



## College Comeback

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### A Summary of Ohio Law and Policy on Outstanding Student Balances Owed and Debt-Forgiveness Models that Can Be Applied in Ohio

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**Approximately 1.5 million Ohioans have some college, but no degree (or credential).** This presents a critical challenge to maximizing the economic opportunity for that individual as well as for the greater good of the State of Ohio's economy. These students enrolled in post-secondary education seeking a degree, but we didn't get them across the finish line.

If we successfully help Ohioans enjoy a "college comeback" resulting in a degree (or credential), we can make significant strides toward increasing Ohio's educational attainment, improving expected gross domestic product, average wages, employment rate and Ohio's economy.

**Among the barriers to a college comeback for this population are past-due debts owed to institutions of higher education at which they were previously enrolled, nearly always resulting in an inability to receive a transcript to complete college elsewhere.**

Facing these barriers, many students opt never to return and complete their degree.

**In recent years, some institutions of higher education – notably Cleveland State University, Clark State College, Lorain County Community College, Stark State College, and Zane State College right here in Ohio – have begun to offer new debt forgiveness programs. Cleveland State is currently offering up to \$5,000 in debt forgiveness – among the best offers we've seen nationally. Lorain and Clark State are both offering up to \$1,000 in debt relief.**

A national example is Wayne State University in Detroit. The "Warrior Way Back" program forgives up to \$1,500. As of fall 2020, it has attracted 191 adult students, helped 43 graduate, and produced a net positive \$1,000,000 return on investment.

This model of debt forgiveness in exchange for new enrollment has generated national attention in higher education thinking. Those studying the model include the [Institute for Higher Education Policy \(IHEP\)](#), [Lumina Foundation](#) and [Ithaka S+R](#).

As higher education institutions look for innovative ways to expand enrollments and meet state and regional workforce needs, the Ohio Department of Higher Education is sometimes asked:

**"Can Ohio institutions offer debt forgiveness in exchange for new tuition?" The answer is yes.**

This guidance from the Ohio Department of Higher Education helps explain why and how.

## Examples of Debt Forgiveness Programs – Nationally and in Ohio

Debt forgiveness programs generally consist of three components:

1. A written agreement with the student detailing financial responsibilities
2. Academic entry and progress requirements
3. Cancellation of past-due debt when requirements are met, typically each term

State: **Ohio** | Institution: **Cleveland State University**  
Program Name: **Project Re-start Debt Forgiveness Program**

|                                 |   |
|---------------------------------|---|
| Maximum amount of debt forgiven | <ul style="list-style-type: none"><li>• up to \$5,000</li></ul>   |
| Requirements for eligibility    | <ul style="list-style-type: none"><li>• 2.0 GPA</li><li>• Cannot have attended for at least one semester</li></ul>  |
| Student agreement               | <ul style="list-style-type: none"><li>• Pay for the current term in full</li><li>• Complete all enrolled course work in good academic standing</li><li>• Meet with assigned academic advisor on a regular basis</li><li>• Meet with faculty/staff mentor on a regular basis</li></ul>   |
| Return on investment            | <ul style="list-style-type: none"><li>• Debt forgiven: Students who returned and enrolled full time (12 credit hours or more) may have up to \$5,000 forgiven (\$2,500 each term). Students enrolled part-time (less than 12 credits) may have up to \$2,500 forgiven (\$1,250 each term).</li><li>• Revenue: Tuition for full time student, 2 terms \$11,185.20; continuing enrollment tuition; SSI for course completion and graduation</li></ul> |

*Note: Cleveland State's program is restricted to students with balances on file with the institution, but not forwarded to the Ohio Attorney General's (OAG) office for collection.*

