

Testimony on Substitute House Bill 49

Ohio Senate Finance Higher Education Subcommittee
Senator Randy Gardner, Chair

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Chair Gardner, Vice Chair Williams, and Senators Bacon, Dolan, Kunze, Thomas and Wilson, 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 inviting me to appear before you today to give a faculty perspective on the aspects of Substitute 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 that same spirit the Ohio Faculty Council expresses appreciation for your leadership and efforts to make college education accessible 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.¹

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

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

Ohio should work toward reducing the fraction of the cost of a higher education at a public institution that is born by students and their families. At 67%, Ohio's family share is the tenth highest in the country. Other states like Wyoming and California with their 15% and 22% family shares, respectively, make it much easier for students to afford higher education by providing more support directly to their colleges and universities.

We appreciate that current and projected tax revenues make this a difficult time to increase Ohio's SSI. It is particularly unfortunate that Ohio students and their families already bear more of the financial burden of the cost of higher education than do residents of most other states. However, only four states (Missouri, Maine, Montana, and Maryland) have had lower increases in tuition rates than Ohio's 10% since the Great Recession (FY 08 through 14). If SSI cannot be significantly increased, then caps on tuition increases must be lifted for colleges and universities to be able to deliver on the State's attainment goal (65% of working age Ohioans having a postsecondary certificate or degree by 2025) ² so as to have a workforce ready to compete in a 21st century-economy.

Ohio's performance-based funding system makes a direct link between SSI and course and degree completions. At a minimum, Ohio's attainment goals require an average 5% increase in certificates and degrees awarded for each of the next eight years. It is unrealistic to expect that that can be achieved without an average 5% increase in funding (some combination of SSI and tuition increases) to the State's institutions of higher education in each of those eight years as well.

The Ohio College Opportunity Grant (OCOG) program is a significant component of the State's efforts apart from SSI to make higher education affordable to first-generation students. However, even with the Governor's proposed 3% increase in support for OCOG the program would be funded at 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, 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.

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

Reducing Textbook Costs

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 without adversely affecting the quality of their education.

For instance, on Friday of last week, the Ohio Faculty Council adopted a resolution (attached as Appendix 1) that encourages public colleges and universities in Ohio to adopt an "opt-out" policy for textbook ordering that should result in a significant reduction in the average cost of textbooks for Ohio students. At the same time, we oppose the creation of a requirement that faculty disclose in a filing to the Ohio Ethics Commission any benefits that they (or their spouses or children) received from textbook publishers – there is no reason to expect that there is a connection between the availability of examination/desk copies of textbooks and the cost of textbooks to students.

We would welcome the opportunity to participate in a study group on the issue of rising textbook costs. 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's TAG (transfer articulation guideline) courses. TAG 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

Community colleges are a tremendously important resource for many kinds of students: non-traditional students who are not looking for a bachelor's degree or who need to re-establish their readiness for academic work; students who want to pursue more technical fields and only need an Associates' degree, or who need to improve their preparation in various areas before moving to a four-year institution; or students who are not sure what degree they ultimately want and need a low-cost way to fulfill broad general education requirements, among others. What community colleges are not usually prepared to do as well is to offer the full range of specialized, advanced courses that make up a high-quality baccalaureate degree.

The most important issue is staffing. Community colleges have not had a mandate to hire within a full range of specializations for upper-level courses and at the qualification levels that four-year institutions must maintain for accreditation purposes in technical and professional fields. Students in baccalaureate programs benefit from resources from closely adjacent fields that may not be available at institutions with only a few four-year programs (for instance, biology majors need to take advanced chemistry classes; engineers need to take high-level mathematics courses). The addition of more precisely qualified professors brings costs that

would exceed any SSI redirected to two-year institutions. Without increasing tuition, the only reasonable result that we could expect is a diminishment in quality, both for the new bachelors' degrees but also for the programs that these schools do well now.

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.

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.

Sick Leave Allowances

The Substitute House Bill 49 requires a one-third reduction of allowable sick days for *all* employees at institutions of higher education. Faculty are typically on nine-month contracts and do not get personal days or vacation time like other employees. Unlike other state employees, faculty do not have other benefit days to draw upon in the event that they encounter a serious illness. All of the public four-year universities in Ohio already have caps on sick leave payouts upon retirement to limit payouts on that benefit. There is no need to impose a one-size fits all policy on top of existing practices regarding sick leave allowances. As faculty that rely on the day-to-day work of staff at our campuses, we are also concerned about the implications of the proposed change for university employees who are on twelve month contracts.

