BEFORE THE HOUSE FINANCE HIGHER EDUCATION SUBCOMMITTEE

REPRESENTATIVE RICK CARFAGNA
CHAIR

TESTIMONY
OF
BRUCE JOHNSON
PRESIDENT
INTER-UNIVERSITY COUNCIL OF OHIO

APRIL 4, 2019
Chair Carfagna and members of the House Finance Higher Education Subcommittee, thank you for the opportunity to testify before you today on behalf of the state’s fourteen public universities, all of which are members of the Inter-University Council of Ohio (IUC). My name is Bruce Johnson and I am the President of the IUC. I would like to thank Chancellor Randy Gardner for his dedication to and continued strong support for higher education in Ohio and Governor DeWine for his passionate concern on behalf of our students which is clearly evident in this budget proposal.

The IUC was established in 1939 as a voluntary educational association of Ohio’s public universities. Today, the association represents all of Ohio’s fourteen public universities. The IUC values providing access to a high quality, affordable education. It is committed to ensuring affordable opportunities for the more than 329,000 students attending our member institutions without sacrificing the quality of their education or experience.

Thank you for your vision, leadership, and dedication to the growing number of young people and their families from around the state and the world, for that matter, who chose to attend our public institutions of higher education in Ohio. The work you are doing on this committee is a credit to your public service and clearly demonstrates your commitment to and compassion for our students.

But for our students, Ohio’s public universities would not exist. They are the very reason for our being and we would not function without their support. They are the men and women who have made an individual choice in deciding to attend a public university in Ohio and earn a degree.

Without question, there is a cost associated with making that choice. That cost is born by our students and their families. That cost also is shared in part by the institution of higher education itself through the provision of institutional aid and by the state. Ohio’s public universities value and are proud of the partnership we have with the state of Ohio.

Financial aid plays a key role in keeping students in college. Institutional support and support from the state in the form of need-based financial aid through the Ohio College Opportunity Grant (OCOG) and other scholarship programs help mitigate one of the major risks confronting students today – financial need. Ohio’s public universities understand this challenge and work hard to creatively secure additional assistance for our students.

The DeWine Administration has stepped up to help meet that need. We applaud Governor DeWine’s proposed budget that will increase access to a college education for our neediest students by increasing financial aid awarded through the OCOG program. House Bill 166 increases funding for OCOG by 21.2% in each fiscal year, or by $47,325,000 over the biennium. That investment will boost student awards at both public and private higher education institutions. For public university students, this translates into an increase of $400 for FY20, bringing the total per student award amount to $1,900 and an increase of $500 in FY21, bringing the award amount to $2,400.

It is a much-needed investment at just the right time. Ohio will not increase attainment without increasing access for targeted student populations that may be at greater risk of not completing because of financial need. Further, this investment comes after many years of trying to regain ground that was lost because of cuts made during the great recession to help balance the budget, as the chart on the next page demonstrates. We still have a long way to go, but the additional funding appropriated in this budget helps.
College costs may have a significant negative impact on the likelihood of potential students enrolling in college, on timely college completion, and on the likelihood of completing at all. This is the case particularly for low-income students.

**IUC Supports Need-Based Financial Aid**

The IUC respectfully requests the Ohio House of Representatives, at the very least, to maintain the level of funding proposed by the Governor, and if possible, provide additional funding for this program to help the state’s neediest students stay in school and earn a degree. This grant program serves almost 64,000 students at Ohio public and private universities, 46,411 at state universities, alone. The Ohio College Opportunity Grant helps financially at-risk students cover those academic costs that the federal Pell Grant does not. The maximum federal Pell Grant award is $6,095 for the 2018–19 award year (July 1, 2018, to June 30, 2019) and $6,195 for the 2019–20 award year (July 1, 2019, to June 30, 2020). The average main campus tuition for 2018 was $9,755. The difference between those numbers demonstrates the gap which OCOG helps to fill.

On the topic of college costs, the IUC also welcomes the Administration proposal in House Bill 166 to provide $3 million in each fiscal year to award aid to students at community colleges and university branch campuses for the purchase of textbooks and instructional materials. This assistance will complement the work already being done by Ohio’s public universities to make textbooks more affordable for students. Ohio’s public universities are collaborating and, through a variety of innovative programs, working hard to reduce the cost of textbooks for students -- with tangible results. For example, a majority of schools have adopted inclusive access programs. Inclusive access programs provide textbooks to students at very reasonable prices and charge each student the negotiated price of that textbook. The typical average savings for an inclusive access program is 48 percent.

