

IUC Response to The Senate Challenge

Reducing the Cost of College for Students



The Senate Challenge

Reduce College Costs

For Ohio Students by 5%

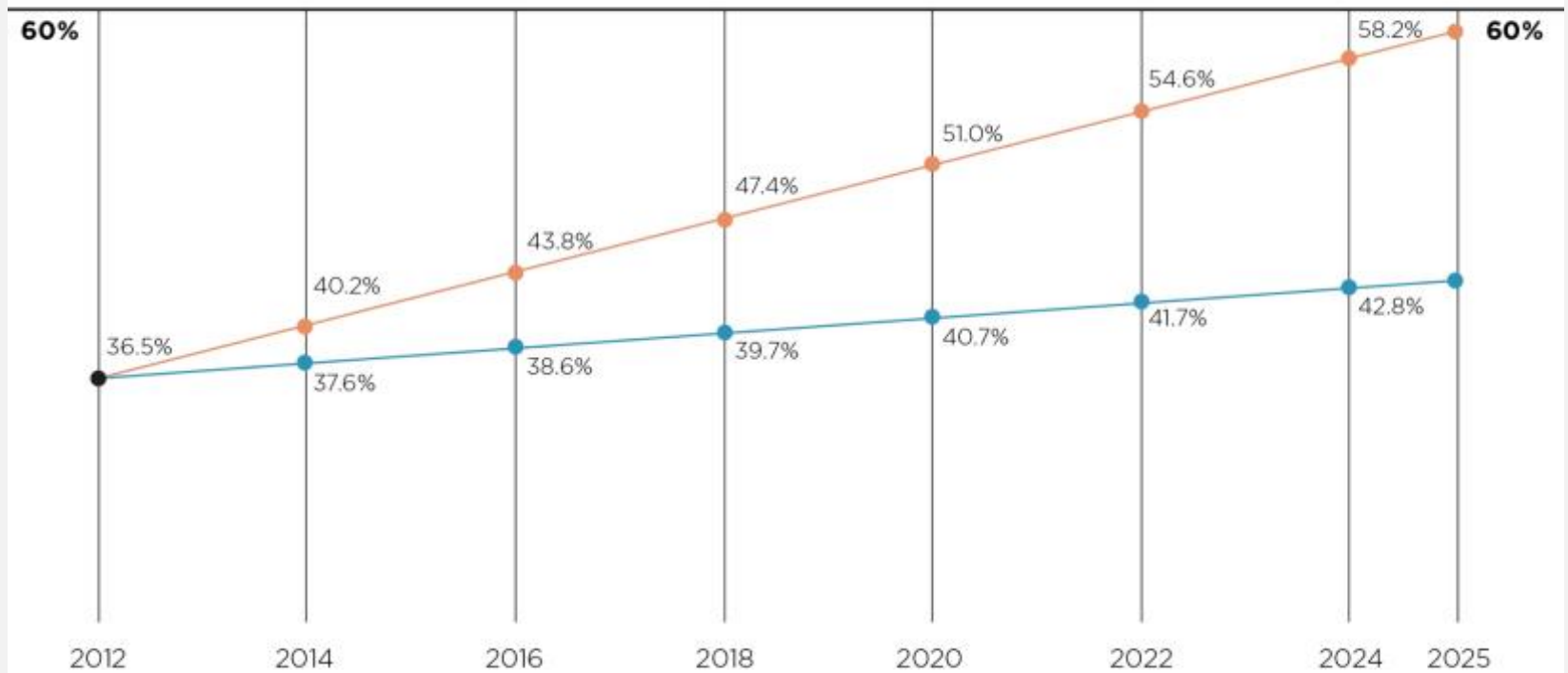
While Continuing to Improve Quality



Talent Gap Imperative

● Annual benchmarks (targets) for a straight-line trajectory to reach 60% attainment by 2025

● Expected percentages of degree holders among 25- to 64-year olds at the current rate



Source: The Lumina Foundation, "A Stronger Nation Through Higher Education"

Reducing Time to Degree

- Time is the enemy – and time is money
- The longer a student is in school, the higher the cost will be (and the higher student loan debt will be)
- **The most effective way to contain college costs for students and their families is to reduce the time it takes to earn a degree**



