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BEFORE THE HOUSE HIGHER EDUCATION AND CAREER READINESS COMMITTEE

**REPRESENTATIVE LAURA LANESE
CHAIR**

HOUSE BILL 514

**TESTIMONY
OF
BRUCE JOHNSON
PRESIDENT
INTER-UNIVERSITY COUNCIL OF OHIO**

APRIL 5, 2022

The Public Universities of Ohio

The University of Akron
University of Cincinnati
Miami University
Ohio University
Wright State University

Bowling Green State University
Cleveland State University
Northeast Ohio Medical University
Shawnee State University
Youngstown State University

Central State University
Kent State University
The Ohio State University
The University of Toledo

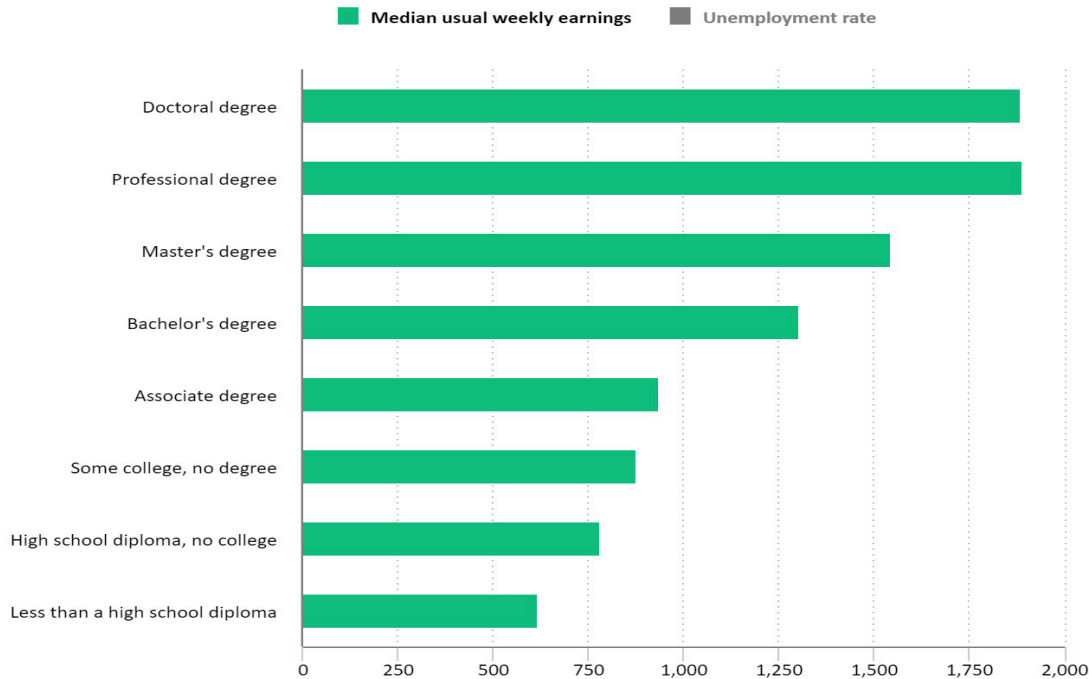
Chair Lanese, Vice Chair Young, Ranking Minority Member Ingram, and members of the House Higher Education and Career Readiness Committee, thank you for allowing me to provide testimony today in support of House Bill 514 on behalf of the state’s fourteen public universities, all of which are members of the Inter-University Council of Ohio (IUC). My name is Bruce Johnson, and I am the President of the IUC. The IUC was established in 1939 as a voluntary educational association of Ohio’s public universities. It is committed to ensuring affordable opportunities for the more than 300,000 students attending our member institutions without sacrificing the quality of their education or experience.