With respect to the Governor’s proposal to utilize $6 million of OCOG funding for annual grants to full-time students meeting the eligibility requirements to be determined by the Chancellor, the IUC requests that full-time...
students attending Ohio’s public universities who do not receive the full OCGO award also be eligible for assistance. This would include students at Central State University because of the low cost of tuition to attend that institution and would put Central State students in the same category as university branch and community college students. So, a little additional assistance to help purchase textbooks would be a welcome relief for the many financially at-risk students attending those schools.

**The IUC Supports High-Quality Education for All Students**

Just as there is a cost to the student to attend a public university, there is a cost to the institution to provide a product of value without compromising quality. The cost the university incurs is paid for by two related sources of revenue – state share of instruction, or what the state appropriates in support of its public institutions of higher education, and tuition, or the price of payment for instruction the institution charges the student. They are related -- as state support on a per student basis has gone down over time, tuition has risen. The IUC can support the Governor’s proposed restriction on fee increases in House Bill 166. The bill restrains in-state undergraduate instructional and general fees in two ways; first, by requiring all public universities to participate in the state’s tuition guarantee program, and second, by restraining increases in in-state undergraduate instructional and general fees to no more than two percent over what the institution charged for the previous academic year. That percentage is consistent with the rate of inflation, which is currently 2.1 percent according to the U.S. Bureau of Labor Statistics. Taken together, the small SSI increase and the increase in tuition will enable public institutions to maintain current levels of service.

Originally enacted in House Bill 59 from the 130th GA, current law authorizes the Board of Trustees of a state university to establish an undergraduate tuition guarantee program and it is optional. Under the program, eligible students in the same cohort pay a fixed rate for general and instructional fees for four years. Room, board, and any additional fees may be included. The law requires the University Board of Trustees to adopt rules for the program and the rules must include: the number of credit hours to earn an undergraduate degree in each major, a guarantee that the general and instructional fees for each student in the cohort shall remain constant for four years if the student comiles with the requirements of the program, and a benchmark by which the Board of Trustees sets annual increases in general and instructional fees for incoming cohorts. The statute requires the benchmark and any subsequent changes to be approved by the chancellor. The program also must address: eligibility requirements for students participating in the program, student rights and privileges under the program, consequences for a student unable to complete a degree program within the four years for reasons beyond their control, and guidelines for adjusting a student’s annual charges if the student, due to circumstances under student’s control, is unable to complete program within four years.

Now, nearly all public universities in Ohio are participating in the state’s tuition guarantee program and soon, if House Bill 166 passes with the Administration’s proposed changes, all of them will be. The IUC supports Governor DeWine’s proposal for mandatory participation in the state’s tuition guarantee program. At campuses where the program already exists, students and parents enjoy the assurance that prices will not go up.

The IUC also supports language in House Bill 166 permitting the Chancellor to establish a differential tuition program for undergraduate students and the requirement in the bill that if such a program is established for undergraduate students, that the revenues generated by the program be used to support student services and need-based financial aid. Through a differential tuition program, the ability to increase or decrease tuition based on both the student demand for and cost of the academic program, degree, college, or major, would ensure state universities can continue providing high quality, high level, competitive academic programs for undergraduate courses. Students, as well as faculty, need the best resources and support to realize their full intellectual potential – laboratories, libraries, academic advising, research experiences, and more.
When student demand is high, and the cost of instruction is high (specialized facilities and equipment; need for additional teaching faculty) more pressure is put on the instructional budgets within Colleges. In addition, classes are smaller at the upper division level and thus more expensive to teach. Moreover, if the degree from a College has higher earning power (using national data on job placement and earnings by discipline, such as that provided by the US Bureau of Labor Statistics), the return on investment for a student is greater. Conversely, where the cost and demand are less, then the institution should consider those variables in charging less tuition.

The IUC believes that differential tuition enhances the student learning experience once students are in their major and better prepares them for their next steps. Redirecting costs through differential tuition allows the limited budget of the institution to go further in addressing the programmatic and curricula needs of other programs, and the institution.