State: **Ohio** | Institution: **Clark State College**  
 Program Name: **The New Beginning**

|                                 |   |
|---------------------------------|---|
| Maximum amount of debt forgiven | <ul style="list-style-type: none"> <li>Up to \$1,000 balance held by Clark State</li> <li>2.0 GPA required to be eligible</li> <li>Must not have been enrolled at Clark State the previous semester when applying for the program</li> </ul>  |
| Requirements for eligibility    | <ul style="list-style-type: none"> <li>Must complete FAFSA</li> <li>Attend financial aid &amp; literacy session</li> <li>Must be within 1 – 2 semesters of completion</li> </ul>  |
| Student agreement               | <ul style="list-style-type: none"> <li>Complete all required courses within academic program</li> <li>Meet with Success Coach one time per month</li> <li>Enroll in minimum of 6 credit hours for the semester</li> <li>Reimburse previous and any newly created balance if course completion is not met</li> </ul> |
| Return on investment            | <ul style="list-style-type: none"> <li>Debt up to \$1,000 by the college and recalled from AG if necessary</li> <li>Revenue of tuition and fees collected on 6 credit hours, \$991.98; SSI for course and degree completion</li> <li>Goodwill with students completing their degree</li> </ul>                      |

State: **Ohio** | Institution: **Lorain County Community College**  
 Program Name: **Commodore Comeback**

|                                 |   |
|---------------------------------|---|
| Maximum amount of debt forgiven | <ul style="list-style-type: none"> <li>up to \$1000 of balance held by Lorain</li> </ul>  |
| Requirements for eligibility    | <ul style="list-style-type: none"> <li>2.5 GPA</li> <li>Cannot have attended class at Lorain for two or more years</li> <li>FAFSA on file</li> <li>Have completed financial aid information for grant/loan eligibility</li> <li>Must pay remaining balance</li> </ul> |
| Student agreement               | <ul style="list-style-type: none"> <li>Enroll in a minimum of 6 credit hours in the returning term</li> <li>Cannot drop courses the first term</li> <li>Meet with an advisor to complete an Academic Plan</li> </ul>  |
| Return on investment            | <ul style="list-style-type: none"> <li>Debt Forgiven: up to \$1,000 in balance held by Lorain, debt cancelled at OAG</li> <li>Revenue: \$886.50 tuition for six credit hours; continuing enrollment tuition; SSI for course completion and graduation</li> </ul>      |

*Note: : Lorain County Community College's "Commodore Comeback" debt forgiveness program is available to students regardless of whether past due balances have been forwarded to the Attorney General's office for collection.*

|                                 |  |
|---------------------------------|--|
| Maximum amount of debt forgiven | <ul style="list-style-type: none"> <li>• up to \$1,500</li> </ul>  |
| Requirements for eligibility    | <ul style="list-style-type: none"> <li>• 2.0 GPA or higher,</li> <li>• FAFSA on file</li> <li>• The student cannot have attended Wayne State for at least two years</li> </ul>   |
| Academic Progress               | <ul style="list-style-type: none"> <li>• Requires continuous enrollment for three of four semesters or graduation (whichever comes first)</li> </ul>   |
| Return on investment            | <ul style="list-style-type: none"> <li>• Debt forgiven: \$500 dollars per semester or at graduation</li> <li>• Revenue: Tuition for three semesters at \$1,539.77 per course (minimum enrollment per semester); continuing enrollment tuition</li> </ul> |

## Frequently Asked Questions (FAQs)

### 1. May an Ohio institution offer a college comeback (debt forgiveness) program to students with an outstanding balance?

Yes. Ohio law does not bar a student with an outstanding balance from enrolling in college. If a repayment plan is entered into between the student and the institution, the student will also be eligible for state subsidy (SSI) funding for the institution.

### 2. What steps are necessary to provide a college comeback program for students?

A program should be structured in such a way that specific eligibility criteria are established and all students who meet that criteria can participate. For instance, eligibility requirements should be established that address:

- the amount of outstanding balance owed that would be forgiven;
- the required academic standing the student must meet to re-enroll; and
- the required standards of academic progress the student must meet to continue.

For institutions considering offering a debt forgiveness program for the first time, the department recommends contacting Senior Vice Chancellor Mike Duffey at [mduffey@highered.ohio.gov](mailto:mduffey@highered.ohio.gov) for assistance throughout the process.

### 3. Can students participating in a forgiveness program be counted as subsidy eligible?

Yes, if a program created to forgive or restructure outstanding balances is formally created by the institution and meets the criteria outlined in OAC 3333-1-02.1, then participating students who meet program requirements are subsidy eligible.