The IUC appreciates the sponsor’s desire to help Ohio retain graduates from our institutions, regardless of their state residency prior to enrollment, to keep highly educated entrepreneurs in Ohio, and to create wealth and jobs by supporting our public universities. We thank Representative Cross for recognizing the value of a four-year degree, his support for public higher education, in general, his thorough analysis of how to best meet the state’s workforce needs, and for seeking the IUC’s input during the drafting process. Without a doubt, Ohio’s public and private colleges and universities are some of the very best in the country and they do play an important role in the recruitment and retention of Ohio’s future workforce.

According to the U.S. Bureau of Labor Statistics, even in the best of economic times, data show that workers who have higher levels of education typically earn more and have lower rates of unemployment compared with workers who have less education. This is why we believe House Bill 514 is focused on the right target. In the challenging economy created by the COVID-19 pandemic, the data tell a similar story. The charts below highlight differences in 2020 earnings and unemployment rates by education, using data from the U.S. Bureau of Labor Statistics Current Population Survey. The earnings chart demonstrates that workers with a bachelor’s degree had median weekly earnings of \$1,305 in 2020, compared with \$781 for workers with a high school diploma.

Earnings and unemployment rates by educational attainment, 2020

Click legend items to change data display.



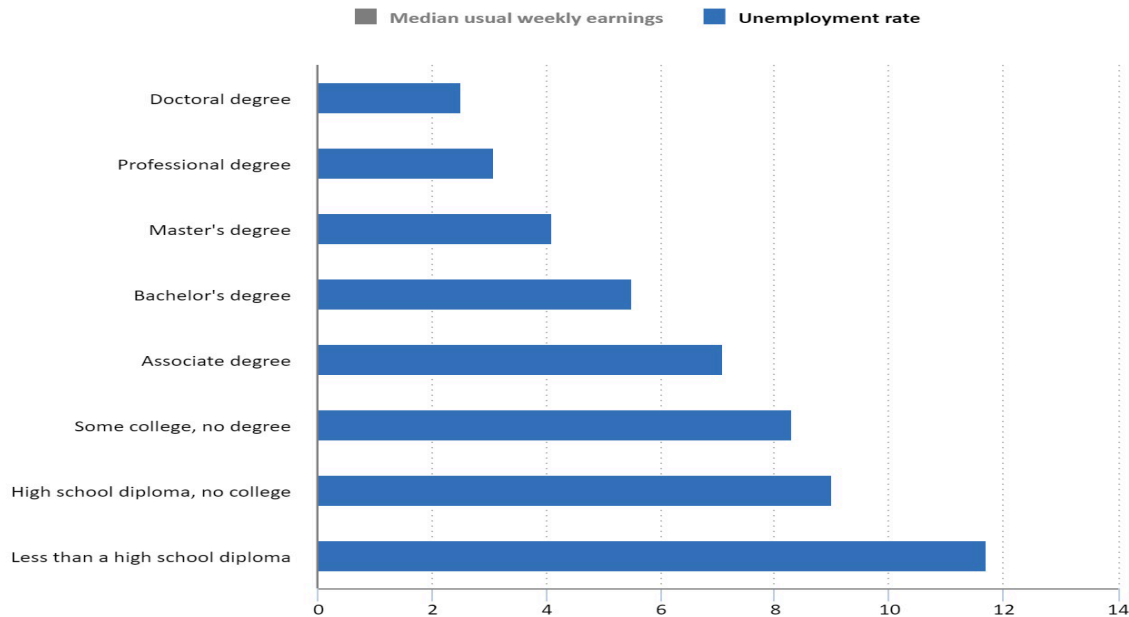
Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers. Source: U.S. Bureau of Labor Statistics, Current Population Survey.



And the unemployment rate for bachelor’s-level workers was 5.5 percent, compared with 9.0 percent for those whose highest level of education was a high school diploma.

Earnings and unemployment rates by educational attainment, 2020

Click legend items to change data display.



Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers. Source: U.S. Bureau of Labor Statistics, Current Population Survey.



Those four-year and higher degrees are those the state should emphasize for obvious reasons. Those are the degrees that are most in demand and those are the degrees we want students to come to Ohio to earn. At the end of my testimony, you will see several more charts from the Bureau of Labor Statistics demonstrating the projected openings in occupations that require a four-year degree.

