



Department of  
Higher Education

Mike DeWine, Governor  
Randy Gardner, Chancellor

## Ohio Senate Finance Committee

Governor Mike DeWine's Executive Budget

Ohio Department of Higher Education

Randy Gardner, Chancellor

April 24, 2019

Chairman Dolan, Vice Chair Burke, Ranking Member Sykes, and members of the Senate Finance Committee: I am honored to be in this hearing room – after many years of serving here – to present Governor Mike DeWine's budget for the Ohio Department of Higher Education for the next biennium.

After serving in the House of Representatives for 20 years and the Senate for another 13 years, I believe this budget to be perhaps the most student-focused state budget for higher education that I've seen. I appreciate Governor DeWine for allowing me the privilege to serve in his cabinet, and I thank those on the Governor's team, including Lieutenant Governor Husted, for their collective leadership in forging this budget.

I truly believe the higher education budget highlights two themes that Governor DeWine has made so evident to Ohioans. First, a willingness to listen to others and consider new ideas as we formulated this budget and established key priorities. Second, an unmistakable sense of urgency to make a difference for students attending colleges and universities in Ohio – those 14 four-year public universities, their 24 regional branch campuses, 23

community colleges, more than 50 independent colleges and universities, 54 technical centers, and numerous career colleges throughout Ohio.

### **GREATER INVESTMENT IN STUDENTS**

- Our budget, respecting the needs in so many other areas such as early childhood education, fighting the opioid crisis, investing in clean water, and other priorities, increases the State Share of Instruction by \$42 million over the biennium, and requires that those new funds be targeted to need-based financial aid, counseling and student support services, and workforce preparation. In the budget enacted in 2017, SSI received no increase in either year of the biennium and a majority of the line items in higher education were reduced. In addition, Ohio has the most assertive performance-based funding formula in the United States, with positive incentives toward degree and course completion.
- We also propose the largest increase since 2009 for students qualifying for the Ohio College Opportunity Grant (nearly 50% more over the biennium) to help make education more affordable for lower-income Ohioans. The budget increases OCOG to \$148.2 million by FY 21. We also propose funding through OCOG to help community college and regional branch campus students pay for textbooks. These efforts, along with providing 100% support for both the War Orphans Scholarship Program and the National Guard Scholarship Program, help get Ohio back on the right track to stronger, more positive student support. In the current budget, the War Orphans Scholarship is funded at only 84% of cost. It is necessary to seek an increase in this line item to fully fund the cost of college for those who qualify. The War Orphans Scholarship provides funding assistance for children of veterans who are deceased or who have a 60 percent or greater service-connected disability.

## AFFORDABILITY REMAINS A PRIORITY

- Even though Ohio has restrained tuition better than any other state in the nation since 2005, according to College Board data, tuition and fees and unpredictable college costs have remained an Ohio challenge. **No more.** In the fall of 2019, all incoming freshman students at four-year public undergraduate universities in Ohio will have their tuition and general fees frozen – **guaranteed** – so what they pay for their first year will be the same for the next three consecutive years following admission to the university. Our budget will ensure that all 13 undergraduate universities will be “guarantee institutions,” providing predictability and transparency for students, parents, and families into the future. In addition, a majority of all continuing students (in-state, undergraduate sophomores, juniors, and seniors) will have **no tuition increase.** We have reviewed “guarantee” programs in other states, and we believe Ohio is among the best, if not the best, guarantee tuition strategy in the nation.
- We looked to the work of the Joint Committee on Ohio College Affordability to assist the department with policy development. I thank Senators Dolan, Hottinger, Thomas, and Williams for their service as members of the joint committee, in addition to that of Senator Wilson and former Representative Mike Duffey, who served as co-chairs of the committee. The joint committee’s “affordability” recommendations included a “reconstituted tuition cap.” In this spirit we are determined that Ohio’s overall tuition and guarantee policy as contained in our budget means an Ohio college degree will become **even more affordable in the next two years versus most other Midwest states.**
- In addition, we will continue to strengthen and promote College Credit Plus, which allows students to earn college credit while in high school, thereby reducing the time and cost to a college degree. College Credit

Plus has resulted in an estimated \$416.5 million in tuition savings for students and families over the past three years.