We often hear about the high cost of tuition, that Ohio’s public universities are unaffordable because tuition is so high. But tuition that some may consider as “high” does not make something unaffordable, just as it does not automatically discourage or reduce demand. Quite the opposite in some cases. Consider Miami University. Despite having the highest Annualized Full-Time In-State Undergraduate Tuition and Fees of all Ohio public universities, for fall of 2018, Miami University received 30,124 applications for an incoming class target of 3,750. The Ohio State University received over 52,000 applications with a target goal of 7,100 enrollees for its incoming cohort. As the next table demonstrates, Ohio’s public universities have held the line on tuition. Contrary to popular belief, it is not spiraling out of control. Despite the state’s investment in support for higher education lagging the nation by approximately $1,581 on a per FTE basis, tuition growth in Ohio has remained well below the national average and relatively constant.

<table>
<thead>
<tr>
<th>Sector/Campus</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Change FY2017-FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Main Campuses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BGSU</td>
<td>$10,726</td>
<td>$10,726</td>
<td>$10,726</td>
<td>$10,726</td>
<td>$10,726</td>
<td>0%</td>
</tr>
<tr>
<td>Cent State</td>
<td>$6,058</td>
<td>$6,246</td>
<td>$6,246</td>
<td>$6,246</td>
<td>$6,246</td>
<td>0%</td>
</tr>
<tr>
<td>CSU**</td>
<td>$9,499</td>
<td>$9,686</td>
<td>$9,720</td>
<td>$9,768</td>
<td>$9,874</td>
<td>1%</td>
</tr>
<tr>
<td>KSU</td>
<td>$9,816</td>
<td>$10,012</td>
<td>$10,012</td>
<td>$10,012</td>
<td>$10,012</td>
<td>0%</td>
</tr>
<tr>
<td>MU***</td>
<td>$13,748</td>
<td>$14,233</td>
<td>$14,233</td>
<td>$14,233</td>
<td>$14,233</td>
<td>0%</td>
</tr>
<tr>
<td>OSU***</td>
<td>$10,037</td>
<td>$10,037</td>
<td>$10,037</td>
<td>$10,037</td>
<td>$10,037</td>
<td>0%</td>
</tr>
<tr>
<td>OU***</td>
<td>$10,446</td>
<td>$10,602</td>
<td>$10,602</td>
<td>$10,602</td>
<td>$10,602</td>
<td>0%</td>
</tr>
<tr>
<td>SSU</td>
<td>$7,176</td>
<td>$7,364</td>
<td>$7,364</td>
<td>$7,364</td>
<td>$7,364</td>
<td>0%</td>
</tr>
<tr>
<td>UA</td>
<td>$9,736</td>
<td>$10,056</td>
<td>$10,270</td>
<td>$10,270</td>
<td>$10,270</td>
<td>0%</td>
</tr>
<tr>
<td>UC</td>
<td>$10,784</td>
<td>$11,000</td>
<td>$11,000</td>
<td>$11,000</td>
<td>$11,000</td>
<td>0%</td>
</tr>
<tr>
<td>UT</td>
<td>$9,054</td>
<td>$9,380</td>
<td>$9,380</td>
<td>$9,380</td>
<td>$9,380</td>
<td>0%</td>
</tr>
<tr>
<td>WSU</td>
<td>$8,542</td>
<td>$8,730</td>
<td>$8,730</td>
<td>$8,730</td>
<td>$8,730</td>
<td>0%</td>
</tr>
<tr>
<td>YSU</td>
<td>$7,900</td>
<td>$8,317</td>
<td>$8,317</td>
<td>$8,317</td>
<td>$8,317</td>
<td>0%</td>
</tr>
<tr>
<td>University Main Campus Average</td>
<td>$9,502</td>
<td>$9,722</td>
<td>$9,741</td>
<td>$9,745</td>
<td>$9,755</td>
<td>0.11%</td>
</tr>
</tbody>
</table>
Table Notations:
* Fees reported in the summary table include the general fee as well as all other mandatory fees assessed to full-time students which meet each of the following: they are in fact mandatory, are not included in the general fee, and are charged each term. The latter may include facility fees, technology fees, parking fees, or other mandatory fees.

** Includes a new career services fee.

*** Amount for FY2016 and 2017 is based on the tuition rate for continuing undergraduates. These institutions have a Guaranteed Tuition Programs with different tuition rates for each cohort year.

While the General Assembly has addressed tuition constraint through freezes in state law (see the chart below), it is important to note that many of Ohio’s public universities have taken their own initiative to freeze or reduce tuition.

