



Testimony before the House Finance Higher Education Subcommittee  
HB 166 (FY 2020-21 Operating Budget)  
*Tuesday, April 9<sup>th</sup>, 2019*

Chairman Carfagna, Ranking Member Sweeney, and members of the House Finance Higher Education Subcommittee, thank you for the opportunity to testify today on the important role that Ohio's community colleges are playing in filling the workforce needs throughout our state. I am Jack Hershey, President of the Ohio Association of Community Colleges (OACC), which represents the presidents and trustees of all twenty-three of the state's public community colleges and works to advance our two-year institutions through advocacy, policy and professional development.

Just last week, the President of Strada Education Network summed up our nation's workforce problem by saying:

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There are three national problems that we are trying to solve:

- 1.) 44 million adults with some education but no degree
- 2.) 7 million unfilled jobs
- 3.) Low completion rate among low-income students

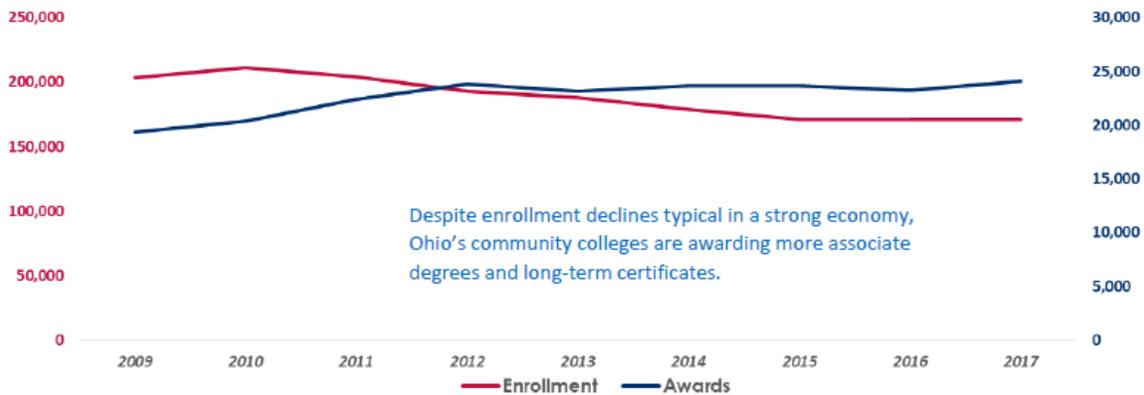
— Bill Hansen, President and Chief Executive Officer, Strada Education Network

Solving these workforce disconnects and increasing completion rates is hard, challenging, but at the same time, immensely rewarding work. The challenges Bill Hansen mentioned are real, and they still exist because there is no simple solution to those three national problems.

Our colleges are learning that it requires the implementation of numerous strategies - simultaneously - to make a real difference. The wrap-around services that a working mother needs to be able to concentrate on school work are different from the ones a veteran needs, which are different than the strategies needed for retraining a plant full of incumbent workers.

Today, I'm happy to report that Ohio's community colleges are making great progress in helping meet this challenge. As you can see from the chart below, even though enrollment on our campuses has declined since the high of 2010 (typical for community colleges during good economic times), we have been able to make dramatic gains in completion, and we are still just in the early stages of implementing and testing many of these strategies.

## ENROLLMENT VS. CREDENTIALS AWARDED AT COMMUNITY COLLEGES (i.e. Increased efficiency of degree production)



Ohio's Complete to Compete Goal, which aims to have 65 percent of Ohioans hold a credential by 2025, is simply not attainable unless we all are willing to do the hard work necessary to tackle those three national problems. However, there is hope. So today, I'd like to walk you through three important strategies that have emerged in our ongoing efforts to help more students achieve their goals, explain how many of the proposals in the executive budget fit in perfectly with these strategies, and offer a few suggestions on how you could take those proposals even further, if you so choose.

### Better Coordination with Support Networks to Address the REAL Costs of Attending College

Traditionally, discussions about the cost of college have started and stopped with the published tuition cost of an institution. For most community college students, tuition is fully covered by a PELL Grant, but there are numerous other costs a working adult or low-income student struggles with. Even with a PELL Grant in hand, they leave for a myriad of other reasons, and too many of those are related to socio-economic status. They are hungry. They are worried about where they are going to sleep. They are worried about paying for child care. They can't afford to fix the car that gets them to campus with this month's paycheck, and maybe not next month's either. Their employer is no longer accommodating to their school schedule.