- Budget language will include the Community College Acceleration Project, a promising collaboration between higher education and the Ohio Department of Job and Family Services to increase graduation rates at community colleges. A pilot program at Lorain County Community College, Cuyahoga Community College, and Cincinnati State Technical and Community College showed a meaningful 50% increase in graduation rates for those students in the program, compared with those who did not participate in the program. Services provided to students may include personal college advising, counseling, tutoring, tuition waivers, and financial assistance to help defray the costs of transportation and textbooks. The program may seek to support students through matching funding with the United States Department of Agriculture's Supplemental Nutrition Assistance Program, and potentially other sources as identified by local agencies, colleges, ODHE, and ODJFS. There is more work to do on this concept, but working with ODJFS, the Ohio Association of Community Colleges, and members of the General Assembly, we strive to make a dramatic difference in college attainment rates in our state.

### **AN URGENT, PROACTIVE WORKFORCE PREPARATION POLICY**

- This budget embarks on the smartest, most aggressive workforce development and worker retraining effort in Ohio history. We will align workforce training needs closely with our colleges and universities, utilizing an employer-driven model that meets the demands of a fast-changing, technology-based economy to support the granting of 10,000 industry-recognized credentials in each of the next two years. While the funding of this program is with the Development Services Agency, better collaboration and focus in supporting effective worker retraining will occur in community colleges, universities, technical centers, and other training centers. Our department will be involved in this effort, providing support, guidance, and approval of programs as applicable, particularly

those leading to certificates or degrees under our regulatory responsibilities.

- Workforce preparation includes supporting STEMM education (Science, Technology, Engineering, Mathematics, Medicine) through the Choose Ohio First Scholarship program. The budget proposes a significant increase in support for Choose Ohio First, from \$16 million in FY19 to \$40 million in FY21, allowing us to serve more students than ever before, with additional emphasis on first-generation and lower-income students. Choose Ohio First funds higher education and business collaborations that will have an impact on Ohio's position in world markets such as aerospace, medicine, computer technology, and alternative energy. It is important to note that the Choose Ohio First program provides scholarships to public university, community college, and independent college students. As some of you know, this program was established under the vision and leadership of then-Speaker of the House and former Senator Jon Husted. This is one of a number of state programs where our department is specifically asking our higher education partners for feedback regarding the status of the program. Are there reforms that can make Choose Ohio First even more effective? This is an especially important question as we direct new dollars toward the program.
- Ohio Technical Centers are an important asset in our efforts to grow the Ohio economy and prepare our workforce. Our budget proposes an increase of 39.7% over the biennium (from \$16 million to \$23 million) for OTCs, the most significant funding level since 2003. OTCs provide postsecondary career and technical education at 54 sites across Ohio, in collaboration with secondary career centers, high schools, and joint vocational schools. OTCs are positioned to respond quickly to the needs of business and industry by providing customized training and business consultation services to companies to assist with meeting Ohio's workforce goals.

- Our workforce training and retraining efforts will include reauthorizing \$8 million for a new round of RAPIDS grants (Regionally Aligned Priorities in Delivering Skills), which are state capital funds that provide up-to-date training equipment in our colleges, universities, and technical centers. Capital funding in an operating budget is unusual, but these are unusual times. Competition for faster incumbent worker re-training demands that we have the most modern up-to-date technology and equipment so that employers can urgently collaborate with colleges and technical training centers. RAPIDS grants also encourage internships and co-op programs that meet regionally identified workforce needs.
- Health care remains one of the fastest-growing, high-quality, in-demand sectors of Ohio's economy. The Chancellor's Task Force on Physician, Nursing, and Allied Health Care Workforce Preparation, as proposed, will strive to find ways to train and retain valued health care workers in key shortage areas, in addition to meeting health care workforce demands in every region of Ohio. The task force membership will include representatives from medical schools, the State Medical Board, hospital administrators, physician and nursing organizations, and other allied health professions.