As the Chancellor noted in his testimony before the House Finance Committee on March 21, Ohio is a national leader in controlling tuition growth. According to the Center on Budget and Policy Priorities, from 2008 to 2018, Ohio had the lowest average rate of tuition growth for public universities across all states.

Specifically, the report found the percent change in-state tuition and fees for Ohio, at +5%, was the lowest rate of increase among all states. The next lowest state was Missouri at a rate of +9.7%, or nearly double Ohio’s
On the other side of the cost equation is the state’s investment in higher education through its subsidy – the state share of instruction, or SSI. The IUC appreciates the increase in state funding for Ohio’s public universities that House Bill 166 proposes – a 1.1% increase in FY20 and a 1.0% increase in FY21. The total increase over biennium is approximately $41,831,868. However, Ohio remains approximately $1,581 below the national
average in state spending on a per FTE basis and total GRF investment by the state for the second year of the biennium, FY21 ($2,774,017,686), remains below the FY09 ($2,790,290,469) GRF appropriation. The IUC believes that the state should adopt a long-term policy that funds the state share of instruction at the national average on a per student basis. To that end, we request the Ohio House of Representatives further increase the SSI line item in support of our students to reflect the current rate of inflationary growth as determined by the U.S. Bureau of Labor Statistics. As mentioned previously, the current consumer price index for all major categories, less food and energy, as of March 12, is only 2.1%. This rate is a reasonable measure of the increasing cost of doing business -- which is very much felt by public universities. A 2% increase would add approximately $41 million to the SSI appropriation over the biennium and help ensure the state’s public institutions of higher education can continue to offer a quality product with a meaningful return.

The SSI funding is distributed to each institution based on a formula that measures course and degree completions. Ohio has one of the most aggressive performance-based funding formulas in the nation and House Bill 166 further strengthens it by changing the formula for distributing funds to doctoral programs. The IUC supports the change that would allocate to universities 25% of the doctoral funds in proportion to their share of course completions and that would allocate an additional 50% of the doctoral funds in proportion to each campus’ share of the total statewide doctoral degrees. This change is the result of an IUC working group recommendation. The remaining 25% of doctoral funds would be allocated to universities in proportion to their share of research grant activity.

**Public Universities are Investing in Quality**

In addition to addressing affordability through tuition restraint, Ohio’s public universities are working collaboratively to reduce costs. To help students stay in college to complete and earn a degree and to realize a return on their investment, our universities are implementing and participating in an array of cost-saving measures as well as offering a comprehensive array of services to support students in their work. Students should be surrounded by services specifically designed to support them in not just their academic endeavors but also in planning for the future, career counseling, and other life-skills.

- Fiscal Year 2018 saw continued success in increasing meaningful collaboration among Inter-University Council Purchasing Group (IUC-PG) members. This success continues into FY2019 with several key competitive procurements for the cooperative that represent strategic improvements to long-standing price agreements and established new areas for collaboration. IUC-PG continues to focus on developing and implementing thoughtful growth strategies that involve campus stakeholders and use data for informed decision-making. There was a 17% increase in spend on IUC-PG Price Agreements in FY18 (vs FY17), firmly settling the total spend over $500 million for the second year in a row. Spend for FY18 was over $580 million utilizing 33 price agreements. The IUC-PG price agreements continue to generate a 30% average savings on commodities and services, representing a collective cost avoidance of over $190 million in FY18.

- The University of Toledo implemented a multifaceted approach to prescription drug cost savings. This approach included achieving 85% utilization of in-house pharmacies; identification of a new prescription benefit manager with a projected savings of over $500K; successfully negotiating collective bargaining contracts to make UT the primary for specialty drugs with a projected savings of $816K; instituting a mandatory generic program with an estimated cost savings of $367K; and achieving $1.3M in overall savings by incentivizing the use of UT pharmacies to leverage UTMC cost of goods, which is 50-66% below what a retail pharmacy would cost.
The University of Akron introduced the new Akron Guarantee Scholarships that provide full-time undergraduate students with a scholarship increase over four years as they reach certain academic milestones. This innovative approach helps students reduce the need to borrow student loans by increasing their scholarships each year as they progress toward degree completion. The AGS provides ~$3,500 more over four years than UA’s traditional scholarship program.

Miami University utilizes data-driven, predictive modeling programs in conjunction with more intentional/proactive and personalized advising to better ensure students are on a timely path to graduate. These advising sessions assist students in selecting an appropriate major and path to graduation including options for accelerated graduation. Students “at risk” to graduate or to stay on an accelerated path to graduation benefit from being identified early and offered additional resources and support to assist them in achieving their graduation goal.

