

Ohio House of Representatives
Finance Subcommittee on Higher Education

HB 166

***Testimony of Peter Martinello, Ohio Regional Vice President
Fortis College***

April 4, 2019

Chairman Carfagna, Ranking Member Miller, and members of the Finance Subcommittee on Higher Education, I'm Peter Martinello, Ohio Regional Vice President of Fortis College. I'm also a member of the Board of Directors of the Ohio Michigan Association of Career College and Schools.

I'm here today to advocate for OCOG – the Ohio College Opportunity Grant. My testimony will highlight how OCOG helps our students prepare for the in-demand occupations and contribute to Ohio's economic growth. In addition, I will advocate for equal treatment of all students that qualify for OCOG and talk about the ways Fortis invests in assuring our students can attain and afford a college degree.

I'm honored that Chairman Carfagna and Representative Sweeney were able to visit our Fortis campuses and meet our students and faculty. For the benefit of those unfamiliar with Fortis College, let me give you some background. The four campuses in Ohio are part of Education Affiliates (EA). EA is a privately held company that takes great pride in delivering a quality education to our students through our network of post-secondary educational institutions and training centers across the nation. Our four Ohio campuses are in Westerville (Columbus), Centerville, Cincinnati, and Cuyahoga Falls. The combined student population for the month of April is projected to be 1,950 students. Each campus is accredited not only by national accrediting bodies, but also programmatic accrediting bodies such as ACEN, JCERT and ARC. (ACEN, JCERT and ARC are the same programmatic accreditors used by Ohio public colleges and universities).

Fortis campuses in Ohio have also gone through the rigorous and costly process of having our associate degree programs awarded a Certificate of Authorization from the Ohio Department of Higher Education. This is significant for two reasons: 1) In the eyes of the State of Ohio and the Department of Higher Education, our degree programs have complete parity with similar degrees issued by the state's two-year and four-year institutions and the non-profit colleges and

universities; and 2) Only degree programs that have Certificates of Authorization are eligible for OCOG.

Fortis Ohio campuses prepare students for careers in Medical Billing and Coding, Registered Nursing, Practical Nursing, Surgical Technology, Medical Assisting, Radiologic Technology, Dental Assisting, Information Technology, CDL, Welding, HVAC-R, and soon to be launched Facilities Maintenance. These are the programs Ohio employers tell us they need, and as private-sector, for-profit colleges, we respond to the marketplace. Examples of the employers we work closely with from the central Ohio area are OhioHealth, Mt. Carmel Health Systems, Select Specialty Hospital, DaVita Dialysis, National Church Residences, Interim Healthcare, Fire and Ice Heating and Cooling, Lennox, Atlas Butler, Maxim Healthcare, Ohio Reproductive Medicine, and Ohio Foot and Ankle, to name a few.

These companies routinely hire our graduates because they have confidence in the quality of our graduates. A hallmark of career education is the close collaboration with local businesses to learn what employers need in new hires, and to design training that is tailor-made to meet their needs. Each of the Fortis College campuses conducts biannual Program Advisory Meetings (PAC Meetings) for each department. We meet with local professionals who are experts in the field of study for our students. These meetings help determine how we prepare our students to enter the workforce. For example, employers in the HVAC-R industry have asked us to focus on soft skills for our students. As a result, we have implemented a series of workshops through our Career Services department to help train our HVAC-R students to present themselves in a professional manner as they enter the homes of Ohioans in need of heating and air conditioning services.

Our high percentage of gainfully employed graduates is the result of employers turning to Fortis because they know our students are well-trained and they have had input in that training.

Our nursing graduates are in high demand at OhioHealth, one of Ohio's largest health-care systems. Since January of 2017, OhioHealth has hired 41 graduates into their Med Surg Fellowship program, including 7 in Intermediate and 2 in Critical Care in 2018. Those of you who are not familiar with the Fellowship program, OhioHealth only accepts the very best applicants into the Fellowship program, and for six months the fellows work in different location specialty units. Once they complete the fellowship, the department heads submit their choice for the new employee they would like to be part of their team, often creating a bidding war that benefits the graduate.

I also want to note that another advantage of career colleges is that the majority of our graduates remain in Ohio. As Ohio taxpayers, they return the value of OCOG many times over.

We're proud of our graduates. I forecast that 1,191 students will graduate from our four Ohio campuses in FY 2019. These students will enjoy rewarding careers and help Ohio businesses profit and grow.

The extraordinary result of our career colleges in Ohio is the impact on the economically disadvantaged population in Ohio. I believe the real story is at our graduations. Every chance I have I ask public policy leaders to be keynote speakers at our graduations. Two years ago, then State Auditor now Ohio Attorney General Dave Yost was our keynote speaker. Last year our keynote speaker was current Secretary of State Frank LaRose. I invite these officials, so that top state leaders can experience firsthand the crying grandparents professing that this is the first member of the family that has graduated from college. The parents, third and fourth generation on welfare, discussing maybe they can go to school and graduated.

We believe that the educational experience at Fortis will lead to life-long growth. But in order to provide that experience, an educational credential must be affordable. The average tuition at Fortis' Ohio campuses ranges from \$4,500 for CDL certificate to \$48,000 for an associate degree in Nursing.

An investment in tuition requires careful financial planning for our students, most of whom are working adults, who live independently and commonly carry student loan debt from community colleges or four-year universities that didn't lead to a degree prior to coming to us. Sixty percent of our current population was unsuccessful at one or more colleges before joining Fortis.

