



# Ohio Senate Workforce and Higher Education Committee May 26, 2021

Chairman Johnson, Ranking Member Williams, and members of the Senate Workforce and Higher Education Committee, thank you for allowing me to come and testify on behalf of Ohio's independent, nonprofit colleges and universities and their students. My name is C. Todd Jones, and I am president and general counsel of the Association of Independent Colleges and Universities of Ohio.

AICUO represents 51 nonprofit institutions of higher education in our state. Our members educate nearly 131,000 students, and award about one-third of the baccalaureate degrees in Ohio each year, and an even higher share of our state's degrees in mathematics, natural and biological sciences, and other key areas of study. AICUO members are also major partners of the state's community colleges. Our institutions have literally hundreds of articulation pathways that today lead *thousands* of students to baccalaureate degrees annually.

I would like to focus today on one portion of Senate Bill 135: the expansion of bachelor's degrees at community colleges. This policy blunderbuss will simultaneously increase taxpayer costs, slow degree completion, increase costs to many students despite lower list-tuition prices, and will put at risk the accreditation of every single higher education institution in this state. These claims are not self-interested hyperbole; they are perfectly foreseeable consequences backed by facts, and any member that votes for this bill will own *every single one* of those consequences.

## Program Duplication

In July 1992, Governor Voinovich convened a bipartisan public task force to make recommendations about improving higher education. It directed the Board of Regents to add to its responsibilities, including "eliminating unnecessary program duplication." This recommendation followed the state's massive expansion of public regional and branch campuses and the creation of state community colleges during the 1960s and 1970s.

Six months later, the Regents published a report<sup>1</sup> stating that the Board of Regents recommends, "that, to make the wisest possible use of state resources, and to assure academic excellence and accountability, a new approach to the review of degree programs should be implemented both at the campus and the state levels." The Board of Regents stated that it would begin a review of all programs, focusing on where: "unnecessary duplication exists; program size is too small to maintain high quality; or the program misses other academic viability standards. The Regents [would then] recommend to the board of trustees of the university in question that the program be consolidated with that of another university or, where appropriate, be eliminated."

Over the last 30 years, this policy has carried through the Taft, Strickland, Kasich, and DeWine administrations, with the active support of the legislature. This policy complemented the state's primary efforts to: improve completion rates, create an integrated pathway system, and raise the level of Ohio's higher education system. Those efforts

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<sup>1</sup> "Securing the Future of Higher Education in Ohio," <http://regents.ohio.gov/news/plandocs/secure.html>  
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have been a success, with programs like the TAG transfer system and partnership agreements between public two-year, public four-year, and independent institutions becoming the envy of the nation.

Senate Bill 135 would destroy all of that.

Currently, to start a new bachelor-degree program at a community college, the Ohio Department of Higher Education must confirm “the absence of a bachelor’s degree program that meets the workforce need addressed by the proposed program that is offered by a state university or private college or university.” There is sound reason for this. New programs cost money – it cost one AICUO institution \$2 million of private investment to create a BSN program from an RN program. Do not be fooled – changing from an associate to a bachelor’s program is expensive.

There is another reason to maintain this policy: deterring local empire building and mission creep. In the 1960s, 70s, and 80s, more than a few political officials pushed for new institutions and programs in their area or to preserve a college for every town, only to leave taxpayers paying the bill years later. Pennsylvania, Wisconsin, and others are right now trying to downsize and merge existing regional public colleges that offer two- and four-year degrees, attempting to undo exactly what this legislation would create.

Ohio currently has a process for allowing bachelor’s degrees at community colleges – one that AICUO supports. Over the last three years, ODHE has approved of 10 bachelor’s degrees with no opposition from AICUO. These degrees are interesting and innovative and non-duplicative. Isn’t that where the state should be focusing its efforts? In fact, 13 of our state’s 23 community colleges have applied for bachelor’s degrees with wide ranging programs. It is clear that Ohio’s community colleges no longer want to be community colleges (and in fact, some have even dropped “community” from their names). Ohio’s community colleges want desperately to be four-year institutions.

