![OACC - OHIO ASSOCIATION OF COMMUNITY COLLEGES]

Testimony before the House Finance Committee
Substitute House Bill 166 (FY 2020-21 Operating) Budget Bill
May 3rd, 2019

Chairman Oelslager, Vice Chair Scherer, Ranking Member Cera, and members of the House Finance Committee, thank you for the opportunity to testify today. I am Jack Hershey, President of the Ohio Association of Community Colleges (OACC), which represents the presidents and trustees of all twenty-three of the state's public community colleges.

I want to start by saying thank you – and saying it very clearly. The leaders of Ohio's community colleges were pleased with the budget proposed by Governor DeWine, and we are equally appreciative of your support of increased State Share of Instruction (SSI) funding, support for the Community College Access Program (CCAP) to provide academic and support services for our lower income students, and for providing $6 million in aid to help community college students with the cost of textbooks and other instructional materials and clarifying that part-time students can also benefit from this grant program.

We specifically thank the Ohio House of Representatives for restoring the Jobs Challenge. This program, which was eliminated a few budgets ago, is meant to provide operating support to community colleges and Ohio Technical Centers to help quickly stand up new non-credit workforce training programs to respond to the specific needs of local employers. The world of non-credit job training has often been overlooked as compared to the work we do to help transfer students pursue a bachelor's degree at a more affordable price. The attention and recognition you have placed on this important role we play in our communities is greatly appreciated.

There are two areas of the higher education budget that we would ask you to consider as you finish this committee's deliberations on House Bill 166.

Restore Language Prohibiting State Tax Dollars from Subsidizing Out-of-State Students

In this current biennium, we learned through the Ohio Department of Higher Education (ODHE) that wording in the current budget was allowing SSI funding to flow to community colleges educating out-of-state students. To be clear, out-of-state students are a pretty rare thing in the world of community colleges, but we do attract some, especially along the state's border.

One of our institutions, Eastern Gateway Community College, is attracting a different kind of out-state student through their relatively new, on-line free-community college model. While the State of Ohio has long provided funding to the state's public universities to help educate non-Ohioans, it has been done for students who physically move here to attend college with the hopes that they will remain in in our great state and become valuable members of our workforce after graduation. That is not the kind of student Eastern Gateway's online program is attracting.

Unless this loophole is closed, students in New York City, Tacoma, San Francisco, and Honolulu could take an online class without ever stepping foot in this state, and Ohio taxpayers would be on the hook to help subsidize their education. As the attached letter demonstrates, it is the opinion of the vast majority of our community college leaders that we should not be taking funding away the other community colleges across Ohio to help build the workforce of other states.

Below is a chart that demonstrates the fiscal impact of the change made in the substitute version of HB 166. From the chart you can see that the majority of community colleges would lose funding in FY 2020 under the provision. It is projected that every community college would lose funding in FY 2021 if the provision stays as recommended.

Institution	FY 2020 As Introduced	FY 2020 House Substitute	Difference
BELMONT TECH	$4,389,110	$4,369,258	($19,852)
CENTRAL OHIO	$11,611,042	$11,523,806	($87,236)
CINCINNATI STATE	$28,089,173	$28,064,502	($24,671)
CLARK STATE	$15,115,155	$15,023,561	($91,594)
COLUMBUS STATE	$68,904,026	$68,843,851	($60,175)
CUYAHOGA	$70,594,125	$70,424,196	($169,929)
EASTERN GATEWAY	$10,395,535	$11,401,591	$1,006,056
EDISON STATE	$8,696,766	$8,605,336	($91,430)
HOCKING	$12,711,646	$12,956,301	$244,655
JAMES RHODES ST.	$10,872,367	$10,791,994	($80,373)
LAKELAND	$20,359,080	$20,149,641	($209,439)
LORAIN COUNTY	$30,379,547	$30,174,978	($204,569)
MARION TECH	$7,927,007	$7,846,335	($80,672)
NORTH CENTRAL	$8,999,696	$9,080,769	$81,073
NORTHWEST STATE	$11,109,270	$11,056,138	($53,132)
OWENS STATE	$26,793,798	$27,147,009	$353,211
RIO GRANDE	$5,834,695	$5,768,889	($65,806)
SINCLAIR	$50,782,120	$50,804,539	$22,419
SOUTHERN STATE	$8,209,274	$8,119,961	($89,313)
STARK STATE	$29,189,234	$28,907,516	($281,718)
TERRA STATE	$6,523,462	$6,461,166	($62,296)
WASHINGTON STATE	$5,591,323	$5,631,675	$40,352
ZANE STATE	$7,741,113	$7,665,554	($75,559)

Finally, I wanted to correct one piece of information that has been brought to our attention. The provision included in the Executive Budget to close this loophole would in no way affect Ohio residents who enroll in Eastern Gateway's online model. They would still remain eligible for SSI funding under the plan proposed by the Governor.

Therefore, we respectfully request that the House restore the As Introduced section detailing the community college funding formula in order to close this out-of-state student loophole.

Replace the One-Size-Fits All Tuition and Fees Cap

Our colleges are developing numerous targeted strategies necessary to increase the number of success stories generated by our colleges. Since changing our SSI formula to one that is 100% performance based, we have seen an 8.5% increase in the number of degrees and one-year certificates awarded, and a 22% increase in the number of short-term certificates earned. This is all the more impressive when you consider that these gains happened during a time of decreased enrollment for community colleges, which traditionally happens during strong economic times.