A big part of the mission at a career college is working closely with our students to help them develop a financial plan, flexible class schedule, and a pathway to minimize obstacles that otherwise might prevent them from graduating and attaining their educational and career goals.

On Fortis' Ohio campuses, 95.1% of our total enrollment received financial aid last year. Last year, based on the FY 2018-2019 research, OCOG averaged only \$520.55 per student at the four Fortis Ohio campuses. Relative to the cost of college tuition, that is not a lot of money. But if not for OCOG, thousands of Ohioans would never seek career advancement and better-paying jobs because they simply could not afford the opportunity.

As Kent explained, as established adults, our students are supporting families and paying rent or a mortgage, a car loan, and child care. As an indicator of financial need at Fortis, the average student's income is \$26,209. OCOG fills the gap between tuition and what students bring to the table in personal income, Pell grants and loans. OCOG also means students can take on less debt.

Let me get specific about the proposed FY 2020-21 OCOG budget. While HB 166 proposes nearly a 40% increase in total OCOG spending over the two-year biennium, it's unclear if any of that increase will be allocated to career college students. This is due to career colleges not having a specific earmark/allocation for OCOG distribution. Rather, current law states that the career college sector will only receive the "remainder" of the OCOG line item, after the distribution of dollars to the public and non-profit sectors, which have a detailed earmark and a specified, exact grant amount. We do know that OCOG-eligible students attending public universities and non-profit institutions will see their annual OCOG grant grow by \$900 over the biennium; this is on top of the 5+% increase they received in the current budget.

Even more troubling, when you look at a historical analysis of OCOG allocation by sector, career college students have fared even worse. As the chart below details, career college students have experienced a 48% decrease in the OCOG grant amount since the award peaked in FY08-09 (pre-recession years). During that same time, their counterparts attending public and non-profit colleges and universities will benefit from increases of 71% and 39%, respectively.

OCOG Awards for Full Time Students¹

Sector	FY08-09 (Award Peak)	FY16-17	FY18-19	FY 20-21	5-yr. Change (i.e. FY16-FY21)	% Change since Award Peak (Avg.)
Public	Avg. \$1,399 Max \$2,496	\$1,416	\$1,500	\$1,900 FY20 \$2,400 FY21	69% Increase	71% Increase
Non-profit	Avg. \$2,799 Max \$4,992	\$2,832	\$3,000	\$3,400 FY20 \$3,900 FY21	37% Increase	39% Increase
Career College	Avg. \$2,213 Max \$3,996	\$1,040	\$1,140	\$1,140 ²	13% Increase	(-48%) decrease

¹ Annual grant amounts for full-time students. Source: Ohio Department of Higher Education

² Exact amount of "remainder" (HB 166 language) is unknown.

As Kent stated in his testimony, Ohio career college are grateful that HB 166 recognizes the need for OCOG. However, the current language in the bill does not ensure any of the proposed increase will flow to career college students. Our Association recommends that the allocation and earmark of the proposed increase in OCOG be the same percentage increase for all three sectors (public, non-profit and career college). While this parity will not address previous budgets' discriminatory treatment, it will treat all students equally, regardless of where they have chosen to seek their education.

Of course, OCOG alone is insufficient to meet the financial aid needs of the non-traditional students we serve. As a career college, Fortis understands our mission and our students. Fortis campuses in Ohio budgeted for FY 2019 more than \$329,000 in institutional scholarships. In addition, working with our industry partners and understanding the shortage of Registered Nurses in Ohio, Fortis last year began to offer a \$5,000 scholarship to any LPN Nurse with an active, unencumbered Ohio License that entered in to our RN program. Furthermore, for all active students, the college pays \$2.98 per student per month for "Well Connect," a service that is available to all students and their families to assist in all life obstacles that would prevent the student from continuing their education. This service allows 5 visits per incident to a network lawyer, financial consultant, wellbeing support, family and caregiving support, as well as community resources and referrals at no cost to the student or student's family.

The personal attention available at career colleges allows those students who were unsuccessful at previous colleges the ability to graduate. Retention is consistently in the 80% range for all four Ohio campuses. The company target is 86%. In fact, our accreditors set a minimum bench mark at 70% retention, far above many public institutions.

Career colleges would like the ability to do even more to prepare Ohio's workforce. I will conclude my testimony by encouraging the Ohio General Assembly to give its full support to the Ohio Department of Higher Education's proposed guidelines for transferability of college credits. I served on the Joint Committee on College Affordability with colleagues from other sectors of higher education to create a strategic plan for transferability of credits from career colleges to the public university system. Credit transferability advances the Chancellor's goals to create a student-centered education system by helping students to avoid the costs of repeating courses they have completed in the public, not-for-profit, or for-profit systems.

Like the OCOG allocation, transferability of credits is another opportunity to treat college students equitably. If the educational requirements for a nursing degree, for example, are the

same at Ohio State, Columbus State and Fortis, we should allow students the flexibility to transfer credits from one institution to the other, in order to help them attain their degrees and become nurses.

On behalf of the OCOG recipients at our Fortis campuses and the 15,000 career college students pursuing degrees, I urge you to support OCOG, and amend HB 166 to earmark an equitable share of the OCOG fund for career college students.

OCOG is an investment in individual human potential and in Ohio's economic future.

Thank you. I'm happy to answer any questions you have.