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S.B. 181
133rd General Assembly

Fiscal Note & Local Impact Statement

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Version: As Passed by the Senate

Primary Sponsor: Sen. Coley

Local Impact Statement Procedure Required: No

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Highlights

- The bill increases the administrative responsibilities of the Department of Higher Education (DHE) to create a template for and evaluate workforce-education partnership programs to be used by public and private colleges and universities and employers.
- Public institutions of higher education that choose to establish a workforce-education partnership program may incur costs to provide housing stipends, mentoring, and training assistance for participating students.
- Any additional costs incurred by a participating institution may be offset, at least partially, by revenue received from tuition and general fee charges and the State Share of Instruction (SSI) formula for those students that may not have enrolled in the institution without a program in place.

Detailed Analysis

Department of Higher Education

The administrative responsibilities of the Department of Higher Education (DHE) will increase to create, in conjunction with state and local workforce and economic development agencies, a template that public and private universities and colleges and employers may use to establish a workforce-education partnership program. The goal of the program is to provide assistance to students so that they graduate from a higher education institution with no student debt. In general, the program provides at least half-time students with the opportunity to earn a degree while working in a paid position with a participating employer. The student receives tuition assistance from the employer, a housing stipend, as well as mentoring and other training. The Chancellor must address specified requirements of the program in the template. DHE must also evaluate the effectiveness of the partnership programs established under the bill.

“Work+” Program at Miami University’s regional campuses

The bill’s workforce-education partnership program generally is modeled after a program called “Work+,” which began operating this academic year at Miami University’s regional campuses. The program allows students to obtain an associate or bachelor’s degree while working part-time at one of four regional employers (Butler County Regional Transit Authority, Deceuninck, The Fischer Group, and thyssenkrupp Bilstein of America).¹ A student selected for the program works approximately 24 hours per week and enrolls full-time in approximately 12 credit hours each fall and spring semester and six credit hours each summer term. In turn, employers provide weekly pay and paid tuition for the participant. Program coordinators aimed to have a minimum of 40 participants, distributed among the four companies, in the program this fall semester.²

Universities and community colleges

As Miami University’s Work+ Program demonstrates, public institutions may already establish workforce-education partnership programs. However, the template developed by the Chancellor may facilitate the creation of additional programs across the state. If so, the public institutions that choose to partner in a program established under the bill may incur costs to provide assistance to participating students, most notably for housing stipends, mentoring, and training assistance. There may also be additional costs related to educating the new students. Ultimately, any additional costs incurred by participating institutions will depend on the program specifications established by DHE through the template and the number of students participating in the programs.

However, if these programs attract students to enroll in an institution that they may not have otherwise, the participating institution will also receive additional tuition and general fee revenue. Any additional revenue received by the institution may help offset, at least partially, any of the above-mentioned costs that the institution incurs from participating in a program. As a point of reference, FY 2019 annualized tuition and general fees per student averaged \$9,801 at public universities, \$5,814 at regional campuses, and \$4,539 at community colleges. Under the bill, participating employers, presumably, would cover these costs on behalf of a student employee.

In addition to tuition and general fee revenue, participating institutions may also receive additional revenue from the state’s State Share of Instruction (SSI) formula, which is the state’s primary funding source to support the instructional costs of the state’s 61 public universities and community and technical colleges. The General Assembly determines the overall amount appropriated for SSI payments each year. The SSI formula then allocates funding to institutions based on prescribed percentages for certain institutional outcome factors, such as student course and degree completions. In general, each institution’s allocation is based on the campus’s share of the total for each formula component.

¹ For more information on “Work+,” please visit <http://miamioh.edu/regionals/admission/work-plus/index.html>.

² <https://miamioh.edu/regionals/news/2019/07/work-plus.html>.

Since the General Assembly determines SSI funding this way, the bill will not necessarily increase the state's cost for SSI formula payments even if enrollment were to increase. However, the institutions in which program participants enroll may gain some additional SSI funding depending on whether the institutions attain a greater share of the statewide amounts computed for each formula component. Likewise, the institutions whose share of the formula components decreases may receive less SSI funding. In FY 2018, the latest year for which per-student SSI data is available, the average SSI distribution per student was \$6,320 for the state's public four-year universities and regional campuses and \$4,699 for community and technical colleges.