

**Ohio Senate
Finance Committee
Sub. HB 110 Operating Budget
Testimony of Kent A. Trofholz, Executive Director
Ohio-Michigan Association of Career Colleges and Schools
May 11, 2021**

Good afternoon, Chairman Dolan, Vice Chair Gavarone, Ranking Member Sykes, and members of the Finance Committee. My name is Kent Trofholz, and I'm the Executive Director of the Ohio-Michigan Association of Career Colleges and Schools, or OMACCS. OMACCS is a membership organization dedicated to advancing the interests of Ohio's career colleges and schools and the students they serve.

Thank you for the opportunity to discuss how career education contributes to Ohio's workforce, and specifically address the critical need for the Ohio College Opportunity Grant (OCOG). We are grateful House Bill 110 recognizes the need for OCOG to pave the way to high-quality jobs.

Meeting the needs of students and Ohio's workforce

Chancellor Gardner has previously stated in testimony the DeWine-Husted budget continues to be "student focused with additional intentional emphasis on workforce preparation" and one that emphasizes "achieving post-secondary degrees and credentials is dramatically important today, more important than ever before...."

Workforce preparation is our sector's expertise with a proven track record of success, and our career colleges and schools remain a viable and nimble player in the workforce development arena while continuing to fuel our local economies with experienced graduates.

These aspirations for state-supported initiatives mirror what career colleges and schools already excel at and make our mission: putting students' needs at the heart of instruction from enrollment to graduation to placement into better jobs as fast as possible.

Career colleges play a key role in the state's education vision and workforce development strategy. Career colleges help fill the skills gap, supplying the workforce with well-trained employees to grow Ohio's economy.

Our sector enrolls more than 44,000 students a year, in more than 200 occupational fields. Of Ohio's 225 career colleges and schools, 38 are degree-granting.

All career colleges and schools in Ohio are overseen by the State Board of Career Colleges and Schools, and colleges offering associate degrees or above are also overseen by the Ohio Department of Higher Education.

Career college graduates ready for in-demand occupations

Our qualified graduates are filling Ohio's most in-demand occupations. **86 percent of career college students earned degrees in the fastest-growing occupations of business, health care, and technology.**

Here's the best proof of the preparedness of career college graduates: 83 percent found employment in their field within 90 days of graduation.

Because many of our students are older Ohioans with families and roots in their communities, they are more likely to remain in the state and apply their new skills in the local economy.

Career colleges serve the economically disadvantaged

Majority women students

Data from the Integrated Postsecondary Education Data System (IPEDS) show Ohio career colleges continue to educate the most under-served populations in the state relative to the other educational institutions. Women, minorities and older students already in the workplace are enrolled in career colleges more proportionately than other institutions of higher learning.

Women currently represent about 73 percent of the enrollment at career colleges. That average is about 13-17 percent more than other colleges and universities.

Serving Ohio's minorities

Turning to minority student enrollment, more than one-third of the total student population at our degree-granting career schools are minorities, higher than our higher-education counterparts. About 35 percent are African American and about 4 percent are Hispanic/Latino.

Educating older adults

Career colleges serve an older student population. **Approximately 67 percent of our students are 25 years of age or older.** Many of the older career college students are workers who are looking for a fresh start in the job market or need retraining. Most of them do not receive financial support from their parents and are funding their own education while paying bills and raising a family of their own. Many have tried public universities but found a career college model better suited to their educational goals and need for schedules that accommodate their jobs and families.

Accelerating graduation

Graduation rates are a significant measure of how well institutions of higher education are performing, and career colleges outperform our public-sector peers. Although we're always striving for higher numbers, our 54 percent graduation rate is remarkable considering the challenges our non-traditional students face. Only non-profit, private universities post better results.

Competitive tuition

Let's turn to tuition. Often, career colleges are stereotyped as prohibitively expensive places for students to learn; the average annual cost of tuition at Ohio career colleges, at \$15,472, is only slightly higher than all of Ohio's tax-supported community colleges, state universities and their branches, and non-profits (\$14,477).

It is also true tuition is higher at career colleges than at public universities, in large part because our schools receive no state subsidies and, as you know, our schools are tax paying businesses.

As it relates to student tuition, the career education model of higher education is devoid of many of the intrinsic costs four-year public and private universities especially must sustain, such as sports stadiums, student housing, workout studios, student unions, and other facilities. Our colleges don't have these facility maintenance costs to pass on to students in the form of higher tuition and student fees.

Perhaps more to the point is rather than depend on Ohio taxpayers to subsidize our operations, we respond to the marketplace; this makes us nimble in meeting employer

needs, quickly adding faculty and programs to train students in fast-growing occupations.

