

Ohio Senate
Finance Subcommittee on Higher Education
HB 64 – Biennial Budget
Testimony of Kent Trofholz, Executive Director
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Good afternoon, Chairman Gardner, Vice Chair Cafaro, and members of the Finance Subcommittee on Higher Education. My name is Kent Trofholz, and I am the Executive Director of the Ohio Association of Career Colleges and Schools. Thank you for the opportunity to provide testimony today regarding the specific items contained in House Bill 64 that affect our member institutions and the students they serve.

My testimony today will focus on a brief history of the Ohio College Opportunity Grant (OCOG) and how the grant has benefited Ohioans attending career colleges throughout the state.

The Ohio Instructional Grant (OIG) preceded the OCOG as the state's higher education need-based grant program. Career College students were eligible to receive the OIG since its inception in the early 70s. The grant amount, depending on the student's EFC, or Expected Family Contribution, could have been as high as \$4,632 per year.

In 2005, under the Taft Administration, the OIG was replaced by the Ohio College Opportunity Grant. While the OCOG maximum grant for career college students was reduced to \$3,996, the income eligibility criteria was raised to allow more Ohioans access to the grant.

It is important to note the eligibility criteria and grant amount for the original OIG and OCOG programs were specifically outlined in state statute. The grant amount, depending on which sector the student attended (public, private non-profit, private for-profit) and their Expected Family Contribution was specified as statute.

In FY 2009, prior to the recent recession, students attending Ohio's career colleges received nearly \$40 million a year in OCOG grants; this resulted in an average grant amount of approximately \$2,970 per student. In 2010/2011, in response to the state's impending budget crisis, the Strickland Administration reduced the amount allocated for career colleges to zero. During that period of time, some students who were already enrolled had to take out loans and incur more debt to finish their education; others simply dropped out. We will never know how many Ohioans gave up on their college and career dreams because college was put out of reach.

In 2012, the Kasich Administration and members of the Ohio General Assembly reversed the previous Administration's policy and appropriated approximately \$8 million a year for career college students. While a dollar amount was not earmarked, career college students received the "remainder" of the OCOG line item after the other sector earmarks were subtracted. That is to say that, although OCOG was reinstated, the amount available was \$28.7 million less than the funding at the high-water mark year of 2009. So, career college students went from \$40 million -

- to zero -- up to \$8 million, where it remains today. Since the grant amount is based on the number of eligible students enrolled and post-secondary enrollment has declined in all sectors, the current grant amount is approximately \$750 per year – which previously was \$2,970 per student per year. While \$8 million is less than 25% of previous grant funding, our colleges and students are grateful to the Kasich Administration and our state legislators for again including our students.

The *as introduced* version HB 64, proposes a total of \$91 and \$92 million per year for OCOG grants. The amount is to be divided as follows:

- \$82 and \$83 million per year to be divided between students attending public universities and not-for-profit colleges
- And, the “remainder”, only \$8 million for students attending private career colleges. This will result in an estimated average grant amount of \$840 per student.

The budget, *as passed by the House*, added an additional \$5 million in each year of the biennium to the OCOG line item. Unfortunately, none of the additional dollars were appropriated for students attending career colleges. On a positive note, the House choose to earmark \$ 8 million in each year to career college students, rather than simply stating career college students got the “remainder”.

Also in the House Bill, the proposed Student Debt Reduction Program was expanded to include students who attend non-profit institutions with a Certificate of Authorization from the Board of Regents. In contrast, however, students attending career colleges with the same Certificate of Authorization from the Board of Regents are *excluded* from the program’s eligibility. We again, urge the Senate to bring more grant parity between the various sectors.

While Ohio’s economy has rebounded and the state has balanced its budget, the state’s higher education need-based grant program has never been restored to pre-recession levels. In fact, for career college students, need-based aid was higher in the 1990’s (actual dollars, not adjusted for inflation) than it is today.

As you have heard from my previous testimony, Ohio’s career colleges educate a disproportionate share of “at-risk” students: 66% are over the age of 25, 32% are minorities and nearly 70% are women. Our students generally are financially independent of their parents and often financially responsible for their own families. A significant percentage of our students are working full-time while attending class. As you can appreciate, this demographic of students can be financially unstable and the slightest change in their finances can impact their education and career goals. In the past the OIG and OCOG grants have been the final piece of the financial aid package that has allowed a student to attend a career college.

In addition, if an Ohioan want to attend college to earn a degree, it is of no public policy interest where the student earns that degree. For example, needy students pursuing an associate degree in accounting should receive the same support from the State of Ohio whether they attend DeVry University or Columbus State Community College four miles away. Instead, under House Bill 64, the DeVry student will receive less OCOG dollars simply because they prefer their education from DeVry University.

We remain concerned that the current level of funding for career college students will cause students to delay college or forgo an education altogether. For many of our working students, it means they will stay mired in dead-end jobs without prospects to increase their earning potential. For our state, it means more underemployed Ohioans, at the very time employers are begging for higher-skilled workers. Since nearly three out of every four career college students pursuing degrees earned a degree in Ohio's fastest-growing occupations, OCOG for our students is an investment in Ohio's economic recovery.

The members of the Ohio Association of Career Colleges and Schools respectfully request an increase appropriation to the OCOG line item to raise the average grant amount for career college students equal to those students attending Ohio's public universities. An additional \$3.2 million per year would raise the annual career college grant to approximately \$1,058. This amount is still 50% of the grant amount proposed in this budget for students attending non-profit colleges and universities. The requested funding is also far less than what our sector received in 2009.

Mr. Chairman, members of the Committee, thank you again for the opportunity to testify today. I would be happy to answer any questions you may have.