#### **OTHER KEY BUDGET ISSUES**

- In order to fairly evaluate our colleges and universities, the DeWine administration will study and recommend that job placement become a component in the state higher education funding formula. The budget will include language that establishes a process for developing this metric for utilization in the formula as soon as practicable.
- Two line items received substantial increases in the budget due to Central State University's conversion to Land Grant University status. To generate new available federal funds, the budget provides the required \$3.7 million

1:1 match in the Central State Agricultural Research and Development and Central State Cooperative Extension Services lines.

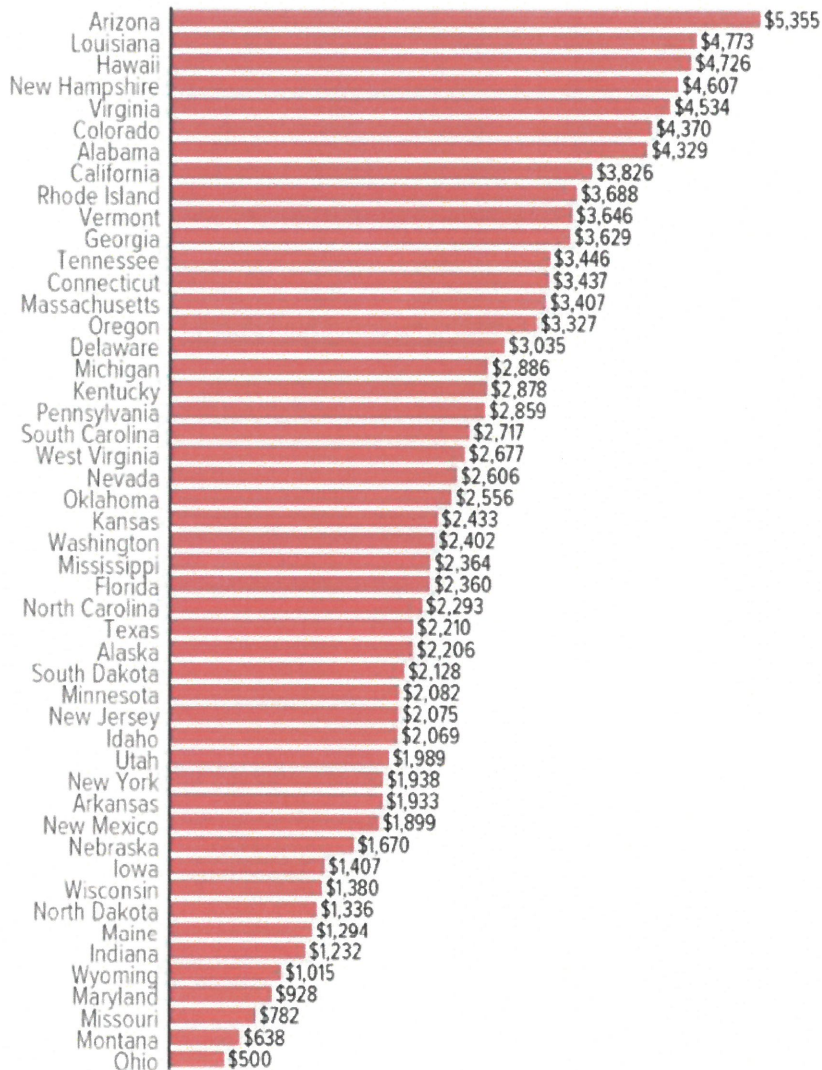
- The Ohio Department of Higher Education strives to operate efficiently. Since 2010, the number of employees at the department has declined by 17%, from 81 employees to 67 today. While it is possible that one or two currently vacated positions may be filled in 2019, the department will continue to administer its programs and provide needed services to our higher education constituencies.