Educational value and return on investment

Appraising the value of higher education credentials involves more than the price of tuition, however. What students desire from their education is based on their unique circumstances. In this respect, a certificate or diploma isn't much different from anything of value a consumer buys. Compare a Honda Civic, priced at \$20,000 with a \$30,000 Ford F-150. Objectively, the sedan is more affordable, if price is the only consideration however the owner of a construction company who needs a truck to run his business will opt for the costlier pick-up.

In a similar manner, our students research their options through filters, evaluating the length of time it will take to earn a certificate or degree, and how the credential will increase their earning and career potential after graduation. For them, career education is the answer to getting further faster. The proof is 83 percent of students are on the job within days of graduation.

Students tell us they value the flexible schedules, small campuses and classrooms, low ratio of students to faculty, and personal attention. These benefits enable them to stay in college, complete their degrees, and move into jobs for which they have prepared.

As long as Ohio's career college students and schools continue to provide a high-quality education leading to meaningful employment and career advancement, thousands of women, minorities, veterans, and low-income Ohioans will prioritize career education.

The return on investment not only benefits college graduates, but all Ohio residents who enjoy a better economy and quality of life when people are fully employed in the jobs building our state's economic future. Many of our students are overcoming family legacies of poverty and welfare. When we improve their opportunities in life, we also increase their independence and create new taxpayers, not tax users.

Our sector's commitment to scholarship aid

Most of our students are financially independent of their parents, and pay their own way through school, while simultaneously paying rent or a mortgage, a car loan, medical

bills, childcare, and in many instances, saving for or paying for their children's college education.

They cannot fund the cost of education entirely out of their own pockets and need the help of scholarship aid. There are three financial sources to fill a potential student's tuition bucket: federal aid, such as the Pell Grant, personal borrowing, and scholarships.

I'd like to tell you about two sources of intuitional-based aid unique to our sector. First is the LEADS! Scholarship, an acronym for Leadership, Excellence, and Dedication Scholarship. The scholarships are awarded to high school seniors who meet qualifying criteria. Participating colleges and schools provide in-kind donations to supplement the student's tuition or cover it 100 percent. The target audience is high school seniors who may not be interested in attending a traditional institution or want to attend a career college that offers programs that may not be available in traditional post-secondary institutions.

The second source of tuition aid is our Workforce Tuition Scholarship, funded by a non-profit foundation overseen by OMACCS with its own Board of Directors. Funding is generated through a portion of the Association's online courses and deposited directly into the foundation's bank account. Our target audience is financially needy students currently attending one of our member career colleges and schools or registered to attend.

Since OMACCS offers the LEADS! Scholarship program and Workforce Tuition Scholarship Foundation to all schools, 100 percent of our member schools have access to scholarships to offer their students. During a previous academic year, a total of 46 current college students or college-bound high school seniors received \$88,000 in scholarship aid – an average of \$1,900 per student.

In addition, approximately one-third of our member schools offer one or more scholarships from external sources, ranging in amounts up to \$15,000.

The importance of OCOG

One of the most vital and widely used forms of tuition assistance is the Ohio College Opportunity Grant (OCOG).

A big part of the mission at a career college is working closely with students to help them develop a financial plan, flexible class schedule, and a pathway to minimize obstacles that otherwise might prevent them from graduating and attaining their educational and career goals. On average, about 95% of our total students receive some form of financial aid.

The FY 2020 - 2021 budget allocated approximately \$1,300 per student, per year in OCOG funding. Relative to the cost of college tuition, that is not a lot of money. But if not for OCOG, thousands of Ohioans would never seek career advancement and better-paying jobs because they simply could not afford the opportunity.

As established adults, our students are supporting families and paying rent or a mortgage, a car loan, and childcare. As an indicator of financial need at career colleges, an average student's income is \$26,209. OCOG fills the gap between tuition and what students bring to the table in personal income, Pell grants and loans. OCOG also means students can take on less debt.

Let me get specific about the proposed FY 2022-23 OCOG budget. HB 110 proposes to increase the overall allocation for OCOG by 0.9% in FY22 and 5.6% in FY23. The total line item for each year is \$102,756,352 and \$108,500,000.

Based on Chancellor Gardner's public testimony, the Department of Higher Education proposes to increase the annual per student grant amount proportionally between the three sectors: 4-year public, private non-profit and for-profit career colleges. We've been told grant amounts for Career College students could increase by as much as \$200 over the biennium. While we understand this amount is nearly half of the other sectors students, the small increase and recognition of Career College students is appreciated.

Ohio's career colleges continue to be an economic driver for our state workforce. We are grateful HB 110 recognizes the need for OCOG for our students. The Ohio-Michigan Association of Career Colleges and Schools urges your support of OCOG, and HB 110. OCOG is an investment in individual human potential and in Ohio's economic future.

Thank you. I'm happy to answer any questions you have.