One of the core missions of a community college is to be a good partner in order to help the community that it serves thrive. And while each Ohio community college serves their local community well, we also view ourselves as partners with the State of Ohio. For instance, we know that state leaders are concerned about the fiscal impact on the State of Ohio of the Medicaid program, especially as the federal share of funding that program declines. So we have been looking for solutions that could help more of our students complete a credential, find a job with a family sustaining wage, and no longer need to rely on safety net programs like Medicaid.

One promising approach was piloted by Cincinnati State Technical and Community College, Cuyahoga Community College, and Lorain County Community College, who set out to address their low-income students' needs by turning to a proven-effective program: the Accelerated Study in Associate Programs developed by the City University of New York (CUNY). The accelerated study program requires students to

enroll full time, and in exchange, provides them with a comprehensive set of financial, academic, and personal support services. Two-years into the program, results showed that the Ohio colleges boosted semester-to-semester persistence and credit accumulation and more than doubled the graduation rate (from 7.9 percent to 19.1 percent). The magnitude of this increase mirrors that achieved in the original program in New York City.

However, the New York model is also expensive, which is why we are excited for the Community College Acceleration Project (CCAP) as proposed in the Executive Budget. We believe that better, more purposeful coordination between our colleges and the many organizations that are currently acting as safety nets for lower income Ohioans can significantly reduce the costs from the model that CUNY implemented.

#### SUMMARY OF OHIO ASAP MODEL COMPONENTS

<b>Student Support</b> <ul style="list-style-type: none"> <li>Enhanced advising</li> <li>Enhanced career-development services</li> <li>Enhanced tutoring</li> </ul>	<b>Requirements and Messages</b> <ul style="list-style-type: none"> <li>Full-time and summer enrollment</li> <li>Taking developmental education courses early</li> <li>Graduating within three years</li> </ul>
<b>Financial Support</b> <ul style="list-style-type: none"> <li>Tuition waiver</li> <li>Textbook assistance</li> <li>Monthly incentive*</li> </ul>	<b>Course Enrollment</b> <ul style="list-style-type: none"> <li>A consolidated schedule and blocked courses<sup>†</sup></li> <li>First-year seminar<sup>‡</sup></li> </ul>
<b>Program Management</b> <ul style="list-style-type: none"> <li>Managed locally within each college</li> <li>Dedicated staffing</li> </ul>	

The CCAP program envisions us starting by working with both the state and county departments of Job and Family Services to begin drawing down dollars available through the U.S. Department of Agriculture aimed at helping educate people off SNAP benefits. These funds can be used to provide some of the comprehensive support services that have proven so effective in this pilot program.

Other Proposals in the Executive Budget that Support This Strategy:

- The proposal to allow OCOG to be used for textbooks and other educational materials for community college students, which we fully support.
- Increased funding for Choose Ohio First Scholarship

Additional Requests:

- Remove the requirement that only full-time community college students are eligible to receive the \$3 million in OCOG funds to help low-income students attending a community college with the cost of textbooks and other educational materials. This is a restriction that does not apply to other OCOG recipients.

- Establish a Blue Ribbon Task Force on Ohio's Need-Based Aid to examine the latest national research in how the state's investment in need-based aid could be used more effectively to increase accountability, time-to-degree, overall completion rates, all while incentivizing better workforce alignment for recipients. A lot has changed since OCOG was first created in 2007, and it is safe to say that the program is long-overdue for an in-depth analysis to determine whether there is a smarter, more strategic way to target the state's investment in need-based aid. A blue ribbon panel would allow state and national experts the ability to move beyond the standard discussion of appropriate levels of funding for OCOG, to the more meaningful discussion about whether the strategy behind the program should be retooled to meet the realities and challenges of today's higher education system.

