



OHIO SENATE COMMITTEE ON HIGHER EDUCATION

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

RANDY GARDNER, CHANCELLOR

May 1, 2019

Chair Kunze. Ranking member Williams. Members of the Senate Higher Education Committee.

First let me say how honored I am to stand before this committee and work with you on higher education issues in the state budget bill. The greatest value I believe in the budget committee 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 the Senate Finance Committee and in the House of Representatives.

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; and 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 legislators 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 various departments and programs 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

- **OCOG** The decision to begin to assist two-year public students and four-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.

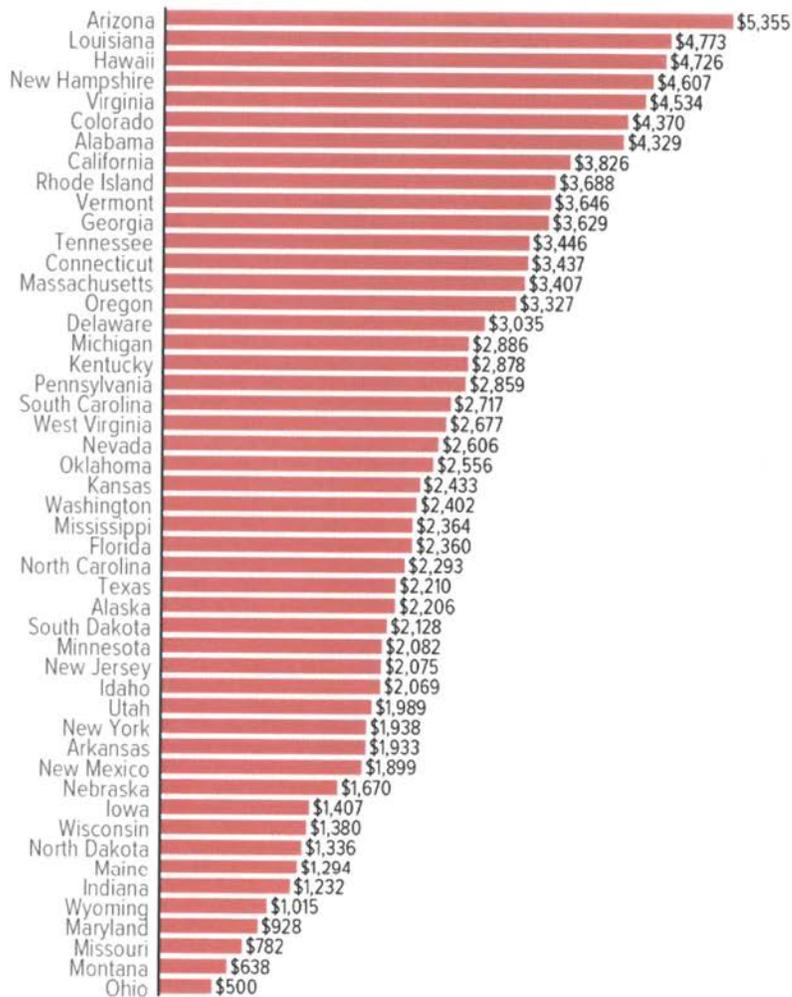


- **Community College Acceleration Program** As we identified in full committee testimony, a pilot program has already demonstrated excellent promise with this strategy to encourage full time enrollment in our community colleges through a variety of support services. This collaborative effort between 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. 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** Ohio is a leader in performance-based funding, particularly with respect to course completion and graduation rates. 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.

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.

Tuition Has Increased Sharply at Public Colleges and Universities

Change in average tuition at public, four-year colleges, inflation adjusted, 2008-2018



Note: Illinois was excluded because the data necessary to make a valid comparison are not available. Since enrollment data are only available through the 2016-17 school year, we have estimated enrollment for the 2017-18 school year using data from past years.