As a result, the enrolling institution of higher education would qualify for state share of instruction (SSI) funding for that student. Ohio Revised Code and Ohio Administrative Code

currently allow students to enroll and be eligible for SSI if they have entered a debt forgiveness or repayment plan with the institution.

**4. May an institution that creates such a program include student balances already sent to the OAG, or is a program limited to balances still held directly by the institution?**

Yes, sections in ORC 131.02 allow the OAG to settle a claim or create a payment plan. Therefore, accounts already sent to the OAG can be part of a forgiveness or repayment program. The institution will need to coordinate with the OAG as the official debt collector to adjust such outstanding balances. Please contact Dan Tharp, Deputy Director for In-House Collections, at [Daniel.Tharp@OhioAGO.gov](mailto:Daniel.Tharp@OhioAGO.gov).

**5. What if my institution would like to partner with another college or university, or group of institutions on a reciprocity basis? May we form a debt forgiveness compact?**

Yes! Under Ohio law, the principles remain largely the same. Two or more institutions may enter into a joint agreement to share transcripts of students with past due debt, including but not limited to an agreement between the institutions for assistance with the student entering into a repayment plan or sharing the new tuition collected for purposes of debt forgiveness.

Again, we recommend calling the Ohio Department of Higher Education to assist you in development of a program. Please contact Senior Vice Chancellor Mike Duffey at [mduffy@highered.ohio.gov](mailto:mduffy@highered.ohio.gov).

We also recommend consulting the Ohio Attorney General's office as the official debt collector for state institutions. Please contact Dan Tharp, Deputy Director for In-House Collections, at [Daniel.Tharp@OhioAGO.gov](mailto:Daniel.Tharp@OhioAGO.gov).

**6. Our institution has never considered forgiving or settling outstanding balances of students no longer attending. Why should my institution consider creating a program to address this?**

As advocates for college attainment, the State of Ohio and our institutions of higher education share an interest in helping students make a comeback to finish their degree. In addition to the benefits to the student, institutions also benefit from increased enrollment, improved graduation rates and increased tuition revenue.

Unfortunately, "stop outs" are all too common, in Ohio and across the country. Many students face challenges beyond the traditional academic considerations. Often, the educational path for students is disrupted by life events such as job loss, changing family responsibilities, etc. And when these events occur, students often leave college with outstanding debt amounts – some of which they might not immediately realize.

An outstanding balance owed to a college or university should not by itself be a barrier to access at a time when we need more college-educated citizens in the workforce. Innovative measures that balance the needs of the student, the institution, and the state can be utilized in a way that creates a win-win for all parties.

## Legal Framework

There is no requirement under current Ohio law that students must be current in paying tuition and fees in order to enroll at an institution. Rather, this is primarily an institutional decision.

However, 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.

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 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.

Importantly, the date that the balance is due is not specified and may be set by the institution.

Section E of 131.02 also provides some authority to adjust the claim or terms of payment, while still requiring accounts in arrears to eventually be forwarded to the Ohio Attorney General for collection, if collections by the institution are not successful.

Once a debt has been certified by the institution to the OAG as past due, there is less flexibility, but viable options still exist to address the claim, including:

- Ohio Revised Code ORC 131.02(E)(1) allows an IHE in collaboration with the OAG to compromise (settle) a claim. The institution 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 institution 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.

## Available Options to Create a Debt Forgiveness Program

Taken together, the Ohio Revised Code and Administrative Code provide flexibility for the establishment of a debt forgiveness or repayment plan in which the student remains eligible for state share of instruction subsidy to the institution.

**To qualify for SSI for a student with outstanding balances still held by the institution:**

- The student must enter a debt forgiveness or repayment plan with the institution prior to the 10th day of the subsequent term.
- Consequently, the debt is not reported to the OAG on the 15th day of the term.
- The student will remain eligible for SSI as long the repayment plan is met.