The provisions of House Bill 514 will incentivize the best and brightest students from not just Ohio, not just across the country, but from all around the world to come to Ohio to earn a four-year degree and then stay in Ohio to work. It does so by doing the following:

Supplemental Ohio College Opportunity Grant Program

This provision requires the Chancellor to award eligible students with a supplemental grant in addition to a grant awarded under the Ohio College Opportunity Grant Program (OCOG). The supplemental grant must equal one-half of the amount a student is awarded under OCOG.

To be eligible for the supplemental awards, a student must be eligible for OCOG; be making progress toward completing the student’s bachelor’s degree program; and have previously completed an associate’s degree program at a community college, a state community college, a technical college, a university branch campus, Central State University, Shawnee State University, or a private, nonprofit college or university that is not the institution at which the student is enrolled in a bachelor’s degree program.

Choose Ohio First Merit-based Scholarship Program

The bill requires the Chancellor to establish a new merit-based scholarship program that is a subprogram of the Choose Ohio First Scholarship Program. The purpose is to make forgivable loans to eligible, nonresident students. Under the program, the Chancellor cannot approve more than 100 applications for a first-time loan in an

academic year and must determine a method to select which applications to approve if more than 100 applications are submitted. For each student approved to participate in the subprogram, the Chancellor must make a first-time loan of \$10,000. A participating student may apply to receive an additional loan of \$5,000 for each of the three subsequent academic years.

To be eligible for the program an individual must not be an Ohio resident, must be enrolled at a state university, the Northeast Ohio Medical University, or a nonpublic four-year college or university, must be enrolled as an undergraduate or graduate student in a STEM or STEM education field, and have been ranked in the top 5% of the student's high school graduation cohort according to grade point average.

In addition to the direct assistance while a student, as an incentive to retain university graduates in the state of Ohio, the legislation provides for loan forgiveness and an income tax deduction after graduation.

Loan Forgiveness Program

The bill requires the Chancellor to forgive a participating student's obligation to repay loans received under the Choose Ohio First Scholarship subprogram, if that student resides in Ohio after graduation, as follows: (1) If an Ohio resident one year after graduating, 33% of the graduate's outstanding principal and interest; (2) If an Ohio resident two years after graduating, 50% of the graduate's outstanding principal and interest; (3) If an Ohio resident three years after graduating, any remaining outstanding principal or interest.

Income Tax Deduction

The bill authorizes a personal income tax deduction for up to three years of certain postgraduation income earned by an individual who graduates from an institution of higher education in Ohio with a bachelor's degree or a more advanced degree on or after January 1, 2023. A qualifying graduate may deduct the graduate's employee compensation and self-employment earnings. To qualify for the bill's deduction, the graduate must obtain a bachelor's degree or "a more advanced degree." The bill requires the Department of Higher Education to adopt rules to specify what advanced degrees would qualify for the deduction. A graduate qualifies for the deduction only if the graduate obtains a qualifying degree from a public or accredited private Ohio college or university, a private career school authorized by the State Board of Career Colleges and Schools, or certain other private institutions accredited before 2002 and operated by for-profit corporations.

To provide experience for students in the workplace while they are earning a degree and as an incentive to business to hire graduates after they have earned their degree, and by doing so keeping them in the state of Ohio after graduation, House Bill 514 also offers employers a targeted incentive in the form of an intern hiring tax credit.

Intern Hiring Tax Credit

The bill authorizes a refundable tax credit against the income tax or commercial activity tax (CAT) equal to 30 percent of the wages and salaries paid by an employer to a student intern on or after January 1, 2023. Qualifying student interns are those who participate in an internship program or a cooperative education program in conjunction with an in-state or out-of-state college or university.

At the end of the day, we agree with Representative Cross – we must do something. Giving colleges and universities tools to help with recruiting, giving companies and businesses incentives to help fill job openings, and giving students resources to help them graduate and then stay in Ohio to work will make Ohio a more competitive state and a more welcoming state in which to live, work, and raise a family.