Mr. Chairman, members of the committee, it has been an honor to present the Ohio Department of Higher Education's budget, and I am glad to answer any questions you may have.



## Tuition Has Increased Sharply at Public Colleges and Universities

Change in average tuition at public, four-year colleges, inflation adjusted, 2008-2018



Note: Illinois was excluded because the data necessary to make a valid comparison are not available. Since enrollment data are only available through the 2016-17 school year, we have estimated enrollment for the 2017-18 school year using data from past years.

Source: CBPP calculations using the "Grapevine" higher education appropriations data from Illinois State University, enrollment and combined state and local funding data from the State Higher Education Executive Officers Association and the Consumer Price Index, published by the Bureau of Labor Statistics





TABLE 5. Average Published Tuition and Fees at Public Institutions by State in Current Dollars and in 2018 Dollars, 2004-05 to 2018-19

	In Current Dollars						In 2018 Dollars					
	Public Two-Year In-District Tuition and Fees			Public Four-Year In-State Tuition and Fees			Public Two-Year In-District Tuition and Fees			Public Four-Year In-State Tuition and Fees		
	2004-05	2010-11	2018-19	2004-05	2010-11	2018-19	2004-05	2010-11	2018-19	2004-05	2010-11	2018-19
Alaska	N/A	N/A	N/A	\$3,435	\$5,261	\$7,820	N/A	N/A	N/A	\$4,570	\$6,081	\$7,820
Alabama	\$2,728	\$3,417	\$4,760	\$4,510	\$7,373	\$10,870	\$3,630	\$3,950	\$4,760	\$6,001	\$8,523	\$10,870
Arkansas	\$1,874	\$2,525	\$3,700	\$4,581	\$6,304	\$8,710	\$2,493	\$2,919	\$3,700	\$6,095	\$7,287	\$8,710
Arizona	\$1,393	\$1,979	\$2,580	\$4,078	\$8,075	\$11,540	\$1,853	\$2,288	\$2,580	\$5,426	\$9,334	\$11,540
California	\$808	\$819	\$1,430	\$4,195	\$7,485	\$9,870	\$1,075	\$947	\$1,430	\$5,582	\$8,652	\$9,870
Colorado	\$2,218	\$3,122	\$4,510	\$3,733	\$7,078	\$11,140	\$2,951	\$3,609	\$4,510	\$4,967	\$8,182	\$11,140
Connecticut	\$2,406	\$3,408	\$4,400	\$6,336	\$8,977	\$12,760	\$3,201	\$3,939	\$4,400	\$8,430	\$10,377	\$12,760
District of Columbia	N/A	N/A	N/A	\$2,520	\$7,000	\$8,250	N/A	N/A	N/A	\$3,353	\$8,092	\$8,250
Delaware	\$2,509	\$3,574	\$4,850	\$6,629	\$9,623	\$12,700	\$3,338	\$4,131	\$4,850	\$8,820	\$11,124	\$12,700
Florida	\$1,780	\$2,773	\$3,250	\$3,054	\$5,034	\$6,360	\$2,368	\$3,205	\$3,250	\$4,063	\$5,819	\$6,360