Source: CBPP calculations using the "Grapevine" higher education appropriations data from Illinois State University, enrollment and combined state and local funding data from the State Higher Education Executive Officers Association and the Consumer Price Index, published by the Bureau of Labor Statistics



Department of
Higher Education

Mike DeWine, Governor
Randy Gardner, Chancellor



TABLE 5. Average Published Tuition and Fees at Public Institutions by State in Current Dollars and in 2018 Dollars, 2004-05 to 2018-19

	In Current Dollars						In 2018 Dollars						
	Public Two-Year In-District Tuition and Fees			Public Four-Year In-State Tuition and Fees			Public Two-Year In-District Tuition and Fees			Public Four-Year In-State Tuition and Fees			
	2004-05	2010-11	2018-19	2004-05	2010-11	2018-19	2004-05	2010-11	2018-19	2004-05	2010-11	2018-19	
Alaska	N/A	N/A	N/A	\$3,435	\$5,261	\$7,820	Alaska	N/A	N/A	N/A	\$4,570	\$6,081	\$7,820
Alabama	\$2,728	\$3,417	\$4,760	\$4,510	\$7,373	\$10,870	Alabama	\$3,630	\$3,950	\$4,760	\$6,001	\$8,523	\$10,870
Arkansas	\$1,874	\$2,525	\$3,700	\$4,581	\$6,304	\$8,710	Arkansas	\$2,493	\$2,919	\$3,700	\$6,095	\$7,287	\$8,710
Arizona	\$1,393	\$1,979	\$2,580	\$4,078	\$8,075	\$11,540	Arizona	\$1,853	\$2,288	\$2,580	\$5,426	\$9,334	\$11,540
California	\$808	\$819	\$1,430	\$4,195	\$7,485	\$9,870	California	\$1,075	\$947	\$1,430	\$5,582	\$8,652	\$9,870
Colorado	\$2,218	\$3,122	\$4,510	\$3,733	\$7,078	\$11,140	Colorado	\$2,951	\$3,609	\$4,510	\$4,967	\$8,182	\$11,140
Connecticut	\$2,406	\$3,408	\$4,400	\$6,336	\$8,977	\$12,760	Connecticut	\$3,201	\$3,939	\$4,400	\$8,430	\$10,377	\$12,760
District of Columbia	N/A	N/A	N/A	\$2,520	\$7,000	\$8,250	District of Columbia	N/A	N/A	N/A	\$3,353	\$8,092	\$8,250
Delaware	\$2,509	\$3,574	\$4,850	\$6,629	\$9,623	\$12,700	Delaware	\$3,338	\$4,131	\$4,850	\$8,820	\$11,124	\$12,700
Florida	\$1,780	\$2,773	\$3,250	\$3,054	\$5,034	\$6,360	Florida	\$2,368	\$3,205	\$3,250	\$4,063	\$5,819	\$6,360
Georgia	\$2,075	\$2,800	\$3,810	\$3,411	\$5,872	\$8,580	Georgia	\$2,761	\$3,237	\$3,810	\$4,539	\$6,788	\$8,580
Hawaii	\$1,458	\$2,710	\$3,920	\$3,386	\$7,458	\$10,800	Hawaii	\$1,940	\$3,133	\$3,920	\$4,505	\$8,621	\$10,800
Iowa	\$2,920	\$3,912	\$5,320	\$5,407	\$7,155	\$9,080	Iowa	\$3,885	\$4,522	\$5,320	\$7,194	\$8,271	\$9,080
Idaho	\$1,798	\$2,554	\$4,190	\$3,591	\$5,330	\$7,590	Idaho	\$2,392	\$2,952	\$4,190	\$4,778	\$6,161	\$7,590