The University’s Center for Career Exploration and Success (CCES) has enhanced and intensified early career programming and targeted initiatives available to all students, incorporated new online job tools and established career clusters as result of the State of Ohio’s support for the Career Development Fee now assessed to each new student cohort beginning with the Fall 2018 incoming class. These vital resources have enabled CCES to develop the proper infrastructure to engage with more students, earlier in their college career (in fact beginning at new student orientation prior to their enrollment), while emphasizing the importance of ongoing personal and professional development.

To be more responsive to the needs of the business community and to help students after graduation, Miami University has expanded its employer relations team within CCES with a focus on developing partnerships and expanding Miami’s network across the State of Ohio to perform job development for in-demand careers. In addition, CCES is planning to launch a dedicated Ohio Job Shadow program in Fall 2019 focused on early career exploration and networking.

The University of Cincinnati has established a new program called the Early College Program. This program is an ambitious initiative designed to develop the information technology workforce in Ohio and take the state from a talent deficit to a talent surplus. Because the demand for skilled information technology professionals continues to grow beyond the current capacity of the educational system, the program is centered around key innovative concepts that significantly reduce the total cost of a bachelor's degree (economic efficiency) while improving the level of job readiness for the graduates (educational excellence).

The program’s key concepts include teaching the first year of the bachelor's degree in high schools; a competency-based graduate certificate program to train high school teachers, enabling them to teach college courses; integration of a 20-month paid work experience (co-op) with average pay of $45,000 during the IT bachelor’s degree program; delivering the bachelor's degree on community college campuses to increase transition and completion rates; providing an accelerated bachelor's plus master's degree option to eliminate an additional two years of education; and utilizing competency and project-based pedagogy to provide hands-on information technology education.

The University of Cincinnati School of Information Technology partners with school districts to offer a pathway for high school students of all socioeconomic backgrounds to work towards completing college and a career in Information Technology. In its first year, the Early College Program was implemented at seven high schools and involved more than 200 students. The 2018-19 cohort will include 20 high schools across 18 school districts, and as many as 600 students will participate. All students will be
eligible to participate in co-op after successfully completing the Early College Program and graduating high school.

- Cleveland State University has been particularly aggressive at helping students stay in college and graduate. It is providing students with a variety of services, including multi-term registration – allowing students to plan for an entire academic year with Freshman Intrusive Advising and wrap around support – focusing resources on students who need most help; co-requisite English courses – helping students who need remedial work to earn college credits more quickly; a Math Emporium – tailoring math instruction to individual student’s need; and degree mapping – showing students how to best schedule classes to complete their degrees in four years.

Student success has been one of CSU’s highest priorities for the past decade and the numbers prove it. Freshmen cohort one-year fall-to-fall retention rate has improved from 57% to 70% and the freshmen cohort 6-year graduation rate has improved from 26% to 43%. For these efforts, CSU's success is being recognized nationally.

We believe that as the return on the investment of earning a degree, as the value of that achievement, appreciates over time, it will more than compensate for the initial cost and offset any perceived “adverse effects” of earning it. What is not affordable is when a student begins college, does not complete, incurs cost and debt, and then drops out without earning a degree.

Ohio’s public universities are working to prevent that from happening. A student who has borrowed money, paid for some college but who does not complete and earn a degree absolutely loses the opportunity to recover the investment already made. There is a greatly diminished return on investment when there is no degree earned.

**Public Universities are Enrolling and Graduating More Students**

The more affordable obtaining a degree becomes, the more likely it will be that a potential student will opt for one of the many choices available and enroll at a public university, branch campus, community college or private university. Some students can afford more, some less, just as some institutions offer more and some less.

It is choice that protects the student. It should be the market and demand that determine price, that determine what is affordable, and what is not affordable for each individual student. In this relationship, it is the public university’s responsibility to provide its student with a valuable, high-quality product. We take that responsibility seriously. Ultimately, access plus affordability equal attainment.

