

Testimony on House Bill 49

Ohio House of Representatives Finance Committee' Subcommittee on Higher
Education

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Chair Perales, Ranking member Ramos, and Representatives Anielski, Antonio and Duffey, my name is Dan Krane and I am a professor of Biological Sciences (with an affiliate appointment in Computer Science) at Wright State University. I also have the honor of serving as the Chair of the Ohio Faculty Council which represents the faculty at all of the four-year public universities in the State of Ohio. Thank you for allowing me to appear before you today to give a faculty perspective on the aspects of House Bill 49 that pertain to higher education.

I would like to start by reminding the subcommittee that first and foremost the Ohio Faculty Council is committed to supporting and bringing attention to the critical role that Ohio's institutions of higher education play in revitalizing the economy of the State and the nation by attracting and training an educated workforce.

In 2016 the OFC launched a Technology Commercialization Award that will be presented annually to recognize a faculty member in the state university system in Ohio for exceptional research discoveries and the role they have played in supporting the translation of those discoveries into marketable products and/or services. We celebrate the successes of faculty like those of the inaugural winner, Dr. Mark Souther, a history and digital humanities professor from Cleveland State University. Dr. Souther developed a low-cost app that allows museums, cultural institutions and historical societies to create web-based, virtual historical and cultural tours. His work is an outstanding example of how faculty across the state are working to create a collaborative and resourceful statewide entrepreneurial ecosystem that allows high-potential companies to grow and prosper.

In that same spirit the Ohio Faculty Council expresses appreciation for your leadership and efforts to control the rising costs of college tuition for Ohio residents. Individuals with college degrees enjoy great benefits like 84% more earnings over their lifetimes than those with only a high school diploma. The greater tax base that creates translates directly into more revenue for the State. Support for higher education also translates to reduced costs to the State through lower healthcare costs and incarceration rates.

State Support for Higher Education

Public universities are primarily funded by two sources: 1) tuition and fees from students and their families, and 2) state support. The split between these two

sources across the US averages 50%. But, at 37%, Ohio's state support of higher education is well below the national average.

This is not surprising given that higher education expenditures make up just 4% of Ohio's total expenditures – one third the national average. Only five states (Illinois, New Hampshire, Oregon, Pennsylvania and Vermont) set aside a smaller fraction of their budgets to support higher education. Appropriations to the Ohio Department of Higher Education have increased over the past six years (from \$2.55 billion in 2011 to \$2.64 billion in 2017) but still do not compare favorably to most other states – even those that have been reducing their support for higher education.¹

The Ohio College Opportunity Grant (OCOG) program is a significant component of the State's efforts to make higher education affordable to first-generation students. The proposed 3% increase in support for OCOG in House Bill 49 is welcome. It is worth noting, however, that the proposed OCOG support is less than half of what it was in 2009. Further, there are ways to significantly improve the administration of OCOG that would benefit both students and public universities. For instance, fixing the amount of OCOG awards for four years (instead of the current one year) would assist both with financial planning by students and their families and with the long-term stability of the program (award amounts decrease when student applications increase – which happens during market corrections when students experience the greatest need for assistance). Second, there does not appear to be a rational basis for students attending private institutions to programmatically receive larger OCOG awards than those attending public institutions – especially when there are lower cost, public institutions offering the same degrees and in the same region. OCOG awards to students at private institutions that are close to public universities should be reduced or eliminated.

The proposed 1% increase in State Share of Instruction is also welcome. Ohio's performance-based funding system makes a direct link between SSI and course and degree completions. There is a disconnect, however, between a 1% increase in SSI and the State's attainment goal (65% of working age Ohioans having a postsecondary certificate or degree by 2025)². At a minimum there would need to be an average 5% increase in certificates and degrees awarded for each of the next eight years. To achieve the State's attainment goals there should be at least a 5%

¹ Young Invincibles Student Impact Project, 2015 State Report Cards, <http://younginvincibles.org/wp-content/uploads/2016/01/YI-State-Report-Cards-2016.pdf>

² "Ohio will need to produce, by 2025, an estimated 1.7 million more adults with high-quality postsecondary certificates or degrees. States another way, at Ohio's current rate of production, by 2025, almost 2 million Ohioans will lack the postsecondary education or training needed to be competitive in the labor market. Urgent and significant action is needed." The Case for Ohio Attainment Goal 2025, https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/attainment/attainment-framing-paper_FINALb_050416.pdf

increase in SSI. A 1% increase in SSI is well below the Consumer Price Index and should not be expected to result in an increase in the fraction of Ohio residents with certificates and degrees.

Ohio needs to reduce the financial burden on students at public universities in Ohio. But, a 1% increase in SSI coupled with a freeze in tuition and fees will not meet the State's needs for a workforce ready to compete in a 21st century-economy.

Reducing Textbook Costs

The Ohio Faculty Council respectfully requests that the proposal that public two- and four-year institutions in Ohio provide all textbooks to their students be removed from House Bill 49. Ohio universities are at the forefront of promoting open source and affordable text alternatives without compromising quality. We are concerned about the policy's likely impact on quality as it would make cost a greater consideration than suitability for textbook choices. We also appreciate that students currently enjoy being able to make different choices regarding supplemental materials (e.g. new books, used books, online books, rented books, using books on reserve in university libraries, sharing books with members of their study groups, using books from their sorority or fraternity's library) that such a program could not accommodate. The proposed one-size-fits-all approach neglects the fact that some highly motivated students choose courses and adopt strategies that allow them to spend less than \$300 a year for textbooks. Also, a significant administrative infrastructure would need to be created to support such a program at the same time that institutions are working to reduce bureaucracy.

