

Testimony before the Ohio House Finance Subcommittee on Higher Education

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March 14, 2017

Chairman Perales, Ranking Member Ramos, and members of the House Finance Subcommittee on Higher Education, thank you for the opportunity to speak to you today on college affordability. My name is David Harrison, President of Columbus State Community College.

Columbus State has grown into one of the largest and most comprehensive colleges in Ohio serving students from more than 130 countries and all 88 Ohio counties. The College contributes nearly a billion dollars annually in regional economic impact, and has earned recognition as a trusted steward of taxpayer and tuition dollars. We do this while maintaining our commitment to expanding access to an affordable, high-quality education for the emerging, incumbent, and transitional workforce. We have a partner-first focus at Columbus State, and have forged strong partnerships with employers, K12 districts, and with universities. I'll speak in some depth about our university partnerships today.

We have worked hard to reduce costs and ensure affordability for students, while allocating resources to improve student success and completion.

- We did not raise tuition for 6 ½ years, foregoing nearly \$30,000,000 in tuition revenue.
- From 2008-12, cost of tuition at Columbus State dropped by nearly 8% when adjusted for inflation. An analysis by the Legislative Service Commission has shown that by foregoing these tuition increases, Columbus State left more revenue capacity on the table than any college or university in the state. This analysis is included as Attachment 1.
- Our tuition is:
 - 10% below the Ohio community college average
 - 12.8% below the Ohio non-levy community college average
 - 32% below any college in our region; which is really the measure that families monitor.
- 76% of our students have zero student loan debt.

- We have aggressively reduced textbook costs, saving students nearly \$4,700,000 over the past four years. I refer you to Attachment 2 for a summary of the work our faculty and staff have done in recent years to lower textbook costs.
 - We used funds from the last State capital allocation to develop a digital lab for our faculty to develop coursework that doesn't require a traditional textbook, and allocated more than \$2,000,000 of institutional funding in support of the work.
 - Provided training for faculty to create their own digital learning content or adopt Open Educational Resources.
 - We partnered with K-12 districts on Straight A grants to develop digital materials for the highest enrollment College Credit Plus courses.

We have reallocated institutional resources to focus on student success, and we're seeing results. In the past four years we have closed the performance gap for low income students by 50% and for students of color by 24%. We had our largest graduating class in history last spring when our enrollment is nowhere near historic highs, and we increased the graduation rate for African American students by more than 11%.

We have momentum, but we are not reaching all students due to resource limits. We are concerned that some of the policy proposals in the FY18-FY19 State budget could negate the growing momentum of the last several years. As the State seeks to increase completion rates and lower the cost of a college degree, it should consider an increased emphasis on 2+2 bachelor's degree partnerships to help students and families earn an affordable bachelor's degree. In a 2+2 bachelor's degree pathway, students complete their freshman and sophomore year at the community college and their junior and senior year at the university. If all 1,500 Columbus State students who transfer to Ohio State annually first earned their associate degree, each would save roughly 40 percent off the cost of an Ohio State bachelor's degree. The collective savings for students would be nearly \$19,000,000 in tuition alone.

Community Colleges are the Answer to College Affordability

Current student debt is a startling figure. Nationally, total student debt now exceeds \$1.3 trillion. The average debt of bachelor's degree holders is over \$37,000 and it will take these graduates an average of 21 years to pay off those loans. Students who are borrowing the most money in many cases are those who can afford it the least.

Ohio ranks in the bottom quarter in the U.S both in terms of the number of students who graduate with debt, and in the amount of debt they take on. States with strong 2+2 policies and incentives score much better on both measures. Florida, for example, scores in the top quarter in the U.S. on both measures, and their community college system leads the nation in completion rates as a result of strong 2+2 state policy. If Ohio is serious about achieving the 65% Goal as announced by the Ohio Department of Higher Education – where 65% of our citizens will hold a postsecondary credential by 2025 – we have to create incentives for associate degree completion and to make bachelor's degrees affordable for everyone.