Intel's decision to locate in Ohio is a perfect example. Almost everyone in Ohio was excited about Intel's decision to establish a new industry in our state – and rightly so. And I'd argue that one of the primary reasons for why the company chose Ohio was the strength of our universities and graduates. Our competitors see it the same way. Earlier this month, after that announcement, an article posted on *MarketWatch.com* probed the

question, *why did Intel choose Ohio, not Indiana, for the world's largest semiconductor plant?* The author, Michael J. Hicks, noted that “states like Indiana can compete with – or even beat – Ohio on tax breaks, tax rates and regulatory environment.” So why is Intel going to Ohio and not Indiana? The article concluded that “the only meaningful difference between these two states is the availability of well-educated workers.”

In his analysis, Ohio’s higher education advantage “was almost certainly the driving force behind the most consequential expansion in the country in this century.” In other words, *Higher Education Matters*. The Columbus metro area is already rich with college graduates, but it also has the local environment that can attract more. That’s true across the state. That Intel has chosen Ohio for this significant development is a testament to the value and quality provided by all of Ohio’s public universities – and our success in attracting and graduating students. Imagine how much more successful we could be with the tools afforded to us by House Bill 514.

Thank you Madam Chair and members of the committee for your consideration of my testimony in support of House Bill 514. I am happy to answer any questions you may have.

Table 1. Business, management, and sales

Occupations projected to have the most openings each year, on average, 2020–30



Occupation	Occupational openings, projected 2020–30 annual average	Median annual wage, 2020	Degree typically required for entry
General and operations managers	229,600	\$103,650	Bachelor's
Accountants and auditors	135,000	73,560	Bachelor's
Management analysts	99,400	87,660	Bachelor's
Market research analysts and marketing specialists	96,000	65,810	Bachelor's
Human resources specialists	73,400	63,490	Bachelor's
Financial managers	64,200	134,180	Bachelor's
Medical and health services managers	51,800	104,280	Bachelor's
Securities, commodities, and financial services sales agents	42,500	64,770	Bachelor's
Computer and information systems managers	42,400	151,150	Bachelor's
Financial and investment analysts, financial risk specialists, and financial specialists, all other	41,000	83,660	Bachelor's

Note: Work experience in a related occupation is typically required for general and operations managers; management analysts; financial managers; medical and health services managers; and computer and information systems managers. On-the-job training is typically required for securities, commodities, and financial services sales agents.

Source: U.S. Bureau of Labor Statistics, Office of Occupational Statistics and Employment Projections.

