



**John Carey, Chancellor, Ohio Department of Higher Education  
Ohio Senate Finance Higher Education Subcommittee  
House Bill 49 – FY18-19 Operating Budget Testimony  
May 11, 2017**

Chairman Gardner, Vice Chair Williams, and members of the Committee, thank you for the opportunity to speak with you once again about the higher education portions of House Bill 49. We appreciate the effort and hard work the House did on the executive budget proposal as it made its way through the committee process.

By now you've hopefully had some time to examine the higher education portions of the budget and get a sense of some of the changes the House made. As state tax revenue projections continue to be downwardly revised, we understand that every part of the state budget must be analyzed for areas of savings, higher education being no exemption. With this in mind, the House decreased the Department's operating line by 3% in both years of the budget, a cut that we believe the agency will be able to effectively manage without adverse effects on core agency operations. As for the State Share of Instruction (SSI), the executive budget's proposed increases of 1% in each year of the biennium have been removed, effectively flat funding SSI, another understandable measure taken in order to achieve a balanced budget.

There are a few other provisions the House added or modified that I would also like to bring to your attention. The first is the provision that would allow any 4-year public university that chooses to start a tuition guarantee program, in which tuition and fee rates are locked in for a cohort of students, to set tuition at any rate the board of trustees chooses, and allow for all subsequent cohort guarantee tuition rates to be increased by the board, with no restrictions or caps. While the administration is a proponent of tuition guarantee programs and encourages their incorporation and use, removing any restriction on what an institution can charge in tuition and fees raises the possibility of exorbitant increases for students and their families, potentially unravelling all of the affordability measures and initiatives the legislature and the administration have put in place in recent years to ensure an affordable education at Ohio's public universities.

Next, the House passed sub-bill allows for an annual \$10 per credit hour tuition increase at public community colleges. With a weighted average tuition of \$3,848 per year at a community college, this increase would amount to an average annual increase for a full-time community college student of approximately 7.5%. As with the tuition guarantee provision, we see this increase as out of line with our mission of keeping college affordable for Ohio's students.

The executive budget proposal also attempted to ensure affordability and cost transparency by freezing special fees that are meant for direct services to students. We recognize the need for certain exceptions to this restriction, and the House worked with the stakeholder associations and institutions to include these exceptions in the version of the bill that now sits before you. However, one of the exceptions included was for non-instructional program fees. It is precisely these types of non-instructional program fees that can be broadly assessed and opaque in nature, and their exception to the freeze gives colleges and universities too much leeway in raising fees of this nature.

Finally, as you are all no doubt aware, much discussion surrounding the executive budget's textbook provision occurred as the bill progressed through the committee process in the House. The House modified the textbook provision to require colleges and universities to report their efforts on reducing textbook costs and conduct a study on current textbook costs. While we believe this reporting and information will be useful, the House provision includes no metrics or benchmarks, or any real requirement for the schools to

reduce costs to students. We believe to truly move the needle in textbook affordability, there should be concrete goals for institutions to work towards.

Mr. Chairman, this concludes my testimony. Thank you for the opportunity to speak to you about the higher education portions of House Bill 49. Included in my testimony are higher education budget documents that highlight our initiatives like the Finish for Your Future scholarship, Ohio CARES and College Credit Plus, among others. I would be happy to answer any questions you may have and elaborate on the points brought up in my testimony at this time.

## HB49 Highlights



### **Holding Down Costs for Students**

#### **Tuition and Fee Freeze**

Ohio's tuition increases over the past five years have been well below the national average, and the governor's budget seeks to continue that positive trend by freezing tuition, general fees, and special fees in both years of the upcoming biennium.

#### **State Share of Instruction (SSI)**

Ohio's subsidy to our public colleges and universities. Funding is increasing 1% in each fiscal year, approximately \$40 million over the biennium.

#### **Textbooks**

In the 2018-19 academic year, public colleges and universities will be required to share the cost of textbooks with students, with a \$300 annualized increase in tuition. This cost sharing will foster innovation in providing more affordable textbook options.

### **Technology and Research**

#### **Commercialization**

The budget proposal requires all universities to have intellectual property (IP) policies that incentivize faculty to commercialize. It also requires all state universities to have a commercial tenure track for faculty.

#### **Ohio Innovation Exchange**

This budget supports the continued development of the Ohio Innovation Exchange, which showcases the research expertise of Ohio's university and college faculty in engineering, biomedicine, and information technology, as well as other fields of study, and identifies institutional research equipment available around the state.

#### **Research Initiatives**

This budget includes funding for continued research on the study of harmful algal blooms and improved water quality, strategies to reduce infant mortality, as well as allocating \$1 million in each fiscal year to fund research aimed at the state's growing opiate addiction epidemic.

# College Credit Plus HB49 Items

College Credit  
PLUS

In the first year of the program:

- More than **52,000** Ohio students earned college credit
- Participants saved more than **\$120 million** on college costs
- **15%** of Ohio's juniors and seniors participated



The Ohio Department of Higher Education and the Ohio Department of Education are working on ways to make the program an even greater success, while improving upon the foundation from which the program operates. With the first year of the program under our belt, we now have concrete data that, coupled with input from stakeholders, have been used to propose the following improvements to the program:

### Course eligibility

Requires the Chancellor of Higher Education, in consultation with the Superintendent of Public Instruction, to adopt rules specifying which courses under the CCP program are eligible for funding, specifically giving consideration to courses that contain a statewide transfer guarantee and courses that are applicable to multiple degree pathways or to in-demand jobs.

### Underperforming students

Requires the Chancellor and Superintendent to adopt rules specifying conditions under which "underperforming" student participants may continue participating in the CCP program.

### Cost floor and ceiling

Clarifies that the default ceiling payments under College Credit Plus shall not be more than the college's per-credit-hour rate, and removes the waiver language that would allow for negotiations below the funding floor.

### Aligning deadlines

Moves to February 1 (from March 1 as under current law) the annual deadline by which a high school must provide information about the College Credit Plus program to all 6th to 11th grade students.

### Student eligibility

In order to meet eligibility requirements for College Credit Plus, a student will be required to meet remediation-free thresholds on an assessment (such as ACT, SAT, or Accuplacer). If a student scores within a specified range below the threshold, he or she may still be eligible with a GPA above 3.0 or a recommendation of a school counselor, principal or career-technical program advisor.

### Textbooks

Requires secondary schools to have agreements with their partnering colleges and universities on textbook costs and distribution. The default payment structure would require the institution of higher education (IHE) to provide the textbooks at a cost of \$10 per credit hour to the local school district, while the IHE retains ownership.

### Refining the appeals process

Changes the appeals process for public school students who do not receive their principal's consent to participate in College Credit Plus after missing the April 1 notification deadline by allowing an appeal to the district superintendent. Also requires appeals to be made to the Department of Education in the case of disputes between students and their schools over high school credit for college courses.