

Strategic Issues:

- In 1996, Central State University had its residence hall temporarily condemned, its faculty demoralized by layoffs, its enrollment falling, and a \$6 million budget deficit. After charges of discrimination against the historically Black institutions, the state later appropriated \$4 million for immediate repairs to residence halls and other buildings.
- State support for public colleges increased 4.5% in the 1996–97 academic year and funds for financial aid increased 10.3%.
- Muskingum College, a private institution in the state decreased its tuition from \$13,850 in 1995–96 to \$9,850 in 1997–97 in a move to make itself more popular and affordable.
- As a result of the Central State situation, a new law was passed in 1997 that allows state officials to intervene when public institutions are in trouble. Tuition increases were also capped at 6% for all colleges.
- Because the Ohio Supreme Court declared that there were funding inequities in K–12 education, \$9 million was taken from higher education's \$2.1 billion appropriation and given to K–12 schools.
- The 1999–2000 budget bill included “challenge funds” to assist urban universities, needy students, and basic research.

Summary

- *Challenge:* During the 1990s Ohio's rates for high school graduation and college enrollment by graduates were nearly equal to the U. S. average. Like the nation as a whole, Ohio faces the challenge of responding to new economic pressures by improving the high school graduation rates and improving access for low-income, college qualified high school graduates.
- *System Issues:* Ohio was a high-tuition state with a moderate level of investment in need-based grants. The state invested more substantially in non-need grants than the U. S. average. Ohio improved funding for K–12 education during the 1990s. This pattern promoted preparation and access for the majority of qualified students while perpetuating inequalities for low-income high school graduates, especially if they did not maintain sufficient grades to secure merit aid.
- *Opportunity:* Had Ohio invested in need-based grant aid at a level equaling the equity standard in the 1990s, it is estimated that an additional 32,000 students would have graduated from high school and an additional 106,000 students would have had the opportunity to enroll as freshmen. Participation in the proposed state-federal partnership would help the state maintain a more equitable approach to the financing of higher education.

Access Indicators*High School Graduation Rates* (Table 35.1)

There was a slight decline in the high school graduation rates in Ohio over the decade. In 1992, Ohio's high school graduation rate was 72%. However, the graduation rate dropped to 71% by mid-decade and rested at 70% at the close of the decade. The graduation rates in Ohio fared relatively well compared to the national average. In 1992, Ohio was one percentage point above the national average; and at the end of the decade, Ohio was three percentage points above the national average.

College Enrollment Rates (Table 35.1)

College enrollment rose over the course of the decade. At the start of the decade, the college enrollment rate in Ohio was 50% and increased to 56% at the end of the decade. In comparison to the national average, Ohio was four percentage points below the national average for college enrollment rates at the start of the decade and

was one percentage point below the national average at the close of the decade.

State Demographics

State Demographics (Table 35.2)

Ohio residents saw a slight decrease in their poverty level over the decade. At the start of the decade, 13% of Ohio residents were in poverty, but at the end of the decade only 10% of the residents lived in poverty. The poverty level in Ohio was about one percentage point below the national poverty level over the decade. The percent of Ohio residents with a bachelor's degree or higher increased over the course of the decade. For the first half of the decade, 19% of Ohio residents held these degrees. However, at the end of the decade, 25% of Ohio residents held a bachelor's degree or higher. Ohio was two percentage points below the national average at the start of the decade and one-half of a percentage point below the national average at the culmination of the decade.

State System Composition (Table 35.3)

The percent of students who chose to attend public, four-year institutions in Ohio dropped slightly over the decade. At the start of the decade, 52% of Ohio students chose to attend four-year institutions, but by the end of the decade, 49% of students were enrolled in the public, four-year sector. The number of students who attended public two-year institutions increased over the decade. In 1992, 22% of students attended public two-year institutions. By mid-decade, those who attended public two-year institutions increased to 23% and to 24% by the end of the decade. The number of students attending private institutions remained around 27% over the decade, similar to the national average.

Financial Indicators

State Financial Capacity (Table 35.4)

The state tax rates in Ohio remained around 6% over the decade, about one percentage point below the national average. Expenditures for K-12 education gradually increased over the decade. In 1992, Ohio invested \$3,577 per student at the K-12 level and increased their investment to \$4,156 per student at the end of the decade. Ohio gained modest ground in comparison to the national average. Ohio was \$950 below the national average for K-12 expenditures at the start of the decade and only \$37 below the national average at the end of the decade.

Educational Revenue (Table 35.5)

Educational revenue in Ohio increased sharply over the course of the decade. At the start of the decade, state and local appropriations were \$5,087 per FTE and rose to \$6,060 per FTE by mid-decade. At the end of the decade, educational revenue stood at \$8,499 per FTE. Compared to the national average, education revenue in Ohio was \$1,272 below the national average at the start of the decade and \$1,004 above the national average at the culmination of the decade. Adding tuition to state and local appropriations, educational revenue was \$8,499 per FTE at the beginning of the decade, increased to \$9,806 per FTE by the middle of the decade, and rested at \$12,468 per FTE at the end of the decade. Total educational revenue was \$191 below the national average at the start of the decade but \$2,245 above the national average by the close of the decade.

Tuition and Fees (Table 35.6)

There was a slight increase in tuition and fee charges for Ohio students over the decade. At the beginning of the decade, students paid, on average, \$3,413 for tuition and fees at public institutions. By the middle of the decade, tuition and fee charges increased to \$3,746; and at the end of the decade, students in Ohio paid \$3,970 for tuition and fees. In 1992, students in Ohio paid \$1,080 more than the national average in tuition and fees; and by the end of the decade, they paid \$1,241 more than the national average.

Need-based Grants (Table 35.6)

Ohio's investment in need-based grants remained relatively unchanged over the course of the decade. The state started the decade spending, on average, \$272 per FTE on need-based grants and that amount increased to \$320 per FTE in 1996. However, at the end of the decade, the state spent \$269 per FTE on need-based grant aid. Ohio consistently spent less than the national average on need-based grants over the decade. In 1992, Ohio spent \$72 per student less than the national average and at the close of the decade spent \$98 less than the national average on need-based grants.

Non-need Grants (Table 35.6)

Ohio invested an increasingly larger share of funds per FTE in non-need based grants, more than the national average. At the start of the decade, Ohio invested around \$114 per FTE in non-need grants and increased that amount to \$154 in 1996. At the end of the decade, Ohio invested \$205 per FTE on non-need based grants. In comparison to the national average, Ohio spent \$76 more on non-need grants at the start of the decade; but at the end of the decade, the state spent \$92 more than the national average on non-need based grants.

Projections

Coordinated System of Grants (Table 35.7)

Had Ohio increased its need-based grant aid, given tuition charges, 3,200 more students would have graduated from high school, a two percentage point increase. Of the state high school graduates, 10,600 more students would have attended postsecondary institutions within the state, a seven percentage point increase.

Federal Grant Program Prospectus

If the federal government had provided incentives for Ohio to provide adequate grant aid, equaling one-quarter of the tuition on top of current state aid, 4,800 additional high school students would have graduated; a three percentage point increase. Among high school graduates, 16,000 more would have enrolled in postsecondary institutions, an 11 percentage point increase over the current college continuation rate.