Illinois	\$1,990	\$3,010	\$4,140	\$6,494	\$10,969	\$13,970	Illinois	\$2,648	\$3,479	\$4,140	\$8,641	\$12,679	\$13,970
Indiana	\$2,584	\$3,441	\$4,710	\$5,847	\$7,988	\$9,490	Indiana	\$3,438	\$3,978	\$4,710	\$7,780	\$9,234	\$9,490
Kansas	\$1,767	\$2,281	\$3,130	\$4,242	\$6,627	\$9,100	Kansas	\$2,351	\$2,637	\$3,130	\$5,644	\$7,660	\$9,100
Kentucky	\$2,770	\$3,900	\$5,310	\$4,476	\$7,519	\$10,710	Kentucky	\$3,686	\$4,508	\$5,310	\$5,956	\$8,691	\$10,710
Louisiana	\$1,738	\$2,212	\$4,190	\$3,534	\$4,733	\$9,550	Louisiana	\$2,312	\$2,557	\$4,190	\$4,702	\$5,471	\$9,550
Massachusetts	\$3,361	\$4,594	\$6,300	\$7,034	\$9,488	\$13,200	Massachusetts	\$4,472	\$5,310	\$6,300	\$9,359	\$10,967	\$13,200
Maryland	\$2,978	\$3,567	\$4,680	\$6,770	\$7,737	\$9,900	Maryland	\$3,962	\$4,123	\$4,680	\$9,008	\$8,943	\$9,900
Maine	\$2,595	\$3,260	\$3,750	\$5,601	\$8,945	\$10,230	Maine	\$3,453	\$3,768	\$3,750	\$7,452	\$10,340	\$10,230
Michigan	\$1,995	\$2,694	\$3,860	\$6,294	\$10,135	\$13,420	Michigan	\$2,654	\$3,114	\$3,860	\$8,374	\$11,715	\$13,420
Minnesota	\$3,795	\$4,939	\$5,440	\$6,463	\$9,387	\$11,540	Minnesota	\$5,049	\$5,709	\$5,440	\$8,599	\$10,851	\$11,540
Missouri	\$2,152	\$2,580	\$3,580	\$5,934	\$7,271	\$8,670	Missouri	\$2,863	\$2,982	\$3,580	\$7,895	\$8,405	\$8,670
Mississippi	\$1,546	\$2,119	\$3,190	\$3,991	\$5,294	\$8,420	Mississippi	\$2,057	\$2,449	\$3,190	\$5,310	\$6,120	\$8,420
Montana	\$2,366	\$3,029	\$3,730	\$4,468	\$5,612	\$7,100	Montana	\$3,148	\$3,501	\$3,730	\$5,945	\$6,487	\$7,100
North Carolina	\$1,195	\$1,776	\$2,470	\$3,566	\$5,323	\$7,220	North Carolina	\$1,590	\$2,053	\$2,470	\$4,745	\$6,153	\$7,220
North Dakota	\$3,000	\$3,880	\$4,830	\$4,606	\$6,569	\$8,660	North Dakota	\$3,992	\$4,485	\$4,830	\$6,129	\$7,593	\$8,660
Nebraska	\$1,763	\$2,412	\$3,180	\$4,720	\$6,600	\$8,510	Nebraska	\$2,346	\$2,788	\$3,180	\$6,280	\$7,629	\$8,510
New Hampshire	\$4,680	\$6,271	\$7,090	\$8,085	\$11,946	\$16,460	New Hampshire	\$6,227	\$7,249	\$7,090	\$10,757	\$13,809	\$16,460
New Jersey	\$2,802	\$3,922	\$5,040	\$7,979	\$11,649	\$14,180	New Jersey	\$3,728	\$4,534	\$5,040	\$10,616	\$13,465	\$14,180
New Mexico	\$1,040	\$1,325	\$1,840	\$3,909	\$5,128	\$7,130	New Mexico	\$1,384	\$1,532	\$1,840	\$5,201	\$5,928	\$7,130
Nevada	\$1,590	\$2,243	\$3,400	\$2,874	\$5,318	\$7,660	Nevada	\$2,116	\$2,593	\$3,400	\$3,824	\$6,147	\$7,660
