in the form of need-based financial aid through the Ohio College Opportunity Grant (OCOG) help mitigate one of the major risks confronting students today – financial need. Our institutions recognize this and are stepping up to help by securing and providing assistance from wherever possible.

Consider that just his past year, the University of Akron applied for and received a \$630,000 grant from Great Lakes Higher Education Corporation & Affiliates to fund a Student Emergency Financial Assistance program designed to keep students in school working toward their degree. The program is based on the premise that students who receive emergency grants stay in school and graduate in larger numbers. Grants of typically less than \$1,000 are available for expenses such as unexpected car repairs or medical expenses – expenses that otherwise could force some students, particularly low-income students, to drop out.

In his 2017 State of the University address, The Ohio State University president Michael V. Drake announced a \$40 million increase in need-based student financial aid for the 2018-2019 academic year, including \$25 million for the President’s Affordability Grant program. The expanded grant funding benefitting middle- and lower-income Ohio undergraduates is part of the university’s continuing focus on access, affordability and excellence. Through these expanded student support programs, Ohio State will have committed \$100 million in need-based aid for students and families since 2015 – exceeding the university’s goal before 2020.

College costs have a significant negative impact on the likelihood of potential students enrolling in college and on both timely college completion and on the likelihood of completing at all. This is particularly the case for low-income students (e.g. Bowen, Chingos & McPherson, 2009). The UA and OSU illustrations are just two ways universities are addressing the problem. Yet the need remains great. The state of Ohio should address the financial needs of students by increasing support for the OCOG program. Over the last ten years, funding for the program has been cut in half and while appropriations have been increasing slightly since 2013, the chart below clearly demonstrates that further funding is necessary to help the state’s neediest students stay in school and earn a degree.