Columbus State has established its own regional 2+2 policy through a program called Preferred Pathway. Six years ago we partnered with The Ohio State University to provide guaranteed admission to OSU for our graduates, and created deeper alignment of curriculum, advising, and other processes. Soon other universities including Ohio University, Miami, Capital, Franklin, Ohio Dominican, Ohio Wesleyan, and Otterbein joined the partnership. By completing the freshman and sophomore at Columbus State, the Preferred Pathway partnerships save students between 30-45% on their tuition expenses. That's a savings of between \$12,000 and \$75,000 dollars on bachelor's degree tuition, depending on the university. The savings is even greater when you factor in expenses for room and board.

Universities are eager to partner with Columbus State because our students perform well when they transfer. According to the National Student Clearing House, of the students who followed a 2+2 pathway to a bachelor's degree, 74% were successful. Of those who started at a university, only 63% were successful. Earning the associate degree before transferring is an important factor in bachelor's degree completion. The four-year graduation rate for Columbus State students who

transferred to Ohio State after earning their associate degree is 82%, compared with 66% for those who transferred prior to earning the associate degree.

Performance-based Tuition Flexibility

To bring our success efforts fully to scale and benefit all students, ongoing investments are required. Consistent with current State funding philosophy based on performance, these investments could come from a tuition policy tied to performance outcomes, student success and completion, and deep alignment between community colleges and universities. The State's previous decision to tie SSI funding to performance has changed the conversation for the better.

Applying the same performance-based philosophy to tuition policy would tie almost all undergraduate revenue received by institutions—both State funding and tuition—to performance, making Ohio the first state to do so. And it would simultaneously increase completion rates and reduce the cost for students.

We have worked with Ohio State to draft a policy that would bring 2+2 bachelor's degree programs to scale statewide, and implement a performance-based tuition approach that would be nationally recognized. OSU President Michael Drake and I have prepared a letter summarizing our ideas, which is included as Attachment 3 in this testimony.

An effective, performance-based tuition policy could be structured as follows:

- Institutions would have to 1) report to their governing boards the intended use of the new revenue and how it would improve completion rates and 2) reflect these changes within their statutorily required Completion Plans to the Ohio Department of Higher Education.
- Qualifying criteria would require universities to have an agreement with at least one community college that does not set a numerical limit on the number of transfers accepted through 2+2 pathways.
- Institutions would be given the flexibility and incentive to increase tuition consistent with their need rather than every time the law allows it. Again, I refer you to Attachment 1 for the impact of policy that has incentivized most institutions to raise tuition every time it is

allowed.

- A student success adjustment, allowing instructional and general fee increases of 3% per year to be used for scaling proven student success initiatives, expanding career advising programs, or other efforts proven to improve completion. This modest increase would cost a full-time Columbus State student an additional \$120 per year, while helping them save \$12,000 or more on the cost of a bachelor's degree. This would not cost the state a penny in GRF.

A policy such as this would do more to address affordability and completion than anything currently in the current budget proposal. It would permanently tie tuition increases to outcomes, and it would incentivize alignment of community colleges and universities, promoting a system-wide approach that is in the best interest of students.

In conclusion, Ohio is fortunate to have an enviable collection of assets in its higher education system – both community colleges and universities. We have embraced performance-based funding and have implemented meaningful efficiency measures. Better utilization of community colleges in bachelor's degree education is the right next step for Ohio. State policy that promotes 2+2 pathways to the bachelor's degree will increase Ohio's completion rates while dramatically reducing the cost of college and debt obligations for students and their families.

Thank you for this opportunity to speak with you on this important topic. I would be happy to answer any questions you may have.

ATTACHMENT 1

Estimated Tuition and Fees with Maximum Allowable Increases Compared With Actual Tuition and Fees Charged in FY 2017 - Community Colleges

