



Testimony before the Senate Finance Higher Education Committee  
Sub. HB 166 (FY 2020-21 Operating Budget)  
*Wednesday, May 8<sup>th</sup>, 2019*

Chairman Kunze, Vice Chair Gavarone Ranking Member Williams, and members of the Senate Higher Education Committee, 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.

Recently, 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

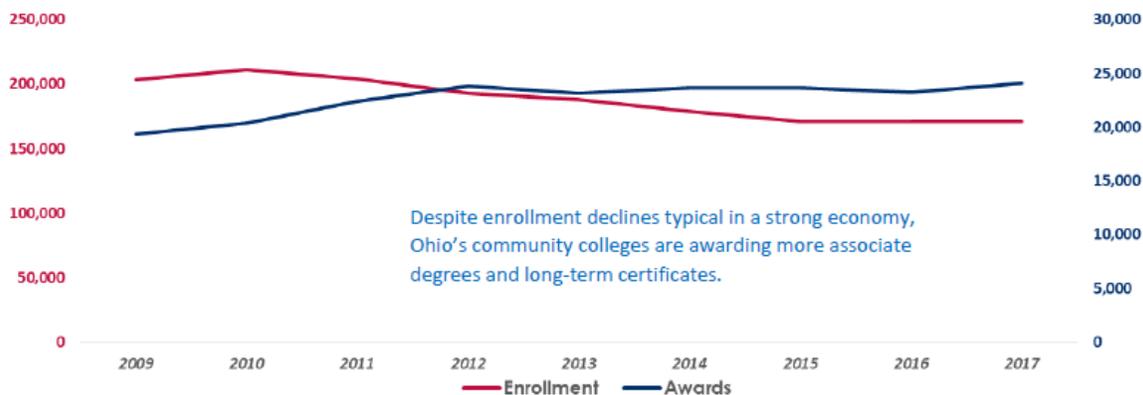
— Bill Hansen, President and Chief Executive Officer, Strada Education Network

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.

I am 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)



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 actually struggles with. Even with a PELL Grant in hand, they often 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 promising approach towards addressing these problems 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 (ASAP) developed by the City University of New York (CUNY). ASAP 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. These results mirror those 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.

### Current Provisions in HB 166 that Support This Strategy:

- \$3 million per year to help cover the cost of textbooks and other educational materials for community college students. Governor DeWine proposed to include this new provision in OCOG, while the current version of the House Sub-Bill established a new line item for the same purposes. OACC supports either approach to finally providing state need-based aid to our low-income students.
- Increased funding for Choose Ohio First Scholarship.
- Increase FAFSA completion rates through College Credit Plus.

### Additional Requests:

- Establish a Blue Ribbon Task Force on Ohio’s Need-Based Aid to examine the latest national research in how the state’s need-based aid program could be used more effectively to increase accountability, time-to-degree and overall completion rates all while incentivizing better workforce alignment for recipients.

Concerns were initially raised that Governor DeWine’s proposal to provide \$3 million in OCOG for textbooks and other materials for community college students would be administratively cumbersome due to a new set tracking metrics that would be required. We agree with the notion that from a good government perspective, it is important to get this right, but not just for the new

textbook program. We believe that state should examine how to improve program design with better data reporting and outcome metrics for the entire OCOG program. Currently under OCOG, there is minimal reporting to ODHE and from the best we can tell, there is very little data tracking to determine on how effective this \$100 million a year program is at improving student success, reducing time to completion or post-degree job placement.

A lot has changed since OCOG was first created in 2007 and it is important that the appropriate data is reported and performance metrics are in place to ensure that the state's investment is being strategically used. A blue ribbon panel of financial aid experts would provide unbiased recommendations for program design changes, expanded access to need-based aid and student-outcome metrics that would improve the OCOG program for students and the state.

