



**Testimony Before the Senate Finance Higher Education Subcommittee
on House Bill 49 (FY 2018-19 Biennial Budget)
Higher Education Proposals
Thursday, May 11th, 2017**

Chairman Gardner, Vice Chair Williams, and members of the Senate Finance Higher Education Subcommittee, thank you for the opportunity to testify today on HB 49. I am Jack Hershey, President of the Ohio Association of Community Colleges. OACC represents the presidents and trustees of all twenty-three of the state's public community colleges.

With the Executive Budget, Governor Kasich once again put forth a proposal with several good ideas that we believe will improve postsecondary opportunities for Ohioans – especially for low and middle-income students and our working adult students. As a package of higher education reforms, we believe that the Ohio House of Representatives made HB 49 much better, with only a few exceptions. While many of the reforms in this budget are good, the pace at which the State has been moving to implement many of these common-sense policies has been too slow if we are going to meet the new statewide attainment goal of having 65% of all working adults with either a postsecondary certificate or degree by 2025.

There has been a tremendous change in higher education since the public college and university presidents recommended that Ohio become the only state in the nation to be 100% performance funded. For that, the Governor, the Chancellor, the Legislature and our public community college and university presidents should all be applauded for their ongoing leadership that is driving real, student-focused reforms across all of our campuses. These reforms, coupled with state investments in the State Share of Instruction (SSI) in recent years, have resulted in a culture change at Ohio's community colleges. Our colleges have embraced reforms to improve student success on each of our campuses. Change is being implemented at a more rapid pace and its being done at scale. As the attached chart details, every community college in Ohio is in the process of implementing numerous reforms, in many cases simultaneously, all with the goal of increasing the number of students that we graduate.

Short-term Certificates

The first major area where we need the state to move faster is in recognizing the value of short term certificates as a legitimate pathway to obtaining a job. There are scores of good paying jobs available to Ohioans that require less than a year of training. However, neither the state nor federal governments have traditionally chosen to support either the institutions who offer these programs or the students who enroll in them. The executive budget took the first step by requiring the creation of a list of in-demand short term certificates. The House took the second step by allowing students pursuing these credentials to access OCOG funding, which is a huge step in the right direction.

However, there is still one more step to take. State operating support flows to public colleges and universities for all graduate, bachelors and associate degree programs. Yet, when it comes to providing short-term educational programs (30 credit hours or less), there is no dedicated state support to institutions to scale up and maintain these programs. Ohio's higher education policy has traditionally had embedded within it a bias towards associate or bachelor's degrees. To be

clear, we aren't saying we should do any less for students wishing to pursue that goal. What we are saying is that we think the State of Ohio should do better than what it's currently doing for students who want to obtain a short-term certificate, which is nothing.

Below are just a few examples of the kind of jobs we are talking about that only require a short term certificate in order to take the first step toward a career:

Chemical Dependency	Cloud Computing
Aircraft Dispatcher	Calibration Technician
Specimen Processing	Tissue Banking Technology
Dietary Manager	Digital Design
Business Operations Systems Support	Industrial Maintenance Technician
Construction Technician	Construction Supervisor
Welding Technology	HVAC Commercial Technician
CDL Licensed Truck Driver	

All of these jobs have a median starting salary of around \$40,000-\$50,000, with businesses all across the state pleading to hire Ohioans who hold these credentials.

Other short term certificates help fill in critical knowledge gaps for individuals who already have a college degree. For example, according to the National Association of Social Workers, 75% of all the clients served by social workers have substance abuse or dependency problems, but only 3% of social workers have certificates or licenses designed to work with this population. Despite the best efforts of nearly every layer of the public sector, our country's heroin epidemic is one that continues to spread. By making it easier for more individuals to earn this certification, we can enlist more Ohioans with a passion for working with individuals, groups, and families affected by the heroin crisis into this effort.

OACC Request

- Reallocate \$10 million in non-GRF funding in FY 19 to help community colleges develop and sustain short-term certificate programs that will meet the in-demand workforce needs of our employers.
- Maintain House added provision to provide OCOG funding for students in short term certificate programs.

Job-Focused Applied Bachelor's Degrees

For two years now we have been debating the answer to the following question: Should the University System of Ohio utilize all of its available resources in order to fill the workforce needs of major Ohio employers and industries? We think the answer to that question is clearly YES. Unfortunately, current law prevents community colleges from serving the critical workforce needs of some Ohio employers, even in situations where the local university does not offer the academic programming that meets these local demands.