“Time to Degree” Cost Drivers

- Too much time taking non-credit remedial courses
- Inadequate course loads to stay on track & on time
- Excessive degree requirements
- Accumulating more credits than necessary to earn degree or certificate
- Unavailability of required courses
- Lost credits due to changing majors



Too few credits in each semester

- Nationwide, 70% of community college students referred to remedial math had not attempted a college-level math course within two years

Source: Community College Research Center, Teachers College, Columbia University

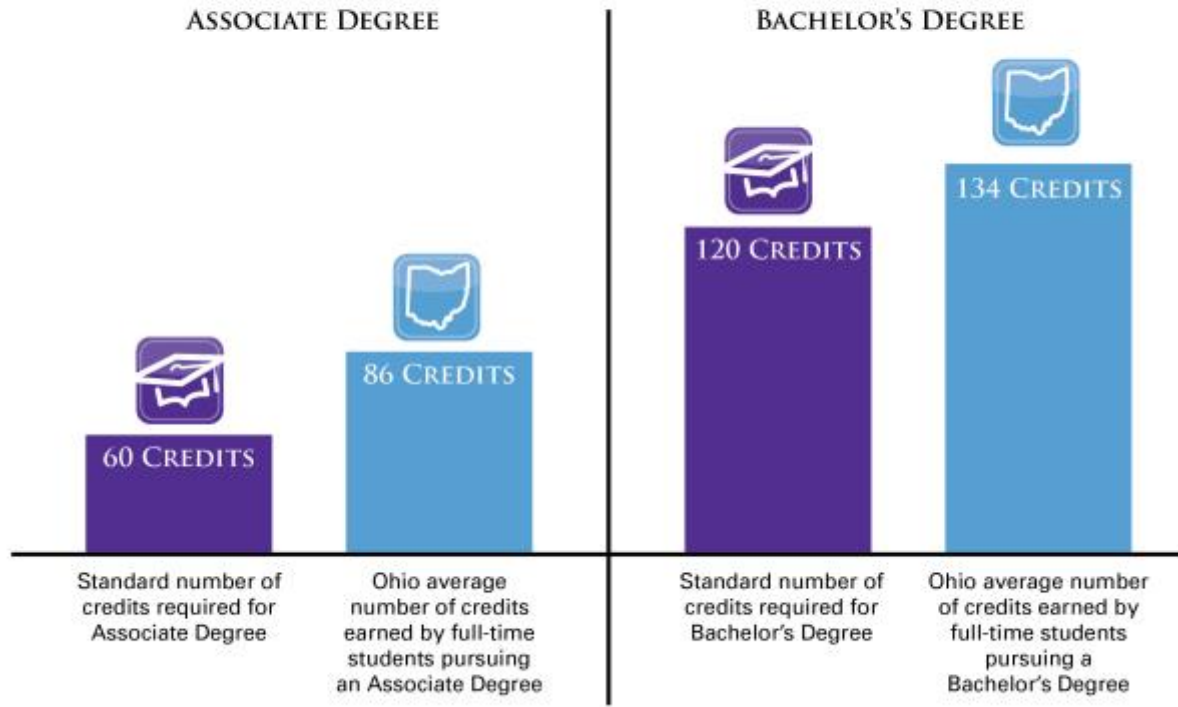
- Nationwide, just 29% of community college students and 50% of university students take the credits they need to graduate on time (15 credits per semester, 30 credits per year)

Source: Complete College America and Postsecondary Analytics, "How Full-time Are 'Full-time' Students?"



Excess Credits Drive Costs Up

TOO MANY GRADUATES EARN EXCESS CREDITS— DELAYING GRADUATION & DRIVING UP COSTS



Source: Complete College America, "Four-Year Myth"



Delayed Graduation “Tax”