Why would this body want to add English, communications, business, and every other four-year degree to community colleges because one local employer says, “I’ll hire them.”? Do we need 23 more four-year institutions? Ohio’s two-year institutions serve a very valuable purpose – losing that mission would be detrimental to students and the state. Program duplication alone is a reason to oppose SB 135.

### **Decreasing Student Success**

More worrisome is the likely harm on student success and completion by expanding community college bachelor’s programs. Senate Bill 135 would push aside some of the best institutions in this state in favor of community colleges that have a difficult time graduating the students they have. I will not go into detail here about the completion rate of students at particular Ohio community colleges. I will only point out that Ohio community colleges rank 37<sup>th</sup> in the nation in terms of completion. That’s right: 36 other states have community colleges that are more effective than ours. When a community college has a 12 percent on-time completion rate, it means seven out of eight students will either not complete or take over two years to complete a two-year degree.

How is it that the state wants to *expand* bachelor’s degrees at institutions with such poor success? Why is it that so many students regularly leave their two-year associate degree programs, many to enter independent college BSN programs? Because the independent programs are actually more effective and cheaper – on average, 54 percent of tuition is now covered by independent institutions rather than the student. When a student transfers to an AICUO school, 63 percent of those transfer students complete their degree. That is more than double the rate of those who transfer to a different community college. Double.

Why do students make that choice? Because finishing an accelerated BSN at an independent college is cheaper than taking three, four, or more years to complete an RN program because you cannot get your clinical hours. I believe that is what economists call a free market. Encouraging more students to follow the siren’s song of discounted

tuition is the path to years of waiting for program completion, with all the associated living costs, lower interim pay, and greater risk of dropping out while they wait. Why would Ohio students and their pocketbooks be better served by this shift – with six to eight years to complete a four-year degree at community colleges?

### **Cost to the Taxpayers**

As I testified before this committee just last month, the state pays \$24,445 for each student who completes at a public two-year institution. The state only pays \$1,428 per student at an independent institution. So, when government artificially creates a market to drive attendance to a community college, I hope the taxpayers are aware of the burden that is being added onto their backs.

The money to start these new programs also must come from somewhere. Our data shows that for an institution to create a BSN program where no current RN program exists, the costs top *\$7 million*. Engineering programs? Millions more. Who is paying for that? The state will likely be using taxpayer money to pay for unnecessary buildings and equipment via the budget or capital bill. Or perhaps the community colleges will just ask for a tax increase, which this body must support.

I suggest that the committee ask for some comprehensive data on the cost of new baccalaureate programs. Curriculum design, new masters and doctoral-level staff, new facilities, and accreditation are all real costs. Ohio taxpayers need to know how much they will pay for SB 135. LSC or ODHE can obtain the answers for you if you choose not to believe me.

### **Increasing Nursing Program Costs**

This committee heard a lot about the current nursing needs in the state. It is true; the state needs more baccalaureate nursing graduates. However, several very important facts were conveniently forgotten during the testimony.

First, there was discussion about creating online BSN programs. The great thing about online programs is that a student in Lima or Marietta or Cincinnati can attend classes with a single institution in Canton or Toledo or New Concord. However, if one dime is going to be invested in creating new baccalaureate online nursing programs at community colleges, this committee will be diserving Ohio taxpayers because there are plenty of existing online public and independent college programs in this state with open student slots available.

Second, nursing teachers and hospital clinical spots are the biggest pressure points limiting the production of more BSN nurses. Yet SB 135 will only make the current situation worse.