## Ohio Student Need-Based Financial Aid

FY2008–FY2019

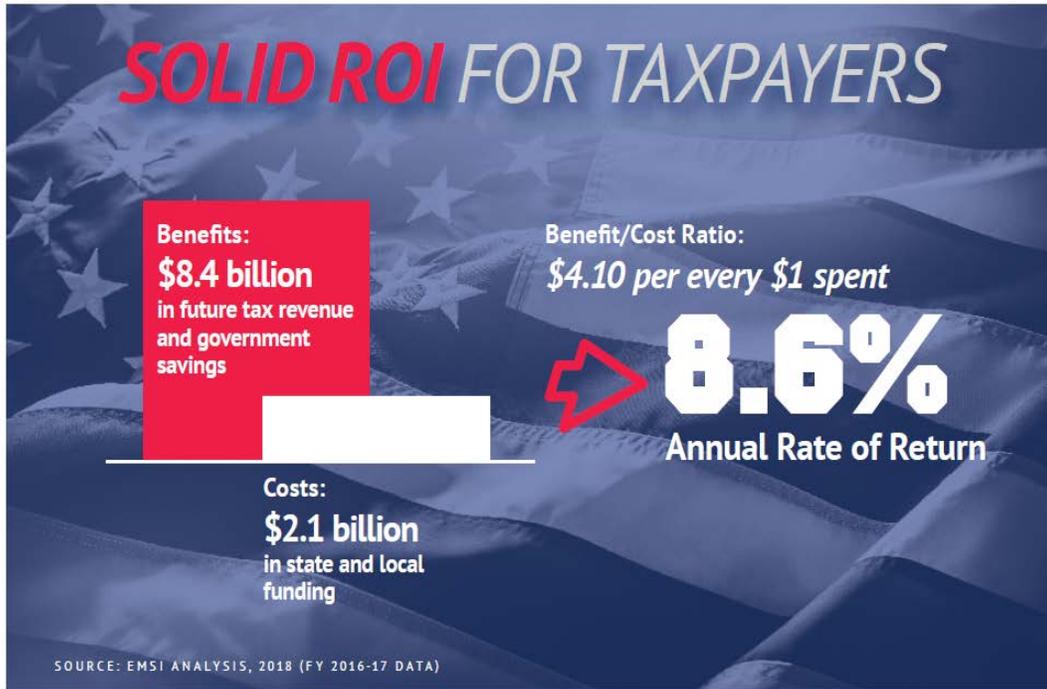


### Conclusion

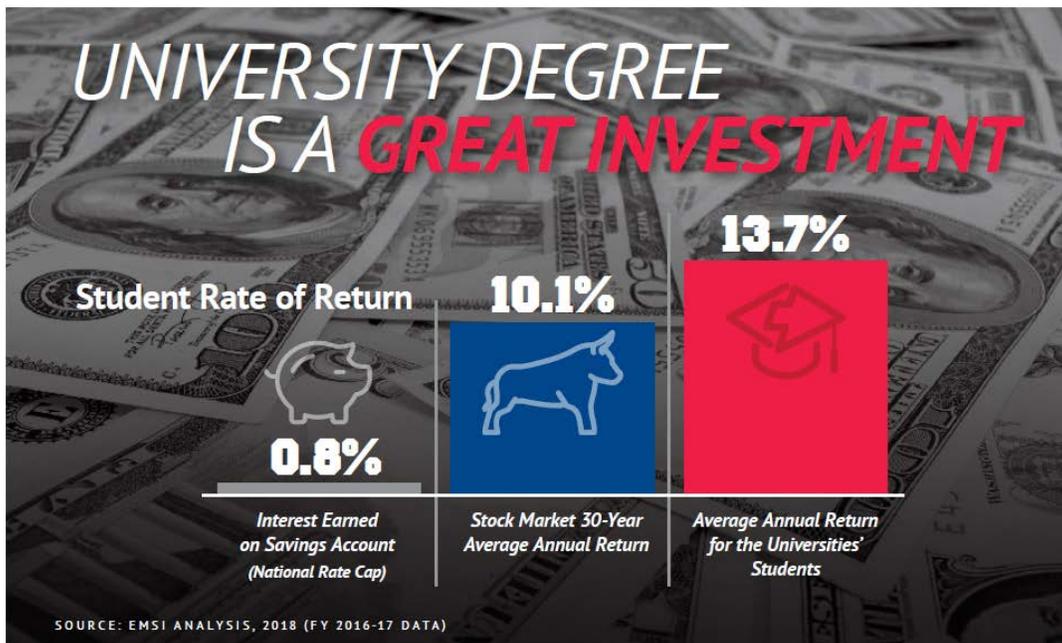
Mr. Chairman, members of the committee, thank you for your consideration of my testimony today on behalf of Ohio’s public universities. I think we would all agree that the students we serve are the foundation of Ohio’s future. Any obstacle to increasing the number of Ohioans with the knowledge and skills needed to succeed in college or work is a threat to our economic competitiveness and to our citizen’s opportunities to pursue their dreams. That is why we need to ensure that college is affordable for those attending. In conclusion, I would reiterate the points made earlier in my testimony.

1. It is unaffordable not to go to college based on the return that investment provides. The payoff for students and the public accrues most dramatically when students earn college degrees. For example, college graduates make more money than others and pay more taxes; are more likely to be employed, move up financially, and be entrepreneurs; are less likely to need public aid; are

likely to be healthier than others and to have lower health care costs; are more likely to volunteer, vote, be civic leaders, and report higher levels of personal and job satisfaction.



- It is unaffordable to not complete. A student who has borrowed money, paid for some college but who does not complete and earn a degree loses the opportunity to recover the investment already made. It is imperative that Ohio’s institutions of higher education work to make graduation possible for every student.



3. Public universities are working hard in many different areas, from textbooks to tuition to student services, to operate more efficiently, reduce costs, and provide greater savings and value to the student while not commoditizing or sacrificing the quality of our product.

The overall patterns are clear and dramatic – more education means increased opportunities. Although it requires a considerable investment of dollars, time, and effort, higher education measurably improves the lives of most who participate. It pays off very well for most students, both financially and in terms of personal and intellectual development. Higher education enriches people’s lives, makes our economy more efficient, and contributes to a more equitable society.

Thank you Mr. Chairman. I am happy to answer any questions the committee may have.