In the last budget bill, the legislature agreed to allow community colleges to increase instructional fees by $10 per credit hour in each year of the biennium, in order to allow us to invest in academic and student support services and strategies aimed at increasing the amount of students who graduate, or transfer to a university. Unfortunately, Governor Kasich vetoed one year of this limited tuition cap.

We would ask you to replace the current 2% fee cap in the budget with the $10 per credit hour cap that was vetoed by Governor Kasich. The structure of the 2% cap penalizes institutions who have made decisions to keep tuition low over the years, and rewards those institutions with higher tuition costs in the state. As you can see from the chart on the next page, every public university would be allowed to increase tuition more than $10 per credit hour under the 2% cap.

One other important point to keep in mind is that through ODHE's course transfer system, Ohio's public two- and four-year institutions are largely teaching the same freshman and sophomore level courses throughout the state, with the same agreed upon learning outcomes. Limiting community colleges to an increase of no more than $10 per credit hour would still be lower than the $11-$24 increases under a 2% annual tuition cap for the exact same baccalaureate level courses delivered at a university.

Maximum Per Credit Hour Increases w/ 2% Annual Tuition Cap in HB 166 - Universities						
University	Instructional Fees Per Credit Hour	General Fees Per Credit Hour	Instructional + General CH Fee	2% Tuition Cap AY 2019-20	2% Tuition Cap AY 2020-21	Total Allowable Per Credit Hour Increase
BGSU	$379.00	$62.25	$441.25	$8.83	$9.00	$17.83
Central State	$275.00	$0.00	$275.00	$5.50	$5.61	$11.11
Cleveland State	$339.60	$100.90	$440.50	$8.81	$8.99	$17.80
Kent State	$382.00	$80.00	$462.00	$9.24	$9.42	$18.66
Miami	$486.38	$107.92	$594.30	$11.89	$12.12	$24.01
Ohio State	$382.00	$72.70	$454.70	$9.09	$9.28	$18.37
Ohio University	$441.00	$61.00	$502.00	$10.04	$10.24	$20.28
Shawnee State	$260.45	$46.39	$306.84	$6.14	$6.26	$12.40
University of Akron	$359.09	$54.25	$413.34	$8.27	$8.43	$16.70
University of Cincinnati	$389.00	$70.00	$459.00	$9.18	$9.36	$18.54
University of Toledo	$335.49	$81.80	$417.29	$8.35	$8.51	$16.86
Wright State	$342.00	$52.00	$394.00	$7.88	$8.04	$15.92
Youngstown State	$270.00	$69.22	$339.22	$6.78	$6.92	$13.70

Maximum Per Credit Hour Increases w/ 2% Annual Tuition Cap in HB 166 - Community Colleges						
College	Instructional Fees Per Credit Hour	General Fees Per Credit Hour	Instructional + General CH Fee	2% Tuition Cap AY 2019-20	2% Tuition Cap AY 2020-21	Total Allowable Per Credit Hour Increase
Belmont	$107.75	$58.00	$165.75	$3.32	$3.38	$6.70
COTC	$144.00	$45.00	$189.00	$3.78	$3.86	$7.64
Cincinnati State	$149.64	$9.00	$158.64	$3.17	$3.24	$6.41
Clark State	$131.33	$24.00	$155.33	$3.11	$3.17	$6.28
Columbus State	$132.43	$20.50	$152.93	$3.06	$3.12	$6.18
Cuyahoga CC	$95.04	$19.50	$114.54	$2.29	$2.34	$4.63
Eastern Gateway	$118.00	$3.00	$121.00	$2.42	$2.47	$4.89
Edison State	$130.32	$26.30	$156.62	$3.13	$3.20	$6.33
Hocking	$154.00	$29.00	$183.00	$3.66	$3.73	$7.39
Lakeland	$107.75	$20.05	$127.80	$2.56	$2.61	$5.16
Lorain County CC	$116.98	$17.06	$134.04	$2.68	$2.73	$5.42
Marion	$180.00	$7.00	$187.00	$3.74	$3.81	$7.55
North Central State	$134.06	$32.54	$166.60	$3.33	$3.40	$6.73
Northwest State	$161.33	$6.00	$167.33	$3.35	$3.41	$6.76
Owens	$147.50	$15.50	$163.00	$3.26	$3.33	$6.59
Rhodes State	$160.19	$3.00	$163.19	$3.26	$3.33	$6.59
Rio Grande	$126.16	$20.00	$146.16	$2.92	$2.98	$5.90
Sinclair	$94.78	$21.25	$116.03	$2.32	$2.37	$4.69
Southern State	$162.00	$6.00	$168.00	$3.36	$3.43	$6.79
Stark State	$116.50	$53.10	$169.60	$3.39	$3.46	$6.85
Terra State	$172.00	$29.00	$201.00	$4.02	$4.10	$8.12
Washington State	$149.00	$3.00	$152.00	$3.04	$3.10	$6.14
Zane State	$138.00	$31.00	$169.00	$3.38	$3.45	$6.83

Source: ODHE Annual Survey of Tuition and Fees (October 2018)

Thank you Chairman Oelslager and members of the committee for your time and attention this morning. I would be happy to answer any questions that you may have.