HB 49 proposes a reasonable approach by allowing community colleges to be able to offer an applied bachelor's degree program at the request of an Ohio employer or industry. OACC supports this important change to previous proposals that would put Ohio business and industry, not the institutions of higher education themselves, in the driver's seat. In order for a bachelor's

degree program to even be considered for approval by the Chancellor, HB 49 requires that a regional business or industry enter into an agreement with the college to train students in an in-demand field and to employ students upon completion of the program. Our colleges strongly support this new condition to further demonstrate what our goal has been all along: this is *not* about creating direct competition with the universities; rather, it is about responding to the calls of our local employers and modernizing some of our offerings to meet the technical education requirements of the industries that have traditionally been served by community colleges. While we understand that our university partners are probably never going to enthusiastically cheer this proposal, we have greatly appreciated their consistent public support over many years.

OACC Request

- Maintain the bachelor's degree language as currently contained in HB 49.

3+1 Degree Pathways

We support the language proposed in HB 49 requiring the Chancellor to establish and highlight more 3+1 degree pathways. The Chancellor first proposed this language over a year ago and we have been disappointed that relatively few Ohio universities have been willing to work with us to establish these agreements without a requirement in law.

In the meantime, Ohio community colleges were able to work out comprehensive transfer pathways with Western Governor's University (WGU). In a very short period of time, we were able to establish statewide transfer agreements with WGU for 2+2, 3+1, and even a 3+2 pathway into a nursing master's degree from every Ohio community college to WGU. We also negotiated a 5% tuition discount for our graduates and access to scholarship programs offered by WGU. Hopefully, if the 3+1 language remains, we will be able report similar success stories with our state university partners in the near future.

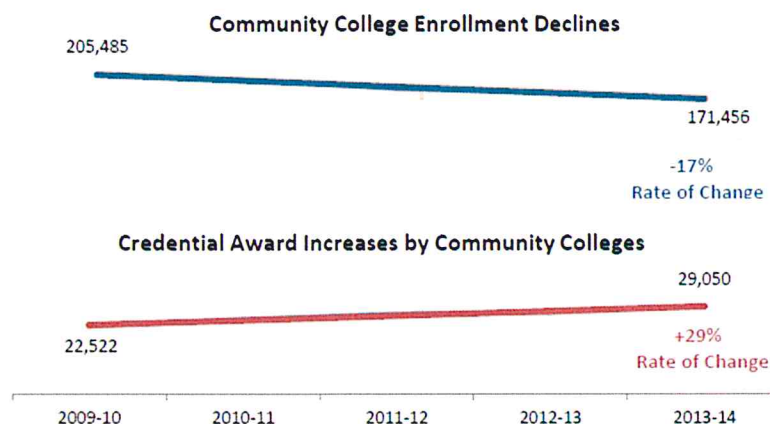
We also believe that we should start taking the easy first steps toward highlighting more 3+1 pathways. ODHE has the ability to produce degree maps that will show how many 3+1 agreements already organically exist right now because of state policy that guarantees the transfer of hundreds of equivalent courses throughout our state system. For those 3+1 pathways that already exist, it makes little sense for the Department to do anything but communicate these opportunities to students for whom a 3+1 pathway could be the ideal route to a bachelor's degree.

OACC Request

- Maintain 3+1 language currently in HB 49
- Add language into HB 49 requiring ODHE to utilize the state's current course-based transfer system to map out and highlight the 3+1 degree pathways that already exist today.

Tuition and Fee Freeze

Unfortunately, the Executive Budget continued a one-size-fits-all approach to college costs that pretends that community colleges and universities face the same challenges. That said, we appreciate the House's recognition that there are differences within our sectors. Community colleges do not have an affordability problem; instead our challenge is helping more of our students complete – whether that is earning an associate degree, a certificate, transferring to a university, or upgrading their skills for a promotion in their current job. As you see from the chart below we are making major gains in this area. Despite experiencing the traditional enrollment decline that community colleges historically see during better economic times, our colleges have been able to increase the number of degrees and certificates awarded by 29%.



In order to best serve the demographics of our student population, we understand that we must continue to keep costs low, which is why we have asked for a limited \$10 per credit hour tuition increase. Allowing for modest, capped revenue growth which we plan to use on student success initiatives such as improved advising, career counseling services and bringing in innovative technology tools will help us take our efforts to increase completion rates to the next level. Providing enhanced student advising and direct student services will result in increasing the number of students completing their certificate or degree program, while reducing the amount of time it takes them to complete – which ultimately saves students money and gets them started on their careers sooner.

For the past 18 months, every Ohio community college has been engaged in an ongoing initiative to update and improve their state mandated strategic completion plans. Through OACC's Student Success Leadership Institute (SSLI), we have brought experts from throughout the country to Ohio to help us develop plans that incorporate proven strategies to increase completion rates and shorten the time to a degree, which is particularly challenging for institutions like ours that predominantly serve part-time students. As you can imagine, many of these strategies have costs associated with them, and colleges should be able to implement reasonable, limited charges to help implement a college's strategic Campus Completion plan.