Georgia	\$2,075	\$2,800	\$3,810	\$3,411	\$5,872	\$8,580	\$2,761	\$3,237	\$3,810	\$4,539	\$6,788	\$8,580
Hawaii	\$1,458	\$2,710	\$3,920	\$3,386	\$7,458	\$10,800	\$1,940	\$3,133	\$3,920	\$4,505	\$8,621	\$10,800
Iowa	\$2,920	\$3,912	\$5,320	\$5,407	\$7,155	\$9,080	\$3,885	\$4,522	\$5,320	\$7,194	\$8,271	\$9,080
Idaho	\$1,798	\$2,554	\$4,190	\$3,591	\$5,330	\$7,590	\$2,392	\$2,952	\$4,190	\$4,778	\$6,161	\$7,590
Illinois	\$1,990	\$3,010	\$4,140	\$6,494	\$10,969	\$13,970	\$2,648	\$3,479	\$4,140	\$8,641	\$12,679	\$13,970
Indiana	\$2,584	\$3,441	\$4,710	\$5,847	\$7,988	\$9,490	\$3,438	\$3,978	\$4,710	\$7,780	\$9,234	\$9,490
Kansas	\$1,767	\$2,281	\$3,130	\$4,242	\$6,627	\$9,100	\$2,351	\$2,637	\$3,130	\$5,644	\$7,660	\$9,100
Kentucky	\$2,770	\$3,900	\$5,310	\$4,476	\$7,519	\$10,710	\$3,686	\$4,508	\$5,310	\$5,956	\$8,691	\$10,710
Louisiana	\$1,738	\$2,212	\$4,190	\$3,534	\$4,733	\$9,550	\$2,312	\$2,557	\$4,190	\$4,702	\$5,471	\$9,550
Massachusetts	\$3,361	\$4,594	\$6,300	\$7,034	\$9,488	\$13,200	\$4,472	\$5,310	\$6,300	\$9,359	\$10,967	\$13,200
Maryland	\$2,978	\$3,567	\$4,680	\$6,770	\$7,737	\$9,900	\$3,962	\$4,123	\$4,680	\$9,008	\$8,943	\$9,900
Maine	\$2,595	\$3,260	\$3,750	\$5,601	\$8,945	\$10,230	\$3,453	\$3,768	\$3,750	\$7,452	\$10,340	\$10,230
Michigan	\$1,995	\$2,694	\$3,860	\$6,294	\$10,135	\$13,420	\$2,654	\$3,114	\$3,860	\$8,374	\$11,715	\$13,420
Minnesota	\$3,795	\$4,939	\$5,440	\$6,463	\$9,387	\$11,540	\$5,049	\$5,709	\$5,440	\$8,599	\$10,851	\$11,540
Missouri	\$2,152	\$2,580	\$3,580	\$5,934	\$7,271	\$8,670	\$2,863	\$2,982	\$3,580	\$7,895	\$8,405	\$8,670
Mississippi	\$1,546	\$2,119	\$3,190	\$3,991	\$5,294	\$8,420	\$2,057	\$2,449	\$3,190	\$5,310	\$6,120	\$8,420
Montana	\$2,366	\$3,029	\$3,730	\$4,468	\$5,612	\$7,100	\$3,148	\$3,501	\$3,730	\$5,945	\$6,487	\$7,100
North Carolina	\$1,195	\$1,776	\$2,470	\$3,566	\$5,323	\$7,220	\$1,590	\$2,053	\$2,470	\$4,745	\$6,153	\$7,220
North Dakota	\$3,000	\$3,880	\$4,830	\$4,606	\$6,569	\$8,660	\$3,992	\$4,485	\$4,830	\$6,129	\$7,593	\$8,660
Nebraska	\$1,763	\$2,412	\$3,180	\$4,720	\$6,600	\$8,510	\$2,346	\$2,788	\$3,180	\$6,280	\$7,629	\$8,510
New Hampshire	\$4,880	\$6,271	\$7,090	\$8,085	\$11,946	\$16,460	\$6,227	\$7,249	\$7,090	\$10,757	\$13,809	\$16,460
New Jersey	\$2,802	\$3,922	\$5,040	\$7,979	\$11,649	\$14,180	\$3,728	\$4,534	\$5,040	\$10,616	\$13,465	\$14,180
New Mexico	\$1,040	\$1,325	\$1,840	\$3,909	\$5,128	\$7,130	\$1,384	\$1,532	\$1,840	\$5,201	\$5,928	\$7,130