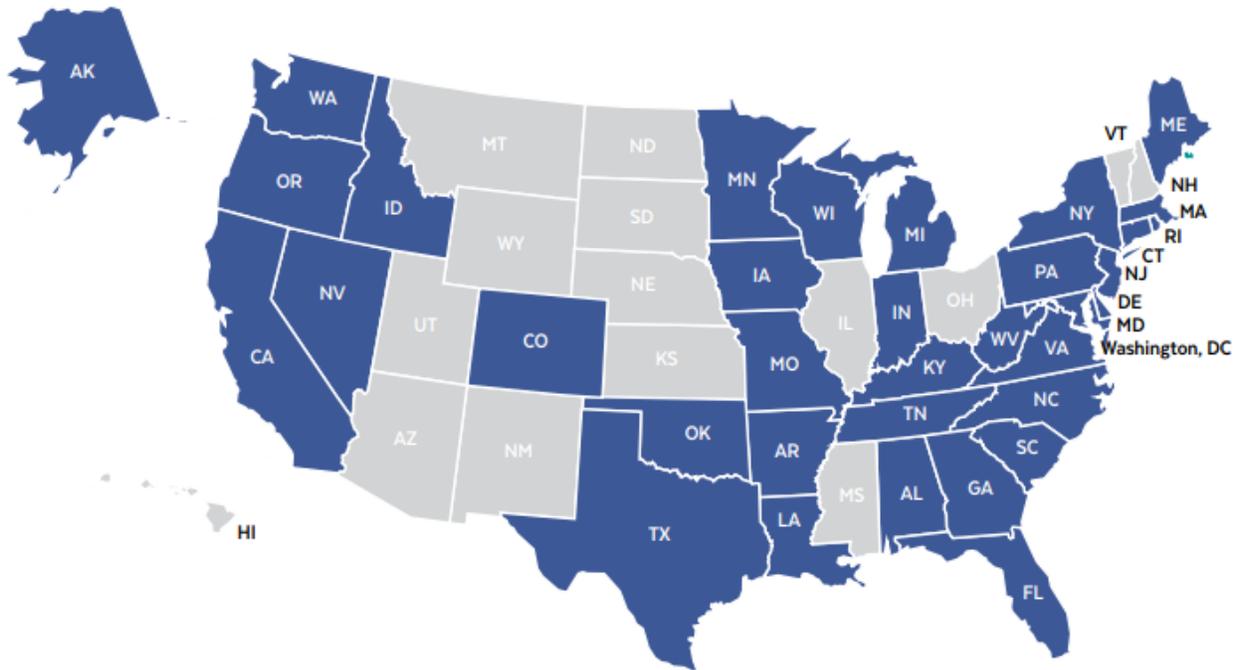
### **Increase Business Partnerships and Work Based Learning Opportunities**

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. 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 Developmental Services Agency is a smart one to ensure the program remains flexible and employer driven.

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>



### Current Provisions in HB 166 that Support This Strategy:

- \$8 million in RAPIDS Grants to help with equipment costs associated with collaborative workforce development programs.
- \$10 million to re-establish the Jobs Challenge, 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. OACC respectfully urges the Senate maintain this provision.

### Additional Requests:

- Support the proposed \$15 million per year for industry-recognized credentials.
- Establish a fund to reimburse employers \$1,000 for each new apprentice they employ.
- Study 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% increase in the number of degrees and one-year certificates awarded by Ohio community colleges and a 22% increase in short-term certificate awards, even though as I said earlier, we have seen enrollment declines during that period. Investing in student success is a winning strategy that we should double-down on.

If additional SSI funding is not possible in the Senate, 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. We thank those of you that have already voted in favor of this provision.

We believe that the structure of the 2% cap penalizes institutions who have made decisions to keep tuition low over the years, and rewards those institutions with higher tuition costs in the state. As you can see from the chart below, every public university would be allowed to increase tuition more than \$10 per credit hour under the 2% cap.

Maximum Per Credit Hour Increases w/ 2% Annual Tuition Cap in HB 166 - Universities						
University	Instructional Fees Per Credit Hour	General Fees Per Credit Hour	Instructional + General CH Fee	2% Tuition Cap AY 2019-20	2% Tuition Cap AY 2020-21	Total Allowable Per Credit Hour Increase
BGSU	\$379.00	\$62.25	\$441.25	\$8.83	\$9.00	\$17.83
Central State	\$275.00	\$0.00	\$275.00	\$5.50	\$5.61	\$11.11
Cleveland State	\$339.60	\$100.90	\$440.50	\$8.81	\$8.99	\$17.80
Kent State	\$382.00	\$80.00	\$462.00	\$9.24	\$9.42	\$18.66
Miami	\$486.38	\$107.92	\$594.30	\$11.89	\$12.12	\$24.01
Ohio State	\$382.00	\$72.70	\$454.70	\$9.09	\$9.28	\$18.37
Ohio University	\$441.00	\$61.00	\$502.00	\$10.04	\$10.24	\$20.28
Shawnee State	\$260.45	\$46.39	\$306.84	\$6.14	\$6.26	\$12.40
University of Akron	\$359.09	\$54.25	\$413.34	\$8.27	\$8.43	\$16.70
University of Cincinnati	\$389.00	\$70.00	\$459.00	\$9.18	\$9.36	\$18.54
University of Toledo	\$335.49	\$81.80	\$417.29	\$8.35	\$8.51	\$16.86
Wright State	\$342.00	\$52.00	\$394.00	\$7.88	\$8.04	\$15.92
Youngstown State	\$270.00	\$69.22	\$339.22	\$6.78	\$6.92	\$13.70