Community College	FY 2007	FY 2017		
	Actual Annualized Full-time In-State Undergraduate Tuition and Fees	Estimated Annualized Full-time In-State Undergraduate Tuition with Maximum Allowable Increase FY 2007 - FY 2017	Actual Annualized Full-time In-State Undergraduate Tuition and Fees	Difference
BELMONT TECH	\$ 3,784	\$ 4,654	\$ 4,409	\$ 245
CENTRAL OHIO	\$ 3,600	\$ 4,456	\$ 4,296	\$ 160
CINCINNATI STATE	\$ 3,867	\$ 4,742	\$ 4,717	\$ 25
CLARK STATE	\$ 3,485	\$ 4,333	\$ 4,195	\$ 138
COLUMBUS STATE	\$ 3,555	\$ 4,408	\$ 4,078	\$ 330
CUYAHOGA	\$ 2,416	\$ 3,188	\$ 3,276	\$ (88)
EASTERN GATEWAY	\$ 2,700	\$ 3,492	\$ 3,330	\$ 162
EDISON STATE	\$ 3,450	\$ 4,296	\$ 4,219	\$ 77
HOCKING	\$ 3,546	\$ 4,399	\$ 4,390	\$ 9
JAMES RHODES ST.	\$ 4,229	\$ 5,130	\$ 4,806	\$ 324
LAKELAND	\$ 2,726	\$ 3,520	\$ 3,315	\$ 205
LORAIN COUNTY	\$ 2,400	\$ 3,171	\$ 3,077	\$ 94
MARION TECH	\$ 3,660	\$ 4,521	\$ 4,382	\$ 139
NORTH CENTRAL	\$ 3,634	\$ 4,493	\$ 4,718	\$ (225)
NORTHWEST STATE	\$ 3,930	\$ 4,810	\$ 4,720	\$ 90
OWENS STATE	\$ 2,972	\$ 3,784	\$ 5,160	\$ (1,376)
RIO GRANDE	\$ 3,482	\$ 4,330	\$ 4,685	\$ (355)
SINCLAIR	\$ 2,025	\$ 2,769	\$ 2,971	\$ (202)
SOUTHERN STATE	\$ 3,390	\$ 4,231	\$ 4,412	\$ (181)
STARK STATE	\$ 3,810	\$ 4,681	\$ 4,608	\$ 73
TERRA STATE	\$ 3,610	\$ 4,467	\$ 4,304	\$ 163
WASHINGTON STATE	\$ 3,555	\$ 4,408	\$ 4,490	\$ (82)
ZANE STATE	\$ 3,825	\$ 4,697	\$ 4,596	\$ 101

ATTACHMENT 1

Tuition and General Fees Restrictions for Community Colleges - FY 2007 through FY 2017		
	Bill Number/GA	Cap on Instructional and General Fee Increases for Community Colleges
FY 2007	HB 66/126	lesser of 6% or \$500
FY 2008	HB 119/127	0%
FY 2009	HB 119/127	0%
FY 2010	HB 1/128	3.5%
FY 2011	HB 1/128	3.5%
FY 2012	HB 153/129	\$200
FY 2013	HB 153/129	\$200
FY 2014	HB 59/130	\$100
FY 2015	HB 59/130	\$100
FY 2016	HB 64/131	0%
FY 2017	HB 64/131	0%

Textbook Affordability Advisory Committee

Implemented in 2011

The committee is a cross-functional group comprised of representatives from Arts & Sciences, Bookstore, Career & Technical Divisions, Digital Learning & Instructional Services, Disability Student Services, Instructional Design & Innovation, and Library. The committee charge is to collaborate and determine opportunities to reduce the financial impact to students resulting from the rising costs of textbooks and learning materials.

In accordance with Section 371.60.50 of House Bill 153, the State's FY12-13 biennial budget bill, this Committee sought to accomplish the following objectives:

- Establish a framework for adoption of textbook and e-learning content materials.
- Maintain textbook affordability and quality for students as guiding principles.
- Reestablish a vital and collaborative relationship between faculty and the bookstore team.

Completed Action Items:

- Reviewed the process of textbook selection and adoption.
- Identified what our students are interested in with respect to learning materials.
- Explored faculty perspectives and roles regarding affordable textbooks.
- Examined textbook and learning material trends.
- Identified options that allow faculty to create their own content.
- Developed a learning module for COLS 1100, First Year Experience Seminar.
- Offered learning seminars to educate faculty, "I Can't Afford My Textbooks! Make book buying easier and more affordable for your students."
- Hosted statewide Textbook Affordability Summits.
- Implemented textbook price comparison tool.
- Eliminated textbook costs through faculty created learning content.