Our success as public universities, and as a state, is founded on that simple equation. Fortunately, enrollment rates at our four-year state institutions of higher education are holding steady as the chart on the next page from the Ohio Department of Higher Education below indicates.
Over the last ten years from Fall of 2008 to Fall of 2017, public university sector enrollment at main and regional campuses has grown from 306,272 to 328,134, an increase of over 21,800 students. The only other sector to have experienced enrollment growth over that same period was the private, for-profit sector which grew by 472 students. We believe that growth may be attributed to the fact that, according to the U.S. Bureau of Labor Statistics – which most believe to be a credible source – there is an urgent demand for bachelor’s degrees. In fact, there are three times as many new jobs for holders of bachelor’s degrees than for individuals with sub-baccalaureate education.

And as enrollment increases, so does the number of degrees awarded, and because of our focus on student retention and graduation rates, significantly more students are graduating today than ten years ago. According to the Ohio Department of Higher Education report entitled “Degrees and Certificates Awarded by Ohio Public
Institutions – Fiscal Years 2008 to 2017” published in March, 2018, total bachelor’s degrees awarded by the state’s public university main and regional campuses increased by 30 percent. Associate degrees awarded were up by 47%, and master’s degrees were up by 29 percent. Total all degrees awarded was up by 29 percent.

It is especially significant that the number of degrees awarded is increasing at a much higher percentage than enrollment has been growing for the public sector. This means public universities are graduating a higher percentage of the total student population – our degrees awarded numbers are up, while enrollments remain steady or are slightly up. The impact is even more dramatic because the degrees experiencing this remarkable increase – the STEMM degrees – are much more expensive to deliver than the typical education or humanities degree. Communications, English, and Psychology degrees cost about $55,000 to deliver where a Computer Science degree ($74,000), Nursing degree ($93,000) or Civil Engineering degree ($104,000) cost considerably more.

Further, I would suggest to you that the market is responding to a strong demand for STEMM degrees and that the state’s policy of emphasizing STEMM degrees is working. According to the same ODHE report, students really are selecting and earning degrees in STEMM fields and that those degrees are considerably outpacing others. Consider that from 2008 to 2017, four-year engineering degrees increased by 79%, health degrees were up 117%, and natural sciences and mathematics degrees were up 70%. Law degrees, on the other hand were down 12% and social science degrees were down 2 percent.

I believe the state is seeing growth in the degree programs it has emphasized over the last several years and that this growth will help fill the STEMM and in-demand jobs of the future. In addition, it confirms the data collected by the U.S. Bureau of Labor Statistics. For this reason, the IUC supports the additional investment in the Choose Ohio First Scholarship program as proposed in House Bill 166, as introduced. Choose Ohio First funds higher education and business collaborations that will have the most impact on Ohio’s position in world markets such as aerospace, medicine, computer technology and alternative energy.

The additional funding appropriated by the Administration (a $24 million increase over current funding across the FY20-21 biennium) will provide approximately 2,500 more scholarships that target under-represented student populations and significantly strengthen Ohio’s competitiveness within STEMM disciplines and STEMM education.

Degrees and Certificates Awarded by Discipline at Ohio Public Institutions in Fiscal Years 2008 – 2017
The following chart from the U.S. Bureau of Labor Statistics demonstrates that there is very strong demand for jobs and degrees in every sector of the economy, but growth rates and wage premiums are best for those who are more educated. The data below proves that the number of bachelor’s degrees required for the economy is significantly more than for other educational attainment levels.

The rate of growth is about the same for bachelor’s degrees and associates and for post-secondary non-degree awards. However, the wage premium is much higher for bachelor’s degrees, and the raw numbers required in the U.S. economy are much higher for bachelor’s degrees and higher.

### Employment, Wages, and Projected Change in Employment by Typical Entry-Level Education

<table>
<thead>
<tr>
<th>Typical entry-level education</th>
<th>2016 Employment</th>
<th>Employment change, 2016–26 (percent)</th>
<th>Median annual wage, 2017(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent distribution</td>
<td></td>
</tr>
<tr>
<td>Total, all occupations</td>
<td>156,063.8</td>
<td>100.0</td>
<td>7.4</td>
</tr>
<tr>
<td>Doctoral or professional degree</td>
<td>4,230.9</td>
<td>2.7</td>
<td>13.1</td>
</tr>
<tr>
<td>Master's degree</td>
<td>2,670.6</td>
<td>1.7</td>
<td>16.7</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>33,372.4</td>
<td>21.4</td>
<td>10.1</td>
</tr>
<tr>
<td>Associate's degree</td>
<td>3,617.9</td>
<td>2.3</td>
<td>11.0</td>
</tr>
<tr>
<td>Postsecondary nondegree award</td>
<td>9,582.9</td>
<td>6.1</td>
<td>11.1</td>
</tr>
<tr>
<td>Some college, no degree</td>
<td>3,858.4</td>
<td>2.5</td>
<td>4.2</td>
</tr>
<tr>
<td>High school diploma or equivalent</td>
<td>61,504.1</td>
<td>39.4</td>
<td>5.1</td>
</tr>
<tr>
<td>No formal educational credential</td>
<td>37,226.7</td>
<td>23.9</td>
<td>6.4</td>
</tr>
</tbody>
</table>