New York	\$3,272	\$3,961	\$5,490	\$4,948	\$5,793	\$8,190	New York	\$4,354	\$4,579	\$5,490	\$6,584	\$6,696	\$8,190
Ohio	\$3,201	\$3,732	\$4,720	\$8,236	\$9,056	\$10,790	Ohio	\$4,259	\$4,314	\$4,720	\$10,959	\$10,468	\$10,790
Oklahoma	\$2,106	\$2,832	\$4,380	\$3,535	\$5,750	\$8,750	Oklahoma	\$2,802	\$3,274	\$4,380	\$4,703	\$6,647	\$8,750
Oregon	\$2,863	\$3,745	\$5,310	\$5,221	\$7,434	\$10,610	Oregon	\$3,809	\$4,329	\$5,310	\$6,947	\$8,593	\$10,610
Pennsylvania	\$2,868	\$3,470	\$5,480	\$8,249	\$11,331	\$14,770	Pennsylvania	\$3,816	\$4,011	\$5,480	\$10,976	\$13,098	\$14,770
Puerto Rico	N/A	N/A	N/A	\$1,174	\$2,549	\$3,590	Puerto Rico	N/A	N/A	N/A	\$1,562	\$2,946	\$3,590
Rhode Island	\$2,310	\$3,652	\$4,560	\$5,933	\$9,319	\$12,530	Rhode Island	\$3,074	\$4,221	\$4,560	\$7,894	\$10,772	\$12,530
South Carolina	\$2,828	\$3,646	\$5,640	\$6,611	\$10,063	\$12,950	South Carolina	\$3,763	\$4,215	\$5,640	\$8,796	\$11,632	\$12,950
South Dakota	\$3,035	\$4,585	\$6,700	\$4,348	\$6,318	\$8,690	South Dakota	\$4,038	\$5,300	\$6,700	\$5,785	\$7,303	\$8,690
Tennessee	\$2,197	\$3,196	\$4,560	\$4,306	\$6,522	\$9,950	Tennessee	\$2,923	\$3,694	\$4,560	\$5,729	\$7,539	\$9,950
Texas	\$1,382	\$1,858	\$2,620	\$5,075	\$7,744	\$10,300	Texas	\$1,839	\$2,148	\$2,620	\$6,753	\$8,952	\$10,300
Utah	\$2,017	\$2,867	\$3,810	\$3,274	\$4,916	\$6,990	Utah	\$2,684	\$3,314	\$3,810	\$4,356	\$5,683	\$6,990
Virginia	\$2,081	\$3,585	\$5,260	\$5,579	\$8,809	\$13,490	Virginia	\$2,769	\$4,144	\$5,260	\$7,423	\$10,183	\$13,490
Vermont	\$4,720	\$6,250	\$8,190	\$8,783	\$12,474	\$16,610	Vermont	\$6,280	\$7,225	\$8,190	\$11,686	\$14,419	\$16,610
Washington	\$2,482	\$3,360	\$4,440	\$4,914	\$8,197	\$9,760	Washington	\$3,302	\$3,884	\$4,440	\$6,538	\$9,475	\$9,760
Wisconsin	\$2,906	\$3,623	\$4,550	\$5,218	\$7,711	\$9,080	Wisconsin	\$3,867	\$4,188	\$4,550	\$6,943	\$8,913	\$9,080
West Virginia	\$2,081	\$2,524	\$4,320	\$3,631	\$5,226	\$8,290	West Virginia	\$2,769	\$2,918	\$4,320	\$4,831	\$6,041	\$8,290
Wyoming	\$1,686	\$2,223	\$3,240	\$3,243	\$3,927	\$5,400	Wyoming	\$2,243	\$2,570	\$3,240	\$4,315	\$4,539	\$5,400

NOTES: Average tuition and fee prices are weighted by full-time enrollment. Data on individual states should be interpreted with caution because of the possible impact of reporting errors and missing data on states with small numbers of institutions.

SOURCES: The College Board, Annual Survey of Colleges; NCES, IPEDS Fall Enrollment data.

This table was prepared in October 2018.