Nationally and in Ohio, nursing programs desperately need qualified nursing-education teachers. Let me also be clear, not everyone can be a baccalaureate nursing program professor. According to the American Association of Nurse Practitioners,<sup>2</sup> U.S. nursing schools turned away over 80,000 qualified applications from baccalaureate and graduate nursing programs in 2019 due to an insufficient number of faculty, clinical sites, classroom space, clinical preceptors, and budget constraints. Most surveyed schools pointed to faculty shortages as a top reason for not accepting all qualified applicants into their programs.

The data show a national nurse faculty vacancy rate of 7.2 percent. Ninety percent of the vacancies were faculty positions requiring or preferring a doctoral degree, the very kind that our community colleges will need to hire to

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<sup>2</sup> American Association of Nurse Practitioners, 2019-2020 Enrollment and Graduations in Baccalaureate and Graduate Programs in Nursing.

start their programs. It would be worth asking some of last week's witnesses how they intend to hire these scarce staff members.

Instead of subsidizing government-run education over private investment, Ohio could be innovative like other states. For example:

- In 2014, the University of Wisconsin (UW) announced the \$3.2 million Nurses for Wisconsin initiative using state dollars to provide fellowships and loan forgiveness for future nurse faculty who agree to teach in the state after graduation.
- The University of Minnesota announced a partnership with the Minnesota VA Health Care System in 2013 to expand enrollment in the school's BSN program. The VA committed \$5.3 million to the university to expand clinical placement sites, fund additional faculty, and support interprofessional engagement.
- In June 2020, the Maryland Higher Education Commission announced \$29.3 million in funding to 14 schools of nursing to support efforts to increase the number of nurse faculty and educational capacity.
- In 2018, Hawaii became the fourth state in the nation to pass a law aimed at helping the U.S. reduce its chronic shortage of preceptors. The Hawaii legislation allocated \$1.5 million per year to provide up to five \$1,000 tax credits per preceptor. Other states with similar programs include Georgia, Maryland, and Colorado.

All of these ideas leverage existing infrastructure and institutions to quickly increase the pipeline. New programs do not appear overnight. In fact, a health affiliated college in Ohio stated it took seven years to graduate its first class of BSN from its former RN-only program, from the planning stage through actual graduation. Nothing will change Ohio's nursing shortage in the next five years because of this bill.

This legislation and last week's testimony also do not address the need for clinical spots for nursing students, which are required to graduate. Currently, there are waitlists for many students to finish their clinical hours – particularly at Ohio's community colleges.

Ohio should be working with the hospitals on increasing the capacity and throughput of current nursing students. The only SB 135 testimony so far has been about the shortage – not the pipeline to get more nurses. Previous witnesses and the bill ignore the unintended consequences. If this passes, you as legislators will own the consequences, and Ohio taxpayers will pay the price.

### **Accreditation Risk**

Finally, the legislation puts all current and future nursing programs at risk of loss of accreditation. All of Ohio's four-year institutions have to go through a two-step process to offer classes. First, institutions must be approved to operate by the Ohio Department of Higher Education. Second, institutions must be approved by the Higher Learning Commission (HLC), the region's accreditor.

Accreditation's quality assurance function is one of the three requirements governing federal student aid programs. For students to receive federal postsecondary student aid, the institution must pass that two-step process and receive a program participation agreement from the U.S. Department of Education.

If state law does not have the option to deny program creation, HLC will not approve the program – and that could put every single institution in Ohio on academic watch. SB 135 says that the chancellor "*shall*" approve all nursing bachelor's degree programs. Regardless of what qualifications come after that word, all Ohio accreditations will be at risk.

Why does this matter? Aside from making Ohio degrees no different than those from diploma mills, it would lead to the loss of all federal financial aid. Let me repeat that point differently. The federal government will begin the process of eliminating all Pell grants and all student loans from every student in the State of Ohio – at both four- and two-year institutions. This is neither an overstatement nor a bluff. It will absolutely happen. And low-income kids everywhere will be left with nothing.