Maximum Per Credit Hour Increases w/ 2% Annual Tuition Cap in HB 166 - Community Colleges						
College	Instructional Fees Per Credit Hour	General Fees Per Credit Hour	Instructional + General CH Fee	2% Tuition Cap AY 2019-20	2% Tuition Cap AY 2020-21	Total Allowable Per Credit Hour Increase
Belmont	\$107.75	\$58.00	\$165.75	\$3.32	\$3.38	\$6.70
COTC	\$144.00	\$45.00	\$189.00	\$3.78	\$3.86	\$7.64
Cincinnati State	\$149.64	\$9.00	\$158.64	\$3.17	\$3.24	\$6.41
Clark State	\$131.33	\$24.00	\$155.33	\$3.11	\$3.17	\$6.28
Columbus State	\$132.43	\$20.50	\$152.93	\$3.06	\$3.12	\$6.18
Cuyahoga CC	\$95.04	\$19.50	\$114.54	\$2.29	\$2.34	\$4.63
Eastern Gateway	\$118.00	\$3.00	\$121.00	\$2.42	\$2.47	\$4.89
Edison State	\$130.32	\$26.30	\$156.62	\$3.13	\$3.20	\$6.33
Hocking	\$154.00	\$29.00	\$183.00	\$3.66	\$3.73	\$7.39
Lakeland	\$107.75	\$20.05	\$127.80	\$2.56	\$2.61	\$5.16
Lorain County CC	\$116.98	\$17.06	\$134.04	\$2.68	\$2.73	\$5.42
Marion	\$180.00	\$7.00	\$187.00	\$3.74	\$3.81	\$7.55
North Central State	\$134.06	\$32.54	\$166.60	\$3.33	\$3.40	\$6.73
Northwest State	\$161.33	\$6.00	\$167.33	\$3.35	\$3.41	\$6.76
Owens	\$147.50	\$15.50	\$163.00	\$3.26	\$3.33	\$6.59
Rhodes State	\$160.19	\$3.00	\$163.19	\$3.26	\$3.33	\$6.59
Rio Grande	\$126.16	\$20.00	\$146.16	\$2.92	\$2.98	\$5.90
Sinclair	\$94.78	\$21.25	\$116.03	\$2.32	\$2.37	\$4.69
Southern State	\$162.00	\$6.00	\$168.00	\$3.36	\$3.43	\$6.79
Stark State	\$116.50	\$53.10	\$169.60	\$3.39	\$3.46	\$6.85
Terra State	\$172.00	\$29.00	\$201.00	\$4.02	\$4.10	\$8.12
Washington State	\$149.00	\$3.00	\$152.00	\$3.04	\$3.10	\$6.14
Zane State	\$138.00	\$31.00	\$169.00	\$3.38	\$3.45	\$6.83

Source: ODHE Annual Survey of Tuition and Fees (October 2018)

One other important point to keep in mind is that through ODHE's course transfer system, Ohio's public two- and four-year institutions are largely teaching the same freshman and sophomore level courses throughout the state, with the same agreed upon learning outcomes. Limiting community colleges to an increase of no more than

\$10 per credit hour would still be lower than the \$11-\$24 increases that universities will be allowed to increase for the exact same baccalaureate level courses.

Allowing community colleges to implement this alternative cap over the biennium would provide additional resources to continue our implementation of student success initiatives and direct student support services on our college campuses.

Current Provisions in HB 166 that Support This Strategy:

- 1% annual increases in SSI for community colleges.

Additional Requests:

- Restore language proposed by the Governor, and removed in by the House in the current version of Sub. HB 166 that would ensure that only Ohio residents are eligible for state subsidy under the Ohio’s SSI funding formula.
- 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 formula was to keep it simple, so that as many people as possible could understand the drivers behind the state funding. Having the line items separated will help ensure policy experts, administrators at numerous levels of the college, faculty leaders, and others can better understand the funding formula metrics and reforms that makes sense for the distinct missions of the two different sectors. This is a simple request that requires no additional money.

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

Thank you 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.