



## **Testimony before the House Higher Education & Career Readiness Committee**

HB 514 – “GROW Ohio Act”

*Tuesday, May 17<sup>th</sup>, 2022*

Chair Lanese, Vice Chair Young, Ranking Member Ingram, and members of the House Higher Education & Career Readiness Committee, thank you for the opportunity to testify today in support of House Bill 514. I am Jack Hershey, President of the Ohio Association of Community Colleges (OACC), which represents the trustees and presidents of all twenty-three of the state’s public community colleges.

OACC applauds Representatives Cross and Denson for introducing this bipartisan bill. The GROW Ohio Act is an innovative approach that will encourage more students to be successful by taking advantage of Ohio’s world-class community colleges and universities. Strengthening opportunities for student success while helping Ohio employers find the skilled talent that they need is a win-win for the state. We agree with the testimony you have heard in previous hearings that many of the approaches outlined in HB 514 will help attract and retain qualified workers through strengthened investment in students and partnerships with colleges, universities, and employers.

Last month, this committee heard proponent testimony from a number of public and private university leaders from across the state on the importance of the key provisions in HB 514. OACC echoes the support from our 4-year partners for provisions in this bill that are aimed at retaining students here in Ohio after they graduate from college. As has been shared previously, Ohio is facing a projected 11% decline in the number of students graduating from high school over the next 15 years. Finding ways to attract, develop and grow a trained workforce is critical to the long-term success of the state’s economy.

Closing the skills gap to meet employer needs is going to take an “all of the above” approach and community colleges are uniquely positioned to help with the workforce talent development pipeline. Due to our low-cost pathways, flexible offerings, partnership with local businesses, and open-access mission, Ohio’s 23 community colleges are often viewed as the first postsecondary option for many so-called “non-traditional” or traditionally underrepresented students. Statewide data best illustrates just how diverse the demographic of our student body is:

- 55% of all Black/African American and 54% of all first-generation students in a state higher education institution attend an Ohio community college
- 44% of our students are 25+ years old
- 40% of our students attend part-time
- 66%+ of our students are Pell-eligible

Perhaps most importantly to growing the state’s workforce, the overwhelming majority of community college students are Ohio residents who choose their local community college to prepare them for an in-demand jobs in their community, or to take a more affordable bachelor’s degree pathway with a regional university that can result in graduating with little to no college debt.

### OCOG Transfer Supplement

As the committee is aware, Ohio changed the Ohio College Opportunity Grant (OCOG) program nearly 15 years ago. As a result of those changes, low-income students attending a community college were no longer able to receive any support from Ohio's need-based-aid program simply because they were enrolled at a low-tuition college. Additionally, the change meant that students attending a lower-cost, open enrollment 4-year institution (university regional campuses, Central State University, and Shawnee State University) were also no longer able to receive the same award amounts as those attending other universities. The redesign of the program during the Strickland Administration resulted in an "institution first" mindset, instead of putting students at the center when redesigning a student financial aid program.

While HB 514 would not change the current OCOG policy, the proposal does finally propose taking a different approach to allocating these funds, and for that we cannot applaud the sponsors enough. HB 514 would incentivize more students to complete their associate degree at a community college and then reward them with an additional supplement once they have transferred. The OCOG Transfer Supplement, though we prefer to call it an incentive, is a smart policy proposal that would help more students successfully complete their bachelor's degrees. Data shows that students who earn an associate degree and then transfer to finish their bachelor's degree are more likely to successfully complete than most incoming Freshman.

Every year, more than 20,000 students transfer from an Ohio community college to a university to complete a bachelor's degree. In fact, it is estimated that nearly one out of eight bachelor's degree recipients in Ohio started at one of our community colleges. While these numbers are impressive, we know we can do better. According to a 2016 study by the Community College Research Center at Columbia University, 80% of students who start at a community college do so with the intention of completing a bachelor's degree. Unfortunately, only 1/3 of those students ultimately continue on in their educational journey to complete a bachelor's degree. The reasons so many students ultimately stop short of their goal are many, but we know that financial barriers are often a major hurdle for far too many of our students.

OACC believes that this incentive is an innovative solution that will help more students complete their bachelor's degree, while taking advantage of the lower cost transfer pathways that exist through our community colleges and university partners.

### Income Tax Deduction for Graduates

Thanks to legislative support from the General Assembly, community colleges are now able to offer job-focused applied bachelor's degrees. Community colleges must demonstrate the unmet workforce needs and gaps of local businesses or industry that is currently not being met. Additionally, colleges must enter into agreements with regional business that includes work-based learning experiences and commitment to employ students upon successful completion of the degree.

As a result of the extra statutory requirements that are only in place for community colleges, Ohioans can be ensured that our graduates will gain the necessary skills and that there will be a local job ready for them after graduating with an applied bachelor's from one of our colleges. Linking degrees to local in-demand jobs is a critical reason many students are pursuing their bachelor's degree through the 6 colleges that currently offer one. HB 514 would provide an additional incentive to encourage more individuals to pursue one of these affordable, job-focused pathways with the three-year income tax deduction for recent bachelor's degree graduates.

One suggestion for the committee to consider is whether the bill should be expanded to include this tax incentive to individuals who wish to pursue in-demand credentials or associate degrees, as opposed to just bachelor's degree earners. The recent run of successes from JobsOhio are not based on companies that are only looking to hire individuals with bachelor's degrees. Because our economy and the labor market are balanced with needing all levels of degrees and certificates, we believe that our state policy should also be balanced in favor of all in-demand credentials.

#### Intern Hiring Tax Credit

Over the past several years, OACC has been engaging directly with several statewide business associations to better understand the types of policy levers would help solve the workforce shortage. While we all know there is unfortunately no silver bullet, one disconnect that we noticed in our conversations is many employers often don't think of our students as potential employees until after they have graduated from college. The reality is that most community college students work, and they often work full-time jobs. Yet too many of them are working their way through college at somewhere like McDonald's, instead of in a job within their career field of choice.

The intern hiring tax credit in HB 514 can help link students with employers in their field quicker. We have seen partnerships like ones between Stark State Community College and First Energy, Columbus State Community College and Honda, and an apprenticeship model with LeadingAge Ohio among a growing number of community colleges, that are showing completion rates very close to 100 percent when students are connected with a job when they first enroll, instead of when they graduate.

By encouraging more "learn and earn" models, Ohio can help dramatically improve student outcomes and help address the workforce challenges of employers. Recent programs like TechCred and IMAP are two of the more promising workforce programs aimed at helping upskill incumbent workers and a targeted Intern Hiring Tax Credit could serve as an excellent complement to Ohio's emerging portfolio for work-based learning incentives.

In conclusion, we believe that many of the innovative reforms contained in HB 514 will help prepare more Ohioans for a career while also encouraging more individuals to stay in this state to help grow our skilled workforce. Chair Lanese and members of the House Higher Education & Career Readiness Committee, thank you once again for the opportunity to testify today. I will be happy to answer any questions you may have.