**Footnotes:**


Note: The occupational employment and growth rates shown in this table include projected growth in all jobs from 2016—26, not just entry-level jobs. Entry-level education reflects 2016 requirements—BLS does not project educational requirements.


---

**Public Universities Stimulate Economic Development Through Research**

The IUC supports Governor DeWine’s budget proposals to advance collaborative research at our colleges and universities to address key issues that are facing all Ohioans. We also believe that it is critical to position our state to take full advantage of emerging industries that have the potential to define Ohio's future. To that end,
our public universities are conducting research and developing programs to stimulate business and economic development. Here are a few examples:

- The 1819 Innovation Hub at The University of Cincinnati is a place of thinking, making and doing, of discovery and delivery, for the university and its community. The 100,000-square-foot building is outfitted with state-of-the-art technology and incorporates shared office spaces, classrooms, and gathering spaces to stimulate innovation and entrepreneurial activity.

- The Innovation Center at Ohio University provides business incubation resources to fuel the economy in Athens, Ohio, and surrounding regions.

- The Youngstown Business Incubator is an internationally recognized program focused on the development of software and additive manufacturing companies in the Mahoning Valley. It was ranked the No. 1 high impact incubation program in North America by UBI Global in 2015.

The IUC supports the proposed increase of $888,249, which represents a 15.8% increase in funding over the current year for this program, for the Third Frontier Research Incentive. Increased funding for this program will help support existing and facilitate new collaborations between public universities and private businesses. Continued investment by the state in research funding and other resources that are accessible to universities and Ohio industry is critical. Funding to maximize and leverage industrial research grants, direct support for specific technology commercialization, and academic research programs will help Ohio’s public universities attract the best and brightest minds and create an environment where they can thrive.

Public Universities Support Students Through Health Counseling

Support for our students embodies more than just assistance for academic excellence or financial need. It also means support for mental health and substance abuse services. Data have consistently shown that college and university counseling centers have had a positive impact on student academic success and retention. The primary reasons students seek counseling services are anxiety and depression and those two challenges have been found to be primary factors affecting academic success.

Ohio’s public universities are experiencing a health crisis. Nationally, over one third of counseling centers report having a wait-list for services. Comparing data from contributing Ohio institutions with the national sample, Ohio evidenced significantly more counseling center clients having been hospitalized for mental health concerns (Ohio = 23.5%, National = 9.8%) – the demand for service on campus is overwhelming the ability to serve. And, unfortunately, those services come at a cost.

The IUC requests funding support in the amount of $120,000 in each fiscal year from the Ohio House of Representatives for the Ohio Program for Campus Safety and Mental Health (OPCSMH). This program, administered by the Northeast Ohio Medical University, serves as a resource center promoting a comprehensive approach to suicide prevention and mental health promotion at college campuses across the state of Ohio. Its primary goal is to stimulate collaboration between campus and community stakeholders, to develop programs that prevent campus suicide and to create a culture of care. The ultimate outcome of such collaboration is greater student academic success resulting from the improved mental health and well-being of students as well as, faculty and staff on all Ohio campuses. The program had been funded in previous budgets, but in the biennial operating budget from the 132nd General Assembly, House Bill 49, funding necessary to sustain the program was eliminated. The OPCSMH has funded over ninety Collaborative Program Development Grants at 29 state universities and regional campuses, 28 community colleges, and 17 private colleges. Our understanding is that the Department of Mental Health supports the program.
Drug addiction and substance abuse, too, can adversely affect a college career just as permanently and quickly as mental illness. Unarguably, it is a problem just as serious and prevalent. According to the National Institute of Drug Abuse Ohio Survey (February 2018), Ohio is among the top five states with the highest rates of opioid-related overdose deaths. Since 2010, the number of heroin-related deaths increased from 355 to 1,478, and deaths related to synthetic opioids rose from 175 to 2,296.