The “Delayed Graduation” Tax



The Standard



Ohio Average



The Cost

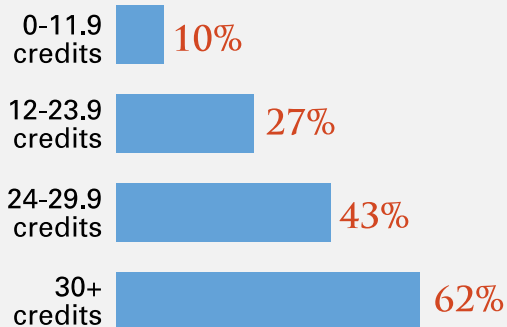
	The Standard	Ohio Average	The Cost
Associate Degree	2 years	4.1 years	<p>\$52,031 per year beyond the standard</p> <p><i>Cost of attendance: \$17,031</i></p> <p><i>Cost of lost wages: \$35,000</i></p>
Bachelor's Degree	4 years	4.5 years	<p>\$69,166 per year beyond the standard</p> <p><i>Cost of attendance: \$23,839</i></p> <p><i>Cost of lost wages: \$45,327</i></p>

NOTE: Full time students
 Source: Complete College America, “Four-Year Myth”

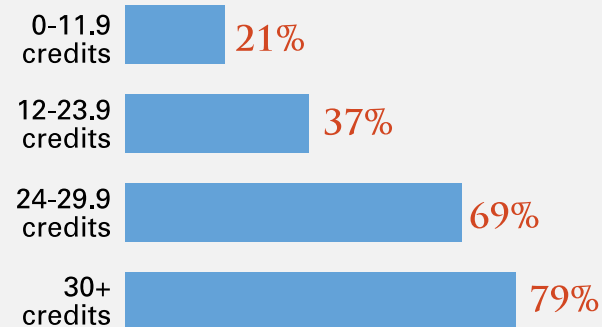
Full-Time Status Yields Big Dividends

MORE STUDENTS GRADUATE WHEN THEY COMPLETE 30+ CREDITS IN THEIR FIRST YEAR

ASSOCIATE DEGREE



BACHELOR'S DEGREE



Source: Complete College America, "Four-Year Myth"



Bottom Line

- Graduating late costs students and families tens of thousands of dollars
- Reducing time to degree could save students and families **more money** than a 5% cut in tuition will save them
- Nearly 60,000 Ohio 4 year students were “full time” but not taking enough hours to graduate in 4 years.



University Actions to Reduce Time to Degree

- Reduce number of credit hours required to graduate
- Mount a “15 to Finish” campaign
- Embed remediation in credit-bearing courses
- Reinvent academic advising (intrusive advising)



University Actions to Reduce Time to Degree

- Implement default scheduling
- Offer fast-track degree programs
- Make mathematics courses more relevant by aligning them to majors



State Actions to Reduce Time to Degree

- Provide resources for quality career advising in high school so students can consider their academic choices before enrolling in college
- Enact HB 1 (Workforce Grant program), which includes requirements and incentives for “on time” progress
- Enact SB 6 (Jones/Eklund bill), which increases the state income tax deduction incentive for saving for college



State Actions to Reduce Time to Degree

- Require each university to supplement its College Completion Plan with a plan to reduce time to degree
- Support an Innovation Fund to provide grants for innovative programs that reduce time to degree (Gov. \$20m)
- Provide adequate resources to the K-12 sector for the College Credit Plus program (Gov. plus \$5m)



Cost Savings For Students

- The cost to the student **of each additional year** is \$69,166
 - Cost of attendance: \$23,839
 - Cost of lost wages: \$45,327
- For every 1,000 students who avoid an extra year:
 - Potential savings for cost of attendance: \$23,839,000
 - Potential savings in additional wages: \$45,327,000
 - Additional State income taxes @3% rate: \$2,751,500



Student Tuition Rebate

- Provide tuition rebate/discount of up to 5% for students who complete 30 semester hours in the academic year.
 - State Incentive 75%
 - University Incentive 25%
 - Applied as financial aid the semester following the completion of 30 hour
 - Limited to 5% of the actual student fees paid.



Cost Estimate

- University students who earned 30+ credit hours = 89,338
 - 5% rebate of instructional fees for those 89,338 = \$27,478,000
- Additional students likely to take advantage of incentive = 58,328
 - 5% rebate for additional students=\$16,180,000
 - Students likely to take advantage took > 24 credits so they are technically full time, but not on track.



Total Cost to State and Universities

- Total Rebate Cost = \$ 43,658,000
- State of Ohio Cost = \$32,743,500
- University Rebate Cost = \$10,914,500



Questions?