It is our collective experience that textbook costs are not a common reason for students to not obtain a certificate or degree from one of Ohio's public universities. Still, faculty are already eagerly developing and implementing programs that would reduce textbook costs for their students. We would welcome the opportunity to participate in a study group on this issue. One of many possible solutions would be the expansion of existing grant programs that make it possible for faculty to develop free, on-line course materials for their students. Along with resources like OhioLink, such efforts not only reduce student costs, they also serve as a platform that brings favorable recognition to our faculty by others who use their materials.

College Credit Plus

The Ohio Faculty Council has two sets of concerns about potential harm to students involved in Ohio's College Credit Plus program: 1) many struggle and do poorly because they are not prepared for college level courses, and 2) students are taking courses without realizing that they will not count toward their college degrees.

On the first point, the enabling legislation for College Credit Plus requires proof that students are college-ready (specifically, at least an 18 in the English portion of the ACT exam and a 22 on the Mathematics portion). If a student does not have an ACT score, then they must take a college's own placement test to determine their readiness. The Ohio Department of Higher Education has issued a guidance that

requires colleges and universities to pay for each College Credit Plus student to take the ACT exam (with no limit on the number of attempts by each student). The end result has been that many institutions (especially two-year institutions) have not obtained adequate proof that students are ready for college-level courses. Younger students (7th, 8th, and 9th graders) in particular are a problem in that most have no test scores, have not taken Algebra, have not established a grade point average, and are not as socially ready for college courses. Students who do not perform well in college-level courses while still in high school find that they have significantly less access to merit scholarships when they do move on to colleges and universities. We recommend that the requirement that students demonstrate college-readiness before participating in College Credit Plus be more strictly enforced. At the same time, the burden for demonstrating college-readiness should fall upon the student and not the institution granting College Credit Plus course credits.

On the second point, many private institutions in Ohio and many out-of-state institutions are not accepting College Credit Plus course credits when the courses are taken in high schools. And, the reciprocal is also true: many College Credit Plus courses offered by private institutions are not accepted by public (or other private) institutions. A possible remedy for this could be limiting College Credit Plus courses to just Ohio Transfer Module (OTM) courses. OTM courses all have explicit learning objectives and are core/general education classes that should help reduce a student's time/cost to degree regardless of the institution(s) they ultimately attend.

At the same time that we celebrate the idea of exposing the best and brightest high school students in Ohio to college-level courses, there are also hidden costs associated with College Credit Plus program of which the members of the subcommittee on Higher Education should be aware. School districts have brought attention to the financial difficulties they experience from paying for a student's tuition. Universities are not well-prepared to absorb costs that they normally defray by charging fees to their students (e.g. the fee for aviation fuel typically exceeds the cost of tuition for flight training classes). But, there does not seem to have been much attention given to the administrative costs to universities for College Credit Plus. Last year it cost Wright State University more than \$300,000 just to administer College Credit Plus for the 805 students who were awarded course credits through the program. We recommend that costs such as these be recognized and addressed as part of a re-evaluation of the College Credit Plus program.

Baccalaureate Degrees at 2-year Institutions

We strongly support our faculty colleagues at community colleges and honor the important work that they do. We are concerned, however, that the addition of four-year degrees to what they offer has the potential to have an undesirable impact on their ability to offer low-cost alternatives for those who need to take entry-level classes and/or earn certificates and associates degrees. Their existing staffing and facilities have been set in place to suit their long-standing mission but not to deliver baccalaureate degrees that are both high quality and cost-effective.

In addition, there are few places in Ohio where a branch of a public four-year institution is too far for commuter students to reach. In a climate in which Ohio wishes to trim duplicative programs and course offerings, it makes little sense to add them to community colleges that do not currently have the resources to offer them, when four-year institutions with precisely those resources are close by.

There may be a very limited number of instances where an Ohio two-year institution is able to provide a baccalaureate degree with its existing resources and personnel that meets a need that is not currently addressed by a nearby four-year institution. Caution should be exercised in the creation of these degree programs however and they should be regularly re-evaluated by both the Ohio Department of Higher Education and the four-year institutions in the area in terms of: 1) the need for the degree program, 2) the quality of the degree, and 3) the overall impact on cost of instruction at the two-year institution.

Western Governors

House Bill 49 proposes that Western Governors be considered “a state institution of higher education.” We are concerned about the poor graduation rates of students earning college credit through Western Governors’ and the fact that it does not actually have faculty (let alone faculty oversight or faculty that understand the needs of students in Ohio). It would be better for existing state institutions of higher education in Ohio to develop the functionality in the area of competency-based education that Western Governors would provide. Faculty in Ohio stand ready to assist in the development of a program that would be suited specifically to the needs of their students and Ohio’s economy.

Chairman Perales and members of the subcommittee, thank you for the opportunity to share with you a university faculty perspective on the proposed state budget. I would welcome any questions you might have for me or the Ohio Faculty Council.