Table 2. Computer and engineering

Occupations projected to have the most openings each year, on average, 2020–30



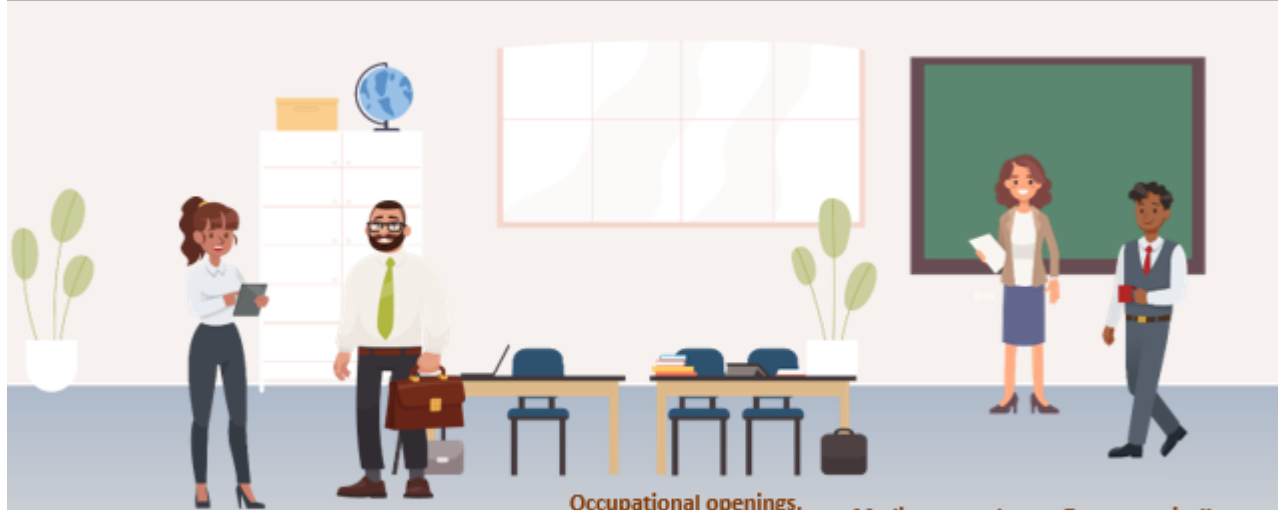
Occupation	Occupational openings, projected 2020–30 annual average	Median annual wage, 2020	Degree typically required for entry
Software developers and software quality assurance analysts and testers	189,200	\$110,140	Bachelor's
Computer systems analysts	47,500	93,730	Bachelor's
Civil engineers	25,000	88,570	Bachelor's
Network and computer systems administrators	24,900	84,810	Bachelor's
Industrial engineers	23,300	88,950	Bachelor's
Mechanical engineers	20,200	90,160	Bachelor's
Web developers and digital interface designers	17,900	77,200	Bachelor's
Information security analysts	16,300	103,590	Bachelor's
Computer network support specialists	15,500	65,450	Associate's
Database administrators and architects	13,900	98,860	Bachelor's

Note: Work experience in a related occupation is typically required for information security analysts.

Source: U.S. Bureau of Labor Statistics, Office of Occupational Statistics and Employment Projections.

Table 3. Education, social service, and legal

Occupations projected to have the most openings each year, on average, 2020–30



Occupation	Occupational openings, projected 2020–30 annual average	Median annual wage, 2020	Degree typically required for entry
Elementary school teachers, except special education	110,800	\$60,940	Bachelor's
Secondary school teachers, except special and career/technical education	77,400	62,870	Bachelor's
Preschool teachers, except special education	59,600	31,930	Associate's
Middle school teachers, except special and career/technical education	48,400	60,810	Bachelor's
Lawyers	46,000	126,930	Doctoral or professional
Paralegals and legal assistants	43,000	52,920	Associate's
Substance abuse, behavioral disorder, and mental health counselors	41,000	47,660	Bachelor's
Child, family, and school social workers	36,700	48,430	Bachelor's
Educational, guidance, and career counselors and advisors	35,000	58,120	Master's
Health specialties teachers, postsecondary	30,800	99,090	Doctoral or professional

Note: Work experience in a related occupation is typically required for health specialties teachers, postsecondary.

Source: U.S. Bureau of Labor Statistics, Office of Occupational Statistics and Employment Projections.

Table 4. Healthcare

Occupations projected to have the most openings each year, on average, 2020–30



Occupation	Occupational openings, projected 2020–30 annual average	Median annual wage, 2020	Degree typically required for entry
Registered nurses	194,500	\$75,330	Bachelor's
Nurse practitioners	26,000	111,680	Master's
Clinical laboratory technologists and technicians	25,900	54,180	Bachelor's
Physicians and surgeons	22,700	>=208,000	Doctoral or professional
Radiologic technologists and technicians	17,400	61,900	Associate's
Physical therapist assistants	16,400	59,770	Associate's
Physical therapists	15,600	91,010	Doctoral or professional
Dental hygienists	15,600	77,090	Associate's
Speech-language pathologists	15,200	80,480	Master's
Physician assistants	12,200	115,390	Master's

Note: An internship or residency is typically required for physicians and surgeons and speech-language pathologists.

Source: U.S. Bureau of Labor Statistics, Office of Occupational Statistics and Employment Projections.