



**Department of
Higher Education**

Strong Start in Science



Ohio Student Loan Borrowers Reduce, Re-Enroll, Forgive

The Heart of Education

Overview and Agenda

- The Extent of the Problem
- Reducing Debt
- Enrolling and Re-Enrolling
- Transactional Debt Forgiveness
- Promising Practice: Ohio College Comeback Compact
- Value of Partnerships

What is the Extent of the Problem?

Unpaid Student Debt in Ohio

- Ohio Revised Code (ORC) section 131.02 (<http://codes.ohio.gov/orc/131.02v1>) states that, generally, institutions must certify past-due balances to the Ohio Attorney General's Office (OAG) for collection within 45 days after the institution determines that the amount is due or the 10th day after the beginning of the next academic term, whichever occurs later.

Impact of Unpaid Student Debt

- There is no requirement under Ohio law that students must be current in paying tuition and fees in order to enroll at an IHE. This is primarily an institutional decision.
- Ohio Administrative Code (OAC) 3333-1-02.1(b) (<http://codes.ohio.gov/oac/3333-1-02.1v1>) states that students who have not paid for a prior term by the 15th day of the current term are ineligible for State Share of Instruction (SSI) subsidy, unless they meet exemptions outlined in OAC 3333-1-02(D) (2), including debt forgiveness or repayment plan.
 - ORC 131.02(E)(1) allows an IHE in collaboration with the OAG to settle a claim. The IHE may reach a settlement amount with the student to cancel the debt and allow the student to re-enroll as a subsidy-eligible student.
 - ORC 131.02(E)(2) allows an IHE in collaboration with the OAG to set up a payment plan. The IHE may develop a payment plan or debt forgiveness program that allows specified students to participate and re-enroll as a subsidy-eligible student if they continue to meet the requirements of the program.

Certification of Unpaid Student Debt

- The average certified amount per student account is ~\$1500

Annual certifications of student debt to the Attorney General's office, cumulative amounts, and collections, FY2015 to FY2019. (Dollars in millions)							
	Certifications ^a		Active Inventory ^b (cumulative)		Collections ^c	Enrollment ^d	Certifications per student
	Number	Value	Number	Value	Value		
FY2015	52,261	\$75.1	356,301	\$650.3	\$50.9	499,755	0.10
FY2016	44,552	\$66.7	366,701	\$639.8	\$53.4	492,555	0.09
FY2017	39,846	\$61.3	376,567	\$685.2	\$48.7	491,430	0.08
FY2018	41,565	\$63.4	385,859	\$716.8	\$52.3	441,866	0.09
FY2019	41,061	\$61.5	390,018	\$735.6	\$54.5	438,572	0.09
Total	219,285	\$328.0	-	-	\$259.7	-	-

Source:
<https://www.policymattersohio.org/research-policy/quality-ohio/education-training/higher-education/collecting-against-the-future>

^aTotal accounts certified each fiscal year to the Attorney General's Office and dollar value (Source: AGO)

^bAccounts active at the end of each fiscal year; numbers cumulative over multiple years (Source: AGO)

^cTotal amount collected each fiscal year (Source: AGO)

^dHeadcount enrollment from the fall of each year (Source: Ohio Department of Higher Education)

Who Defaults?

- In September 2021, roughly 7.8 million Americans were in default on federal student loans
 - 5.47% of all student loan debt was in default in 2021
- Most student borrowers who were in default:
 - were Pell Grant recipients (67 percent);
 - did not earn a degree or credential (62 percent).
- In Ohio in 2019, there were almost twice as many active certified debt accounts per enrolled student for 2-year colleges compared with 4-year universities.

Sources:

- U.S. Department of Education, <https://www.ed.gov/sites/ed/files/policy/highered/reg/hearulemaking/2023/data-on-borrowers-in-default.pdf>
- <https://www.ed.gov/sites/ed/files/policy/highered/reg/hearulemaking/2023/data-on-borrowers-in-default.pdf>
- <https://www.policymattersohio.org/research-policy/quality-ohio/education-training/higher-education/collecting-against-the-future>



Reduce, (Re)Enroll, Forgive*



Reducing Student Debt

- Average tuition at Ohio's state colleges and universities is above the national average

Academic Year 22-23	University Tuition and Fees	University Affordability Ranking	Community College Tuition and Fees	CC Affordability Ranking
United States	\$35,248		\$3,598	
Ohio	\$37,610	30th	\$4,630	28th

Source:

- https://nces.ed.gov/programs/digest/d23/tables/dt23_330.20.asp

Reducing Student Debt

- State Support has not kept pace with inflation

Fiscal Year	University Total	Community College Total	Combined Total	% Increase	Annual Inflation Rate
2024	\$1,611,732,372	\$484,972,000	\$2,096,704,372	1.0%	2.4%
2023	\$1,597,298,400	\$478,463,002	\$2,075,761,402	0.9%	3.4%
2022	\$1,582,613,811	\$474,064,305	\$2,056,678,116	0.9%	6.5%
2021	\$1,569,160,619	\$470,034,467	\$2,039,195,086	1.0%	7.0%
2020	\$1,553,776,572	\$465,426,250	\$2,019,202,822	2.0%	1.4%
2019	\$1,523,160,544	\$456,256,006	\$1,979,416,550	0.0%	2.3%
2018	\$1,523,160,544	\$456,256,006	\$1,979,416,550	0.0%	1.9%
2017	\$1,523,160,544	\$456,256,006	\$1,979,416,550	4.0%	2.1%
2016	\$1,464,577,446	\$438,707,698	\$1,903,285,144		

Reducing Student Debt

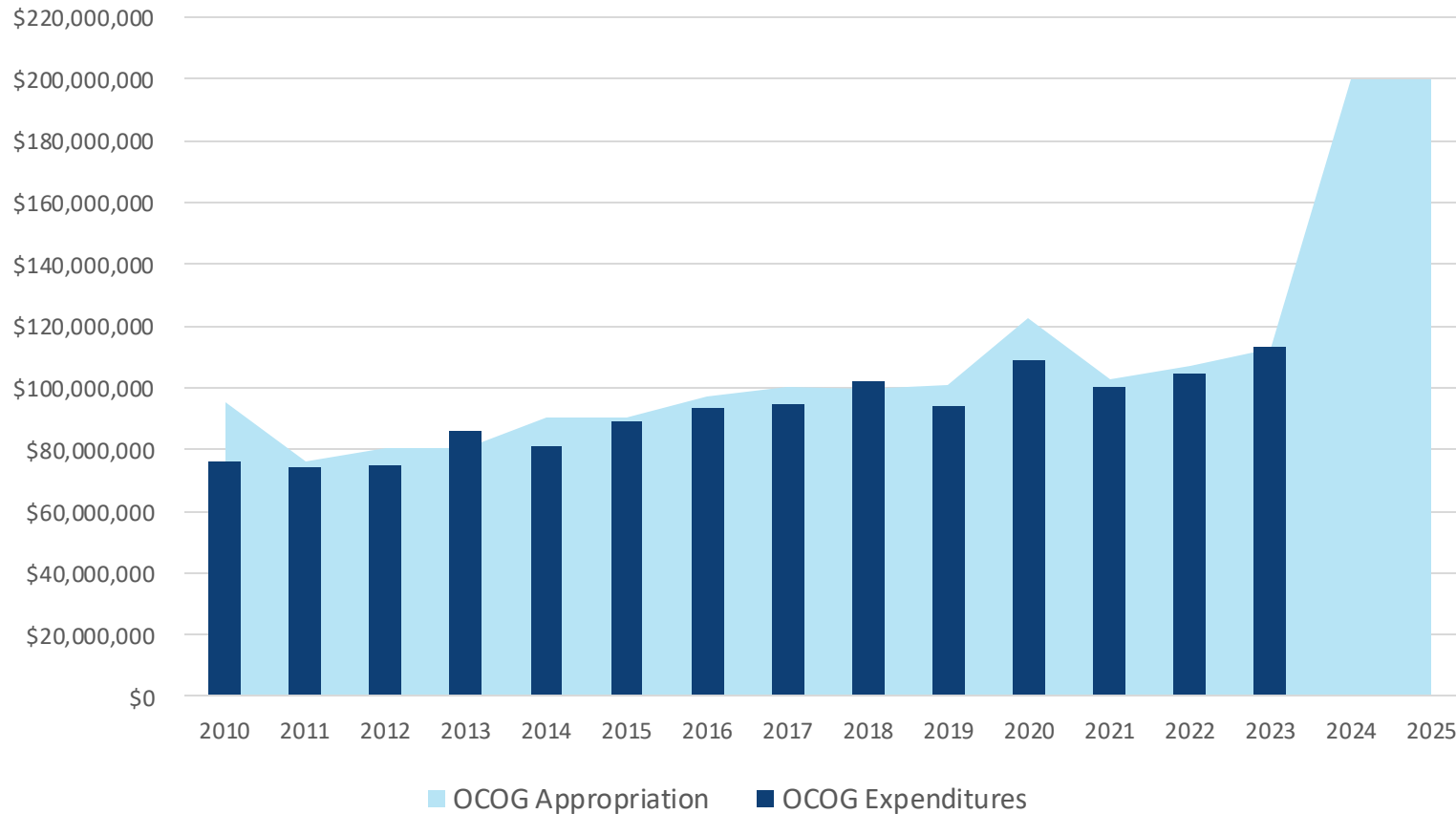
- Effective Tuition Freeze
 - Increases of less than 3%, and only between cohorts
 - Five-year percentage change in average tuition and fees
 - ~ 5% at universities
 - ~ 4% at community colleges