The House added language giving the Chancellor new authority to veto fees charged by a college and university, which was a well-intentioned effort to fix a tremendously unfair proposal. The Chancellor has stated in House testimony that the proposed freeze of all fees in the bill was made in response to a handful of recent attempts by universities to raise fees by an exorbitant amount. We do not think it is even remotely appropriate for community colleges, and the other public

universities for that matter, so be subjected to an unprecedented all fee freeze simply because the Chancellor disagreed with the decisions of a few individual institutions. I would also point out that in these handful of instances, the Chancellor was successful in stopping the fee from going forward. ODHE clearly has already shown they have the ability to stop truly egregious fee increases from proceeding. There is no reason to supply the Chancellor with a shotgun, when he has already proven to be quite accurate with a sniper rifle.

OACC Request

- Maintain language allowing community colleges to increase tuition up to \$10 per credit hour.
- Remove the freeze for non-general fees for community colleges and universities.

Textbooks

We are pleased that the House of Representatives removed the Governor's textbook proposal which was universally opposed by almost every higher education interest in the state, and ask that you maintain the current language now in the bill.

Moving forward, numerous community college presidents responded back in the summer to a letter from the Chancellor with the idea of greatly expanding the number of courses utilizing Open Educational Resources (OER), which would reduce textbooks costs down to \$0.

A consortium of the majority of our community colleges partnered to submit an application through ODHE's Innovation Grant program to work on moving forward with the idea of developing OER materials for the top 20 most highly enrolled courses. The proposal, which is included with my testimony could impact more than 225,000 students and save \$30 million annually in textbook costs. This proposal would have the added benefit of significantly reducing the cost of textbooks to school districts participating in College Credit Plus as well. We were supposed to receive news about whether we would be awarded this grant from ODHE last month, but still have heard no word. If the proposal is either not funded or awards are still not named by the end of May, we would ask the Senate to include the requested funding in the budget.

OACC Request

- Maintain current textbook language in HB 49.
- Fund the OACC OER proposal (\$750,000) to save up to \$30 million in textbook costs.

College Credit Plus

The House added language stating that textbook costs for College Credit Plus should be split 50-50 between school districts and colleges, instead of the current reality where costs are open to negotiation. The Legislature and the K-12 system have repeatedly rejected efforts to establish a hard tuition floor for the College Credit Plus program arguing that we should let the free market play out. If individuals truly believe in that principle, then no one should be in favor of establishing a hard floor on textbooks costs either. We would ask that you remove the House added provision on College Credit Plus textbook costs and return to current law.

The House also added language to say that College Credit Plus students must receive a C grade or better in order to get credit for the course. As context, I would remind you that the most important foundational principle of the College Credit Plus program has always been a

requirement that there be no difference between a traditional college course and a course taught under the College Credit Plus funding model. Under this new provision, HB 49 would require our institutions to place a different threshold for awarding credits to dual enrollment students than they do for native college students taking courses, even if these students take the same course taught by the same faculty member. For instance, a student could get a D in a course through College Credit Plus, and not have it apply towards their degree, but if they get a D in the same course taught on campus after their high school graduation, they would be allowed to count it towards their degree. This seems like a wholly inappropriate measure for deciding whether a student should receive credit for a class or not and may run contrary to both state transfer laws as well as risk accreditation issues for Ohio's colleges and universities. We strongly encourage you to remove this provision from the bill which may make the entire program unworkable.

OACC continues to acknowledge that College Credit Plus will need modifications to ensure the sustainability and efficacy of the program. However, those modifications should be informed by at least three years of data. One budget provision that raised new questions was the proposal to grant broad rulemaking authority to ODHE to limit the courses students can take through College Credit Plus. When this concept was first proposed a year ago, we were talking about making sure a student didn't take a random Zumba class. Now it appears that ODHE may be most interested in eliminating broad categories of classes. We were already concerned that the College Credit Plus program was too focused in its design for students pursuing a bachelor's degree versus those students who are interested in more technical fields of study, and this provision could make matters worse. We would ask that it be removed from the bill.

One of the reasons we believe that we haven't seen greater participation in career-oriented classes is because of a loophole in the state's K-12 funding formula. That formula recognizes the additional costs associated with career technical education and provides supplemental add-on funding to cover the high costs associated with students pursuing those pathways. However, if a student chose to take a welding classes for instance through a College Credit Plus pathway, the school district or career tech school currently keeps all of the supplemental funding even though they are neither incurring the costs nor providing the education. If a student chooses to take a career technical course through College Credit Plus where the State provides supplemental funding to a K-12 partner to offset the higher costs of that course, we would request that HB 49 be amended to require that funding to flow to the college.