Until this provision is removed or until the committee can obtain a letter from the HLC saying such language is permissible, this bill must not move forward. If it does, then any parent or student who is currently in college or who received a now-worthless piece of paper from an Ohio institution will know it is because of Senate Bill 135. I do not think Bob and Betty Buckeye would be pleased.

## **Real Issues and Alternatives**

With all of the strong words and political intensity that appears to exist in pushing through this legislation rapidly, the question we must ask is, why? Considering that there are ample opportunities for hospitals to form partnerships with the dozens of public and independent college nursing programs in the state – particularly through online programs – the answer cannot be that they lack educational alternatives. Before spending tens of millions of dollars on new educational infrastructure, committee members should ask hospital CEOs with how many colleges have they discussed a partnership.

For example, Mercy College in Toledo operates a campus in Youngstown. What would prevent a hospital in Lima or Marietta from developing such a partnership with a college in Columbus, Canton, New Concord, Bluffton, or Ada? Absolutely nothing, except the CEO's time and effort. So why should Ohio taxpayers spend millions of dollars for hospital CEOs who cannot or will not make an innovative deal?

What about the difficulty of finding nurses in rural areas? It absolutely is a problem, but let's not pretend it is unique to Ohio and caused by lack of educational infrastructure. Think of it this way: there is a shortage of nurses in rural Nigeria because they go to Lagos. There is a shortage of nurses in Lagos because the good ones go to Dublin, Ireland. There is a shortage of nurses in Dublin because the good ones go to London. Ohio's nursing shortage is the world's nursing shortage – people will go where they can find good or better paying jobs.

You heard in testimony last week that one community college will keep its graduates in the area because their current graduates stay. Put kindly, that is hogwash. Rural community colleges can do nothing to guarantee that their graduates stay after baccalaureate programs, and projecting that their success with associate degree programs will continue is simply conjecture. Shortages are caused by economic opportunities in a competitive labor market, and Ohio's rural community colleges have no special skill allowing them to overcome the rules of the market.

Ohio could have done exactly what Kansas did to help increase its rural workforce. It created Rural Opportunity Zones, where anyone who moved to a rural area and worked would receive tax incentives and student loan forgiveness. This is how you get Ohioans to move, not by pretending that an overpromised community college degree will somehow keep them at home.

What is really going on here is much simpler. Ohio's community colleges are shrinking. From 2013 to 2019, their enrollment as a sector was down 20 percent, excluding the one community college whose president resigned over inflated enrollment numbers. Empty classrooms call for solutions and adding new bachelor's programs solves that problem – or at least that is what they want you to believe.

Are there other solutions? Absolutely. Aside from the programs I mentioned for nursing instructors, clinical-slot expansions, and innovative hospital partnerships, there are other options:

- As you heard last week from Columbus State Community College, there are plenty of pathways to help students transfer between institutions. For example, California has an Associate Degree for Transfer program that involved over 17,000 students transferring from a community college to a four-year institution.
- Instead of authorizing the expenditure of millions to start and operate a community college RN-to-BSN program, why not offer 300 two-year, \$5,000 scholarships to existing RN-to-BSN programs. You could even provide them directly to the hospitals in need that can allocate them among their existing staff or anyone else who would agree to work for them afterward.

If this debate was just about nurses, we would see solutions like these proposed. If this proposal was not about starting English, sports management, and engineering programs, and turning many of our existing community colleges into four-year institutions, then the proposal would be to keep the existing applied-bachelor's degree development process. But SB 135 is not about that. It is a tool for certain institutions to become bigger colleges at the price of public tax dollars.

Mr. Chairman, members of this committee, I was really hoping to testify as interested party. AICUO would love to engage in real and meaningful conversations about how to improve transparency and increase accountability. As I said earlier, there are some really interesting things happening in other states where Ohio could take the lead. However, as this bill does nothing but create unnecessary duplication, artificially inflate costs, and threaten accreditation, we have no choice but to be an opponent. Thank you for allowing me to testify, and I would be happy to answer any questions you have.