Reducing Student Debt

- Increase student financial aid
- New programs as of 2024
 - College Adoption Grant
 - Governor's Merit Scholarship
 - Great Minds Fellowship
 - Great Minds Fellowship Workforce Commitment Incentive Program
 - Grow Your Own Teacher Scholarship
 - Ohio Work Ready Grant
 - Rural Practice Incentive Program
 - Talent Ready Grant Program
 - Teach CS Grant Program

Reducing Student Debt

OCOG Expenditures and Appropriations



- Ohio College Opportunity Grant (OCOG) – Ohio’s primary need-based financial aid program

Enrollment and Re-Enrollment

- Transparency around time, cost, and value PRIOR to enrollment or acceptance of aid
 - Students today are debt averse and simply providing sticker prices is not enough
 - Accurate estimate of cost should be aligned to a student's intended program of study and path to completion
 - Clear communication includes financial aid, post-graduation outcomes, and cost differential across different institutions if they transfer
- Ohio House Bill 27 requires each state university to provide a financial cost and aid disclosure form prior to student decision deadline (community colleges at time of financial aid award)

Transactional Debt Forgiveness

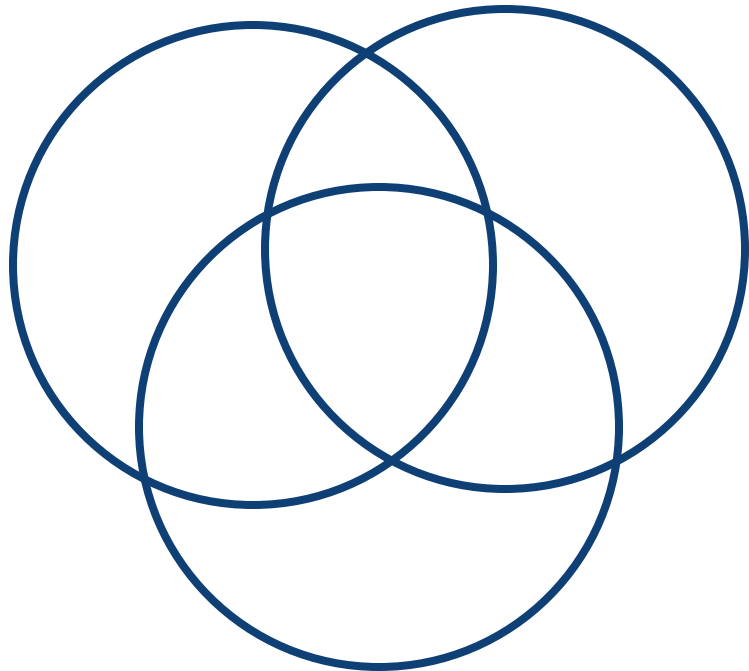
- \$57.95 Million in Forgivable Loans in Exchange for Job Commitment over the Biennium (FY24 - FY25)
 - Commercial Truck Driver Student Aid Program
 - \$2.55M in FY24 and \$2.55M FY25
 - Nurse Education Assistance Loan Program (NEALP)
 - \$1.15M in FY24 and \$1.2M in FY25
 - Great Minds Fellowship *and* Great Minds Fellowship Workforce Commitment Incentive Program
 - \$34M across FY24 and FY25
 - Grow Your Own Teacher Scholarship
 - \$5M in FY24 and \$10M in FY25
 - Rural Practice Incentive Program
 - \$1.5M across FY24 and FY25

Transactional Debt Forgiveness

- Addressing unpaid balances and institutional debt
 - 1.5 million Ohioans have some college, but no credential; when they choose to return, they face barriers including past due debts
 - One solution is a debt forgiveness program aligned with returning and successfully completing academic terms
- In 2021, ODHE released “College Comeback” guidance clarifying that debt forgiveness in exchange for re-enrollment/new tuition is allowable under Ohio law

Ohio College Comeback Compact

One intervention at the intersection of accessibility, affordability, and awareness



- Identifying and creating a **novel framework** for re-engaging a population that has traditionally been excluded from re-engagement efforts
- Addressing the **immediate impediment** – institutional debt and resulting holds – preventing adults from returning
- Partnering with a neutral third party to provide top-of-funnel **outreach and coaching** that is specific to this population

Ohio College Comeback Compact

One intervention at the intersection of accessibility, affordability, and awareness



- [Release transcript](#) holds so students can re-enroll and continue their education
- Reduce barriers that prevent students from degree completion by [eliminating institutional debt](#)
- Help institutions [capture a portion of lost revenue](#) they otherwise would not have
- Coordinate [centralized outreach and advising](#) to effectively target and reach stopped out learners

Ohio College Comeback Compact

One intervention at the intersection of accessibility, affordability, and awareness



Who is Eligible?