Tenure

Tenure does not provide as much job security as some seem to think — every college and university in Ohio has procedures in place for the termination of tenured faculty. Most public institutions in Ohio also already have post-tenure review systems in place that are similar to or more rigorous than what is proposed in the Substitute House Bill 49. In the rare instances where there have been breakdowns of those systems there are generally administrators who have not used the tools at their disposal to remedy the situation.

The Ohio Faculty Council supports the addition of commercialization as a path (along with teaching, research and service) that could lead to tenure. 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.

The tenure system currently in place in Ohio's public universities gives new faculty the opportunity to develop research programs that train our students, secure grants to support their research, and generate discoveries that bolster our economy. Tenure also incentivizes faculty to remain in Ohio once the research programs they develop begin to bear fruit.³

Tenure has been central to the idea of academic freedom for almost 100 years. It allows faculty to pursue controversial lines of research and to speak up about issues where they have developed expertise. In 1992 AAUP stated "Free speech is not simply an aspect of the educational enterprise to be weighed against other desirable ends. It is the very precondition of the academic enterprise itself." That academic freedom more than anything else is responsible for the remarkable creativity for which US universities are known. The creative atmosphere of universities in Ohio translates into a commodity that is in great demand, attracting the best and brightest students from around the world. Even a perception that tenure was being weakened in Ohio's public universities could result in a serious loss of quality, prestige and, ultimately, student enrollment.

Chairman Gardner 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.

³ It has been reported that the University of Wisconsin at Madison needed to spend \$9 million to retain 40 of its most successful faculty who, together, had \$18 million in research support that would have left the system with them. "The End of Research in Wisconsin: UW-Madison spent \$9 million to keep top faculty from being poached, but the damage has been done," http://www.slate.com/articles/life/education/2016/03/university_of_wisconsin_and_the_aftermath_of_destroying_professor_tenure.html

APPENDIX 1

REDUCING TEXTBOOK COSTS

Whereas, The Ohio Faculty Council represents the faculty at all of the four-year public universities in the State of Ohio;

Whereas, The Governor's Task Force on Affordability and Efficiency in Higher Education⁴ has recommended that all institutions of higher education in Ohio explore means of reducing the cost of textbooks and report annually on their progress in that area;

Whereas, Title I, Section 133 of the federally enacted Higher Education Opportunity Act (2008)⁵ requires institutions receiving federal financial aid to disclose required and recommended textbooks as soon as practicable upon the request of a contractually affiliated college bookstore and not later than the time at which students can first begin to register for a course;

Whereas, The timely adoption of textbooks, can allow students to purchase textbooks at a significantly lower cost (e.g. by affecting the supply of used textbooks through the purchase of used books) without compromising quality of instruction;

Whereas, The timely ordering of textbooks would complement other efforts faculty have already embraced to reduce textbook costs (e.g. the adoption of open source/on-line textbooks, the use of earlier editions of textbooks, making textbooks on course reserve through university libraries more accessible, maximizing the possibility that a student could use the same textbook for multiple courses, ensuring that individual faculty know the cost of the books used in their classes);

Whereas, Cleveland State University has found that adopting an "opt-out" policy for textbook ordering (one in which the textbook that has been used by a faculty member for a class in a previous term is selected as the book used by the same faculty member teaching the same class in a subsequent term unless that faculty member affirmatively chooses to use a different text) has resulted in a significant increase in compliance with the 2008 Higher Education Opportunity Act;

Whereas, An amendment has been added to H.B. 49 (the Main Operating Budget of the 132nd Ohio General Assembly) that would require all faculty responsible for assigning textbooks for classes in Ohio's public institutions of higher education to annually file with the Ohio Ethics Commission a disclosure of any benefits (or lack thereof) they receive from textbook publishers;

⁴ <https://www.ohiohighered.org/affordability-efficiency/task-force>

⁵ <https://www.gpo.gov/fdsys/pkg/PLAW-110publ315/pdf/PLAW-110publ315.pdf>

Whereas, The annual disclosure of benefits that faculty receive from textbook publishers is very unlikely to have any effect upon the cost that Ohio students pay for textbooks.

Resolved, The Ohio Faculty Council respectfully requests that the requirement that faculty annually disclose benefits they receive from textbook publishers be removed from H.B. 49 and that institutions instead be encouraged to develop strategies that would make it easier to comply with the 2008 Higher Education Opportunity Act and for faculty to be aware of the cost of the textbooks used by their students.