Nevada	\$1,590	\$2,243	\$3,400	\$2,874	\$5,318	\$7,660	\$2,116	\$2,593	\$3,400	\$3,824	\$6,147	\$7,660
New York	\$3,272	\$3,961	\$5,490	\$4,948	\$5,793	\$8,190	\$4,354	\$4,579	\$5,490	\$6,584	\$6,696	\$8,190
<b>Ohio</b>	<b>\$3,201</b>	<b>\$3,732</b>	<b>\$4,720</b>	<b>\$8,236</b>	<b>\$9,056</b>	<b>\$10,790</b>	<b>\$4,259</b>	<b>\$4,314</b>	<b>\$4,720</b>	<b>\$10,959</b>	<b>\$10,468</b>	<b>\$10,790</b>
Oklahoma	\$2,106	\$2,832	\$4,380	\$3,535	\$5,750	\$8,750	\$2,802	\$3,274	\$4,380	\$4,703	\$6,647	\$8,750
Oregon	\$2,863	\$3,745	\$5,310	\$5,221	\$7,434	\$10,610	\$3,809	\$4,329	\$5,310	\$6,947	\$8,593	\$10,610
Pennsylvania	\$2,868	\$3,470	\$5,480	\$8,249	\$11,331	\$14,770	\$3,816	\$4,011	\$5,480	\$10,976	\$13,098	\$14,770
Puerto Rico	N/A	N/A	N/A	\$1,174	\$2,549	\$3,590	N/A	N/A	N/A	\$1,562	\$2,946	\$3,590
Rhode Island	\$2,310	\$3,652	\$4,560	\$5,933	\$9,319	\$12,530	\$3,074	\$4,221	\$4,560	\$7,894	\$10,772	\$12,530
South Carolina	\$2,828	\$3,646	\$5,640	\$6,611	\$10,063	\$12,950	\$3,763	\$4,215	\$5,640	\$8,796	\$11,632	\$12,950
South Dakota	\$3,035	\$4,585	\$6,700	\$4,348	\$6,318	\$8,690	\$4,038	\$5,300	\$6,700	\$5,785	\$7,303	\$8,690
Tennessee	\$2,197	\$3,196	\$4,560	\$4,306	\$6,522	\$9,950	\$2,923	\$3,694	\$4,560	\$5,729	\$7,539	\$9,950
Texas	\$1,382	\$1,858	\$2,620	\$5,075	\$7,744	\$10,300	\$1,839	\$2,148	\$2,620	\$6,753	\$8,952	\$10,300
Utah	\$2,017	\$2,867	\$3,810	\$3,274	\$4,916	\$6,990	\$2,684	\$3,314	\$3,810	\$4,356	\$5,683	\$6,990
Virginia	\$2,081	\$3,585	\$5,260	\$5,579	\$8,809	\$13,490	\$2,769	\$4,144	\$5,260	\$7,423	\$10,183	\$13,490
Vermont	\$4,720	\$6,250	\$8,190	\$8,783	\$12,474	\$16,610	\$6,280	\$7,225	\$8,190	\$11,686	\$14,419	\$16,610
Washington	\$2,482	\$3,360	\$4,440	\$4,914	\$8,197	\$9,760	\$3,302	\$3,884	\$4,440	\$6,538	\$9,475	\$9,760
Wisconsin	\$2,906	\$3,623	\$4,550	\$5,218	\$7,711	\$9,080	\$3,867	\$4,188	\$4,550	\$6,943	\$8,913	\$9,080
West Virginia	\$2,081	\$2,524	\$4,320	\$3,631	\$5,226	\$8,290	\$2,769	\$2,918	\$4,320	\$4,831	\$6,041	\$8,290
Wyoming	\$1,686	\$2,223	\$3,240	\$3,243	\$3,927	\$5,400	\$2,243	\$2,570	\$3,240	\$4,315	\$4,539	\$5,400

NOTES: Average tuition and fee prices are weighted by full-time enrollment. Data on individual states should be interpreted with caution because of the possible impact of reporting errors and missing data on states with small numbers of institutions.

SOURCES: The College Board, Annual Survey of Colleges; NCES, IPEDS Fall Enrollment data.

This table was prepared in October 2018.