- Qualifying debt less than \$5,000 and only at one institution
- Stopped out for a year or more
- Cumulative GPA of 2.0 or higher

What is Required?

- Successful completion of the academic term
- Payment of new tuition and fees

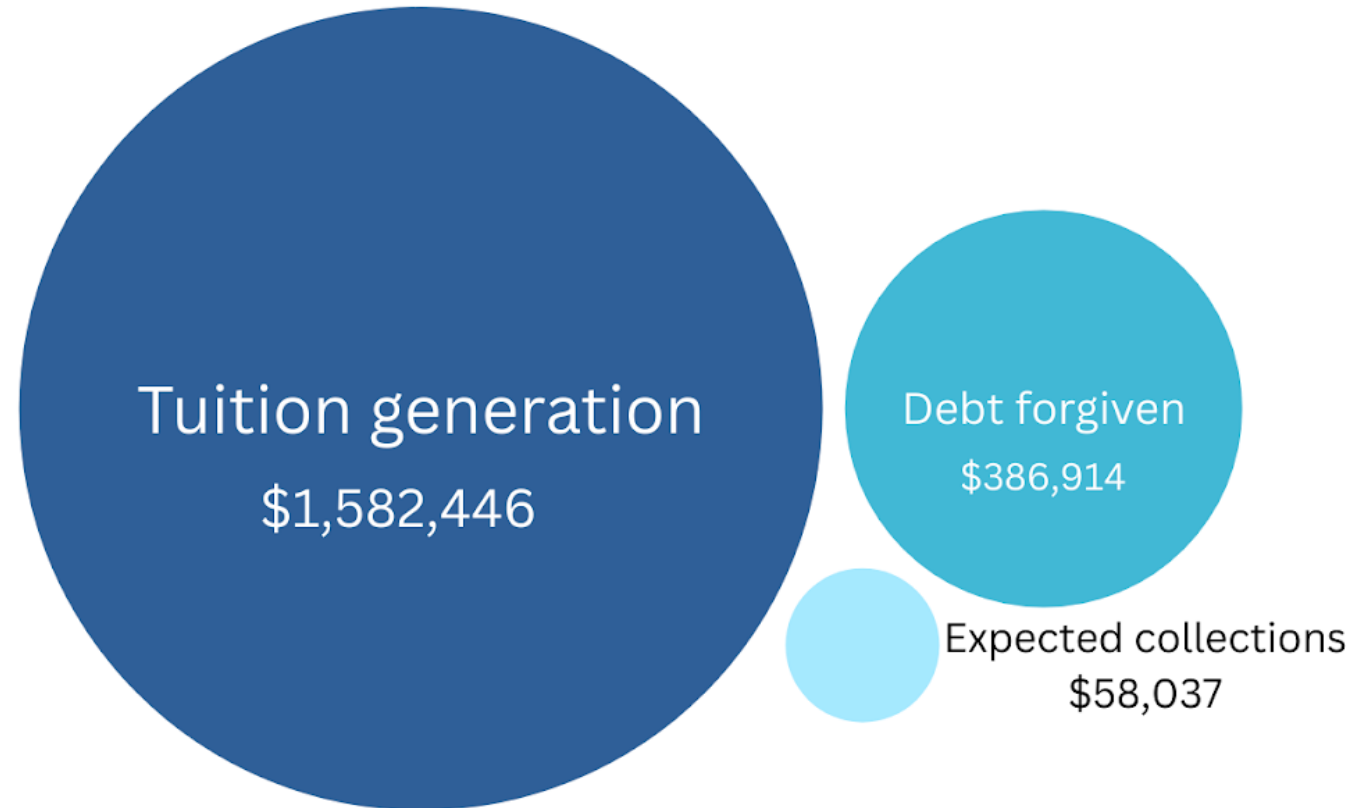
Ohio College Comeback Compact

One intervention at the intersection of accessibility, affordability, and awareness

- Students from historically underrepresented groups are more likely to have an unpaid balance and more likely to participate in the Compact
- Outcomes through first two years are positive
 - 500 Compact-eligible students have returned
 - 3.7% return rate, compared favorably to the 2% return rate of all Ohioans
 - 60 credentials completed
 - 89% of students have met some or all requirements for debt resolution
 - 33% of Compact-eligible enrolled students in Spring 2024 were persisting after debt resolution

Ohio College Comeback Compact

The business case for debt resolution



Ohio College Comeback Compact

Other considerations beyond the debt

- Participating students continue to face challenges related to cost of postsecondary education, competing priorities, and family obligations
- Intrusive advising and assistance are key to student success
- Students and administrators found they program to be a motivator for re-enrollment

Thank You!

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