## To qualify for SSI for a student after the debt has been forwarded to the OAG for collection:

- Prior to the 15th day of the term the student wishes to enroll, the student must enter a debt forgiveness or repayment plan with the institution to qualify for SSI subsidy. This may include provisions for both the current debt and previously forwarded debt.
- The institution should contact the OAG and reclaim the previously reported debt.
- The student remains eligible for SSI as long the repayment plan is met.

A debt forgiveness program should comply with ORC 131.02 (E); it may consist of a payment plan, debt cancellation, or a combination of the two.

All institutional plans for debt forgiveness must be approved by the OAG and Chancellor.

## Appendices: Sample Debt Forgiveness Agreements

- **Appendix A:** Cleveland State University: Project Re-start Debt Forgiveness Program Student Agreement
- **Appendix B:** Sample College Comeback Template - \$5,000 debt relief maximum
- **Appendix C:** Sample College Comeback Template - \$1,500 debt relief maximum

## Questions?

### Ohio Department of Higher Education

Senior Vice Chancellor Mike Duffey

[mduffy@highered.ohio.gov](mailto:mduffy@highered.ohio.gov)

### Ohio Attorney General's Office

Deputy Director of In-House Collections Daniel Tharp

[Daniel.Tharp@OhioAGO.gov](mailto:Daniel.Tharp@OhioAGO.gov)

# APPENDIX A

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## Project Re-start Debt Forgiveness Program

Name \_\_\_\_\_

CSU ID \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Address/phone updated in CampusNet

I understand that I have a previous balance due to Cleveland State University of \_\_\_\_\_. To be eligible for the Project Re-start Debt Forgiveness Program, I must meet the following conditions prior to enrolling:

- Attend an intake appointment with the Re-Connect to College Office
- Develop an approved academic plan for completing degree requirements
- Create an approved financial plan outlining how all current charges will be covered for the Fall/Spring term

Cleveland State will forgive ½ of your past due balance\* at the end term 1 and the other ½ balance at the end of term 2 if you:

- Complete all enrolled course work in good academic standing
- Pay for the current term in full
- Meet with my assigned academic advisor on a regular basis
- Meet with my faculty/staff mentor on a regular basis

*The cancellation of a debt in excess of \$600 must be reported to the Internal Revenue Service via a 1099-C. Cleveland State University complies with the reporting requirements of the IRS. For additional information please refer to IRS Publication 4681.*

Failure to comply with all of the above will make you ineligible for the Project Re-start Debt Forgiveness Program and will result in:

- Cancellation of all future enrollment
- No reduction of your past due balance
- A Request for immediate payment in full
- If a payment in full is not made acceleration and placement of my account will take place. My account will be sent to the Ohio Attorney General's Office for collection where additional collection fees and daily interest will be assessed
- I will be ineligible to receive University services including, but not limited to, future registration and official transcript requests

\*Students enrolled full time (12 credit hours or more) may have up to \$5000 forgiven (2500 each term). Students enrolled part-time (less than 12 credits) may have up to \$2500 forgiven (1250 each term)

# APPENDIX A

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\_\_\_\_\_  
Student Full Signature

\_\_\_\_\_  
Date

Academic Plan on File \_\_\_\_\_

Financial Plan:

Fall

Spring

|                     | Fall | Spring |
|---------------------|------|--------|
| Financial Aid Award |      |        |
| Grants              |      |        |
| Loans               |      |        |
| Scholarships        |      |        |
| Remaining Balance   |      |        |
|                     |      |        |

Financial Plan Approval \_\_\_\_\_

# APPENDIX B

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## College Comeback

[Institution of Higher Education]

### Re-Enroll to Receive Up to \$1,500 in Debt Forgiveness While You Finish Your Degree!

Student Name \_\_\_\_\_

Student ID \_\_\_\_\_

Address \_\_\_\_\_

Email \_\_\_\_\_

I understand that I have a previous balance due to [Institution of Higher Education] of \_\_\_\_\_ (amount). To be eligible for **College Comeback**, I must meet the following conditions prior to enrolling:

- [If applicable] Attend an appointment with an academic counselor
- [If applicable] Provide a completed FAFSA on file with the institution
- Develop an approved academic plan for completing my degree
- Create an approved financial plan outlining how current charges will be covered

[Institution of Higher Education] will forgive 50% of your past due balance, up to a maximum of \$1,500\* at your first term of re-enrollment and an additional 50% of past due balance after your second term, if you:

- Complete all enrolled coursework in good academic standing
- Pay current term tuition and fees in full and on time
- Meet with my assigned academic advisor on a regular basis
- Meet with my faculty/staff mentor on a regular basis

Failure to comply with these terms make you ineligible for **College Comeback**, resulting in:

- Inability to maintain enrollment
- Inability to forgive of your past due balance.
- Responsibility to pay current outstanding balances.

