



OHIO HOUSE FINANCE SUBCOMMITTEE ON HIGHER EDUCATION

Governor Mike DeWine's Executive Budget
Ohio Department of Higher Education

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Chairman Carfagna. Ranking member Sweeney. Representatives Edwards, Miller and Perales.

I am pleased to continue our collective efforts to work together on higher education and House Bill 166. The greatest value I believe in the subcommittee process is to engage with members in as much detail as possible and to spend much of our time listening to ideas and answering questions. In that spirit, I will attempt to address a number of issues that were raised in full committee two weeks ago and provide answers to questions that we received from members of the House of Representatives since the budget was announced on March 15.

WHERE OHIO STANDS ON AFFORDABILITY VS. OTHER STATES

Members have been especially interested in where Ohio stands versus other states on topics such as higher education tuition, state spending and student need-based aid.

- The charts I provided at the full finance committee I believe demonstrate a very clear trajectory with respect to restraining tuition costs in Ohio. By almost every measure, Ohio has successfully restrained tuition growth in recent years better than any other state in the nation. Still, it is important to note that both two-year and four-year public tuition in Ohio is marginally above the national average. Therefore, the DeWine Administration budget continues to request cost-containment measures that will continue to keep Ohio in the forefront of tuition restraint comparable to our neighboring states and the nation.
- Here's a brief summary of our student cost-containment strategy: 1) All 13 undergraduate universities will have tuition guarantee programs, 2) A 2% tuition cap will be applied to non-guarantee continuing in-state undergraduate students, 3) A clear majority of sophomores, juniors and seniors in the next two years will have no increase in tuition, 4) Significant funding increases are made in the Ohio College Opportunity Grant and the Choose Ohio First Scholarship, 5) A determined focus on restricting both general and special fees is maintained.



OHIO'S EFFORTS TO RESTRICT STUDENT FEES

There have been a number of questions and concerns from House members regarding student fees. Here is a brief outline of what Ohio has done on this subject.

- First, Ohio specifically and intentionally restricts revenue that can be generated with student fees. When Ohio imposes tuition caps or tuition freezes, those actions apply also to general fees (fees that apply to all students). In addition, in the most recent budget enacted in 2017, special fees (fees assessed to a subset of the student population) were restricted as well. For the next biennium, our budget places a 2% restriction on general fees and allows no increase in other fees unless a university requests such action by the chancellor and approval is granted. There was a time when special fees could have been imposed to replace foregone money due to tuition freezes or caps. That is no longer possible in Ohio. Existing university instructional and general fees are distributed to academic, athletic and other departments through decisions of each university's board of trustees.
- Documents that provide greater detail with respect to fee structures and Ohio regulatory authority can be provided to members. While the potential to increase fees is now strictly restrained, it is true that boards of trustees have the freedom to use revenues generated by existing instructional and general fees for essentially any purpose as they may decide.

A SUMMARY OF OTHER POLICY DECISIONS

When I testified before the full committee on March 21, HB 166 had not been introduced in detail. The following summarizes several of the key policy areas included in the budget.

- **OCOG.** The decision to begin to assist 2-year public students and 4-year regional campus students to pay for textbook and instructional materials coincides with the fundamental mission behind need-based financial aid.
- **Health Care Workforce Preparation Task Force.** Our nation's future workforce needs include almost every aspect of health care, from physicians to nursing to a variety of allied health care occupations. The task force can be important to making sure our education system supports these valuable occupations, and will consider how Ohio can look to placing graduates in geographic shortage areas.



- **Community College Acceleration Program**: As we identified in full committee testimony, a pilot program has already demonstrated excellent promise with this strategy to encourage full time enrollment in our community colleges through a variety of support services. This collaborative effort between ODHE and the Ohio Department of Job and Family Services has strong support and can be a significant factor in increasing education attainment.
- **RAPIDS Grants**. Regionally Aligned Priorities In Delivering Skills is a program that meets the needs of employers and educators and places a premium on collaboration. As I indicated in previous testimony, RAPIDS grants especially complement our bold efforts to increase education attainment through industry-recognized credentials and other employer-driven certificate programs in partnership with the Development Services Agency.
- **Job Placement in the Funding Formula**. While Ohio is a leader in performance-based funding, language in the budget begins Ohio's intention to include measuring job placement as a component in the State Share of Instruction, or otherwise provide job placement incentives in state aid subsidies to colleges and universities.
- **Differential Tuition**. The budget includes language authorizing the chancellor to establish a differential tuition system for Ohio that would recognize that some courses and academic disciplines are more costly than others to administer at our universities. While I support this concept for Ohio, it is unclear whether implementation could occur in time for the 2019-20 collegiate year.
- **Higher Education Attainment**. In several important ways, Ohio is an undereducated state. We are below the national average in overall postsecondary education attainment, impeding Ohio's ability to compete for business development, job growth and rising wages. Our unemployment is higher than it could be. Our personal incomes are lower than they should be. This budget allows us to make strides in our effort to increase education attainment, but it will take several more budgets and continued strategic investments to reach our goals.

As we discussed two weeks ago, our budget emphasizes student affordability while striving to prepare Ohio for a changing economy. I welcome the subcommittee's support and ideas to make our budget and our state as strong as possible. Our state's future depends on the decisions we make together.