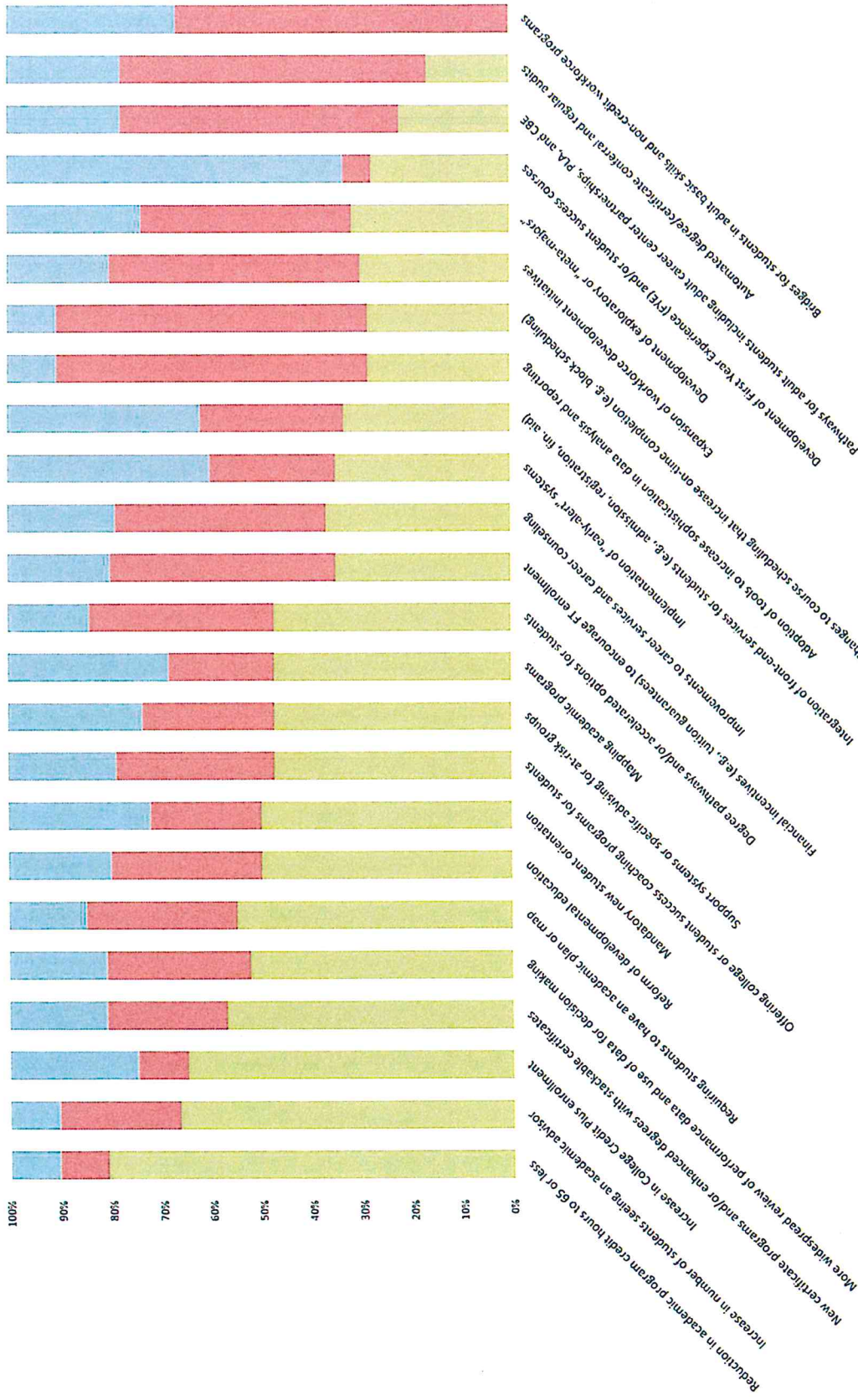
OACC Request

- Remove the current College Credit Plus textbook provision in HB 49.
- Remove language allowing ODHE to change the current rules of the College Credit Plus program until at least three years of data is available upon which we can make informed decisions about any major changes to the current program. Changes to College Credit Plus should be driven by data, not anecdotes.
- Remove language setting differential quality standards for College Credit Plus courses versus traditional college courses.
- Require supplemental state funding for career technical courses to follow the student if the student chooses to take the course through College Credit Plus.

Chairman Gardner and members of the subcommittee, once again thank you for the opportunity to testify. Out of respect to the committee's time, I did not address many of the other issues contained in the budget bill. I am of course happy to answer any questions that you may have.

OACC Survey Fall 2015:

Adoption of student success policies and practices as a result of Ohio's performance-based funding (PBF) model for community colleges



■ Accelerated implementation / Brought to scale in the past three years

■ In progress / Considering

■ No impact on implementation / Not a priority at this time