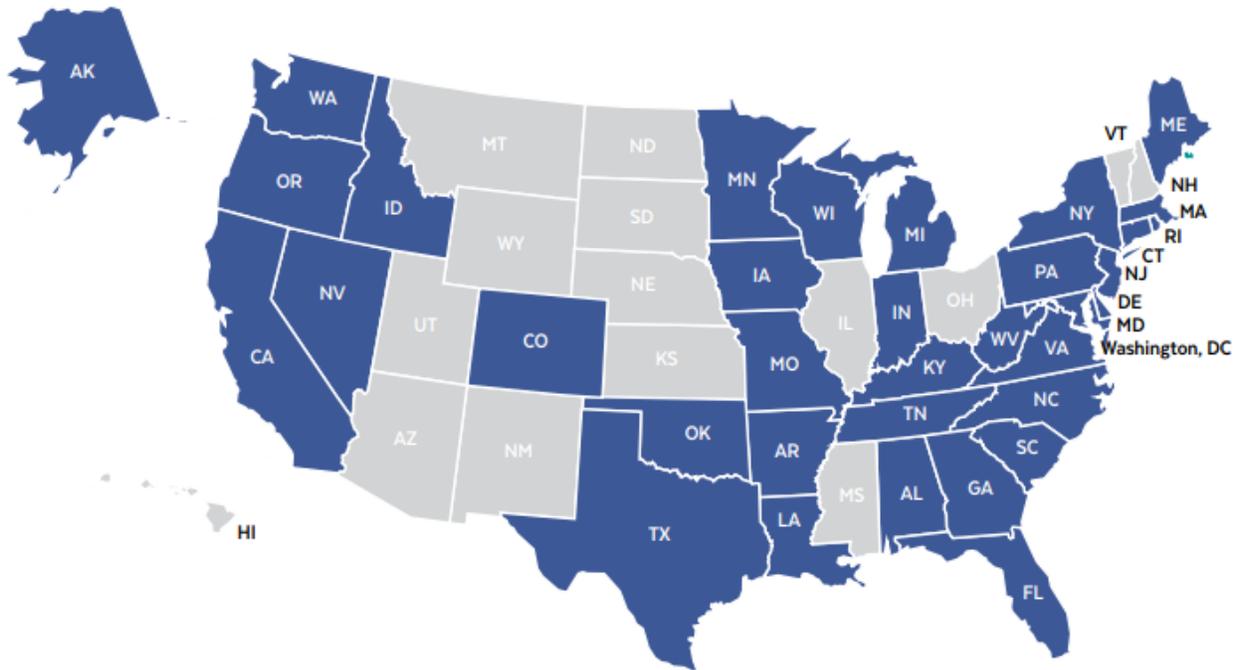
### Increase Business Partnerships and Work Based Learning Opportunities

We face a wide gap between the number of college-educated adults in today's workforce and the number that businesses need, so over the past year, OACC has been engaging with a number of state business associations in order to better understand the types of policy changes their employer members feel would help solve their workforce shortages. As we roll up our sleeves to work on these problems, we felt it was absolutely imperative to listen to employers. What we heard was that while the specific policy ideas varied from groups like the Ohio Chamber of Commerce, NFIB-Ohio, the Ohio Association of Realtors, LeadingAge Ohio, the Ohio Hospital Association, and the Ohio Manufacturers Association, the urgency to solve the problem did not.

We were pleased to see that many of the ideas we heard were endorsed within Governor DeWine's budget proposal. The Governor's proposal to increase funding for industry recognized credentials and short-term certificates from \$5 million to \$30 million over the next two years is a long-awaited recognition from state government that while businesses undoubtedly value employees with bachelor's degrees, they equally value employees with skills-based credentials and certificates. The decision to place funding within the Department of Developmental Services is a smart one to ensure the program remains flexible and employer driven, which is ultimately in the best interest of our students pursuing these credentials, as many of them will already be well established with their current employer.

Another disconnect that we noticed in our conversations with business groups is one between our students and some employers, who often don't think of our students as employable until they graduate. The reality is that most community college students work, and they often work full-time jobs. Yet too many of them are working their way through college at somewhere like McDonald's, instead of in a job within their career field of choice. That should change, because we have seen partnerships like ones between Stark State Community College and First Energy, Columbus State Community College and Honda, and an apprenticeship model with Leading Age Ohio among a growing number of community colleges, that are showing completion rates very close to 100 percent when students are connected with a job when they enroll, instead of when they graduate. The state should certainly consider how to accelerate the scaling of these work-based learning models like apprenticeships and other "learn and earn" programs that dramatically improve completion rates and help address employer's workforce challenges.