Our combined efforts have resulted in an overall savings to Columbus State students of \$4.7 million as of February 2017.

The savings are a result of ongoing training and education of both students and faculty, the development of digital content, textbook price negotiations, expanded used book quantities through open source buying, textbook rental, books on reserve in the Library, and reduced margins on high cost books.

Where are we today with the work?

Our main goal is still to reduce textbook costs for students. The committee is focused on educating faculty and encouraging the development of digital content. The long-term goal is to help Columbus State transition into the digital era of learning modules.

ATTACHMENT 3



March 14, 2017

Dear Governor Kasich and members of the General Assembly:

Your support of student success and college affordability through policies like performance-based SSI funding, College Credit Plus, institutional efficiency measures, and 2+2 bachelor's degrees have put Ohio on the right path. Columbus State Community College and The Ohio State University, along with other public colleges and universities, have embraced these reforms, working to bring them to scale to benefit many students. We have momentum, but are not reaching all students due to resource limits.

We are concerned that some of the policy proposals in the FY18-FY19 State budget could negate the growing momentum of the last several years. As the State seeks to increase completion rates and lower the cost of a college degree, it should consider an increased emphasis on 2+2 bachelor's degree partnerships as one tool of many to help students and families. If all 1,500 Columbus State students who transfer to Ohio State annually first earned their associate degree, each would save roughly 40 percent off the cost of an Ohio State bachelor's degree. The collective savings for students would be nearly \$19,000,000 in tuition alone.

Both Columbus State and Ohio State have been excellent stewards of public resources to benefit many students and families. Individually and collectively, we have:

- Held the line on tuition, forgoing increases multiple times in the past 10 years when the state authorized an increase;
- Reallocated millions of dollars in institutional resources to invest in workforce development and student success interventions, with a specific emphasis on low- and middle-income students and students of color;
- Reallocated resources to provide new need-based aid to tens of thousands of students;
- Reduced summer tuition and offered summer-specific scholarship opportunities to increase summer enrollment (which improves graduation rates according to research);
- Reduced textbook costs through digital and open educational resources, increased use of rental textbooks and library loans, and targeted negotiations with publishers;
- Initiated the Preferred Pathway program in 2011, guaranteeing admission to Ohio State for associate degree graduates from Columbus State;
- Sold assets that were not directly tied to completion, affordability, or workforce innovation to focus on student success initiatives;
- Exceeded the efficiency targets put forth by the State.

To bring our success efforts fully to scale and benefit all students, ongoing investments are required. Consistent with current State funding philosophy based on performance, these investments could come from a tuition policy tied to performance outcomes, student success and completion, and collaboration between community colleges and universities. Targeting investments to bring successful interventions to all students and promoting partnerships will simultaneously increase completion rates and reduce the cost for students. The State's previous decision to tie SSI funding to performance has changed the conversation for the better. Applying the same performance-based philosophy to tuition policy would tie almost all undergraduate revenue received by institutions—both state funding and tuition—to performance, making Ohio the first state to do so.

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- A student success adjustment, allowing instructional and general fee increases of 3% per year to be used for scaling proven student success initiatives, expanding career advising programs, or other efforts proven to improve completion.
- Institutions would have to 1) report to their governing boards the intended use of the new revenue and how it would improve completion rates and 2) reflect these changes within their statutorily required Completion Plans to the Ohio Department of Higher Education.
- Qualifying criteria would require universities to have an agreement with at least one community college that does not set a numerical limit on the number of transfers accepted through 2+2 pathways.
- Institutions would be given the flexibility and incentive to increase tuition consistent with their need rather than every time the law allows it.

Columbus State and Ohio State are committed to excellence, affordability and access as demonstrated by our financial stewardship, investments in proven student success initiatives, and our close and productive partnership. A tuition structure tied to performance which could save some families in excess of \$35,000 lifts our collective efforts to a new level. We are eager to discuss these ideas in greater detail; not only does this proposal represent an enormous benefit to students and families, but it could very well establish a model for the nation.

Sincerely,



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