I acknowledge that Ohio law requires my institution to refer outstanding balances to the Ohio Attorney General's office for collection, where additional collection fees and interest are added.

**Maximum Debt Forgiveness Eligibility: Students enrolled full time (12 credit hours or more) may receive up to \$1,500 in debt forgiveness (\$750 per term for up to two terms). Students enrolled part-time (less than 12 credits) may receive up to \$750 forgiven (\$375 each term up to two terms).**

*Cancellation of debt in excess of \$600 must be reported to the Internal Revenue Service via a 1099-C. For more information, please read I.R.S. Publication 4681.*

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Signature of Student

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Date

# APPENDIX B

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Academic Plan on File \_\_\_\_\_

Financial Plan:

Fall \_\_\_\_

Spring \_\_\_\_

|                     |  |  |
|---------------------|--|--|
| Financial Aid Award |  |  |
| Grants              |  |  |
| Loans               |  |  |
| Scholarships        |  |  |
| Remaining Balance   |  |  |
|                     |  |  |

Financial Plan Approval \_\_\_\_\_

# APPENDIX C

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## ***College Comeback***

[Institution of Higher Education]

### **Re-Enroll to Receive Up to \$5,000 in Debt Forgiveness While You Finish Your Degree!**

Student Name \_\_\_\_\_

Student ID \_\_\_\_\_

Address \_\_\_\_\_

Email \_\_\_\_\_

I understand that I have a previous balance due to [Institution of Higher Education] of \_\_\_\_\_ (amount). To be eligible for ***College Comeback***, I must meet the following conditions prior to enrolling:

- [If applicable] Attend an appointment with an academic counselor
- [If applicable] Provide a completed FAFSA on file with the institution
- Develop an approved academic plan for completing my degree
- Create an approved financial plan outlining how current charges will be covered

[Institution of Higher Education] will forgive 50% of your past due balance, up to a maximum of \$5,000\* at your first term of re-enrollment and an additional 50% of past due balance after your second term, if you:

- Complete all enrolled coursework in good academic standing
- Pay current term tuition and fees in full and on time
- Meet with my assigned academic advisor on a regular basis
- Meet with my faculty/staff mentor on a regular basis

Failure to comply with these terms make you ineligible for ***College Comeback***, resulting in:

- Inability to maintain enrollment
- Inability to forgive of your past due balance.
- Responsibility to pay current outstanding balances.

I acknowledge that Ohio law requires my institution to refer outstanding balances to the Ohio Attorney General's office for collection, where additional collection fees and interest are added.

**Maximum Debt Forgiveness Eligibility: Students enrolled full time (12 credit hours or more) may receive up to \$5,000 in debt forgiveness (\$2,500 per term for up to two terms). Students enrolled part-time (less than 12 credits) may receive up to \$2,500 forgiven (\$1,250 each term up to two terms).**

*Cancellation of debt in excess of \$600 must be reported to the Internal Revenue Service via a 1099-C. For more information, please read I.R.S. Publication 4681.*

# APPENDIX C

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\_\_\_\_\_  
Signature of Student

\_\_\_\_\_  
Date

Academic Plan on File \_\_\_\_\_

Financial Plan:

Fall \_\_\_\_

Spring \_\_\_\_

|                     |  |  |
|---------------------|--|--|
| Financial Aid Award |  |  |
| Grants              |  |  |
| Loans               |  |  |
| Scholarships        |  |  |
| Remaining Balance   |  |  |
|                     |  |  |

Financial Plan Approval \_\_\_\_\_