## 35 STATES HAVE WORK-BASED LEARNING POLICIES<sup>1</sup>



### Other Proposals in the Executive Budget that Support This Strategy:

- Maintain \$15 million in funding for industry recognized credentials
- Maintain \$8 million in RAPIDS Grants to help with equipment costs associated with collaborative workforce development programs.

### Additional Requests:

- Establish a fund to reimburse employers \$1,000 for each new apprentice they employ.
- Re-establish the Jobs Challenge to provide start-up and operational support to community colleges and Ohio Technical Centers to develop, stand-up, and operate in-demand non-credit technical and workforce training programs.
- Allow College Credit Plus (CC+) students to be eligible for the new \$25 million in funding per year for industry-recognized credentials for high school students.
- Analyze whether the recent student eligibility changes to CC+ has disproportionately impacted students in career and technical courses or pathways.

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<sup>1</sup> National Skills Coalition: "Skills in the State: Work-based Learning Policy 50 State Scan"

## Target Funding Towards Strategies that Increase Student Success

Finally, I'd like to finish with the strategy that has been the most foundationally important to all of the increases in student success that we are seeing. Several years ago, when Governor John Kasich challenged the community college presidents to develop a new funding formula that incentivized completion, he never asked us to put 100 percent of our funding at risk. Our colleges chose to do that, because they saw that aligning funding in a more strategic direction was in the best interest of their students, their colleges, our business partners, and the state overall.

Since first including performance metrics in our formula, we have seen an 8.5 percent increase in the number of degrees and long-term certificates awarded by Ohio community colleges and a 22 percent increase in short-term certificate awards, even though as I said earlier, we have seen enrollment declines during that period. Because state completion data lags by a more than a year, I can say confidently that number will be even higher when the next year of data is released. Investing in student success is a winning strategy that we should double-down on.

We appreciate the 1 percent increase in SSI, but it does not keep up with the increased production we are seeing. If additional SSI funding is not possible in this budget, we would encourage you to replace the 2% annual increase on instructional and general fees currently in HB 166 with the \$10 per credit hour increase that was previously approved by the legislature but vetoed by Governor Kasich. Allowing community colleges to implement this \$10 per credit hour tuition cap over the biennium – which is still less of a per credit hour increase than universities would be allowed under the proposed 2% annual tuition cap – would provide additional resources to continue implementation of student success initiatives and direct student support services on our college campuses.

Other Proposals in the Executive Budget that Support This Strategy:

- Maintain the 1 percent SSI increase for community colleges currently in the Executive Budget.
- Maintain new language to ensure that only Ohio residents are eligible for the state subsidy under the community college funding formula.

Additional Requests:

- Increase the State Share of Instruction (SSI) to keep pace with productivity gains of Ohio's community colleges.
- Split the SSI line item into two new line items to provide better transparency and understanding of Ohio's nationally recognized performance-based funding formula for both community colleges and universities. One of the most important principles of the new formula was to keep it simple, so that as many people as possible could understand the drivers behind the state funding. Several years into this new formula, I can say that having two separate formulas in one line item has proven to be confusing. Having the line items separated will help ensure policy experts, administrators at numerous levels of

the college, faculty leaders, and others can focus on the funding formula metrics and reforms that makes sense for the distinct mission of the two different sectors.

The appropriation levels of the line items would be the exact same as the earmarked amounts in the As Introduced version of HB 166:

	<u>FY 2020</u>	<u>FY 2021</u>
SSI – Community Colleges	\$460,818,566	\$465,436,752
SSI – Universities	\$1,538,392,149	\$1,553,776,070

- Rather than the proposed 2% tuition increase for public colleges and universities, OACC requests that our community colleges be allowed to implement the \$10 per credit hour tuition cap that was previously approved by the legislature in HB 49 but unfortunately vetoed by former Governor Kasich.

Mr. Chairman, I'd like to conclude by introducing a couple of real-life success stories to breathe some real world examples into all of these strategies that I've talked about. First is LaPreece Thomas, a recent graduate of the ASAP program (locally called SAIL) at Lorain County Community College. The second is Andy Clark, who is both attending Sinclair Community College and working at Crane1 in Dayton through the Electrical Maintenance Apprenticeship program.

Thank you Chairman Carfagna and members of the subcommittee for your time and attention this morning. I would be happy to answer any questions that you may have, either today or at any point during this process.