The assessments provided by the Ohio Program for Campus Safety and Mental Health (OPCSMH) help identify necessary services for those campuses, but they do not provide sufficient resources to implement new services. To help cover the mounting cost of services provided to students on campus, the IUC requests that the House of Representatives provide additional assistance in the form of matching state funding through a special dedication of funds to be used to support the addition of counselors, clinical staff, psychiatric services, and/or the addition of resources for students. We further request authority to assess a campus-wide student mental health and substance abuse fee and apply that fee in such a manner that any new funding permitted or appropriated would supplement, not supplant, existing funding.

The IUC appreciates and fully supports the language in House Bill 166 requiring the chancellor to establish the Ohio Physicians and Allied Health Care Workforce Preparation Task Force. The group would be required to study, evaluate, and make recommendations to the Legislature and Governor with respect to healthcare workforce needs in Ohio. This is an excellent opportunity to address the mental health issues just identified and the shortage of workers – including counselors, clinical psychologists, doctors, nurses, and others – on campus that most of our institutions are experiencing.

Public Universities Respond to the Needs of the Business Community

The IUC supports the $15 million in each fiscal year appropriated through the Development Services Agency budget to establish a financial assistance program to support students who are enrolled in a post-secondary education or training provider program. In response to business needs and student demand, Ohio’s public universities are expanding their offerings of “stackable” certificates. Stackable certificate programs are embedded in associate and bachelor’s degree programs. They can be earned by students seeking a certificate before or after degree attainment and are identified as college credit on the student’s transcript for the employer to view. Stackable certificate programs illustrate the added value for students, employers and the state to have Ohio’s universities align the certificate programs as building blocks toward a bachelor’s degree.

Ohio’s public universities continually work with regional employers and state policymakers to help attract and retain businesses that require a trained and educated workforce. Universities’ regional campuses have particularly close ties to their local business community, addressing the changing needs of local employers while also providing place-bound students with opportunities to pursue education and training for new or changing careers. The desired certificate programs could range from traditionally technical such as information technology, to those comprising soft skills such as communication. This process provides students immediate access to the workforce while gaining momentum toward a degree that provides greater security from the cyclical nature of the economy and technological advancements.

The IUC supports further development of existing stackable certificate programs, embedded within degree programs, at public university regional and main campuses to allow for greater interaction between Ohio’s universities and the business community. These certificates provide students with documented accomplishments while on their path to degree completion. For students who stop/drop out, they can verify to potential employers the education/skills they have attained even without a degree. Funding available through the Industry-Recognized Credentials program would help public universities establish new and strengthen
existing partnerships with Ohio’s employers to identify new or anticipated workforce needs and to create new certificate programs to address needed skills.

**Conclusion**

We believe that our public institutions of higher education are a great value for our students. It is our students who have determined that enrolling in a public university to earn a degree is the best investment for their future and that there is value in the educational experience and in the degree that is earned. They consider a range of options of varying price points that reflect the quality and value of each option and then make a choice of where to attend based on what is best for them. Some of those choices are more expensive than others, but when the return on investment is determined, what was once deemed unaffordable might now become affordable.

According to EMSI - an internationally recognized labor market analytics company - in its 2018 report on the economic impact and return on investment of Ohio’s public universities, the annual average return on investment for a bachelor’s degree in Ohio was 13.7 percent for the student. Compare that to an 0.8% return on interest earned on a savings account, or a less than 10% average return on investment for most stock portfolios.

To the extent that price presents a substantial barrier for our students to access what can be a life changing experience, we acknowledge that we must continue to work hard to control price increases. So public universities are doing more to find efficiencies and make college more affordable. House Bill 166 as introduced also helps make college more affordable. We appreciate the investment in SSI, OCOG, and other student scholarship programs. But I believe we can do more.

As this testimony hopefully has demonstrated, Ohio’s public universities are working hard in many different areas, from textbooks to tuition to student services, to operate more efficiently, reduce costs, and provide greater savings and value to the student while not commoditizing or sacrificing the quality of our product.

Chair Carfagna and members of the Committee, thank you for your consideration of my testimony today on behalf of Ohio’s public universities. I think we would all agree that the students we serve are the foundation of Ohio’s future. Any obstacle to increasing the number of Ohioans with the knowledge and skills needed to succeed in college or work is a threat to our economic competitiveness and to our citizen’s opportunities to pursue their dreams. That is why we need to ensure that college is affordable for those students who chose to attend. I am happy to answer any questions you may have.