



Ohio House Higher Education Committee

Chairman Tom Young

Randy Gardner, Chancellor

February 22, 2023

Chairman Young, Vice-Chair Dobos, Ranking Member Miller, and members of the House Higher Education Committee. I am honored to be here with you today.

After serving in the House of Representatives for 20 years and the Senate for another 13 years, and now four years as Chancellor, I look forward to providing some information today but even more, I want to learn from you and work with you during this session of the General Assembly.

The Ohio Department of Higher Education (DHE) serves more than 635,000 students throughout the state at 14 four-year public universities, 24 public university regional campuses, 23 community colleges, 74 independent, not-for-profit colleges and universities, 49 Ohio Technical Centers and 52 Aspire (Ohio's basic literacy program for adult learners) program locations. That's 236 campuses.

But far more important than these campuses and these buildings, our role at the department is to support students, to help families and get positive results that will make Ohio's future brighter. Together, we can help people in Ohio realize, as Governor DeWine often says, their God-given potential.

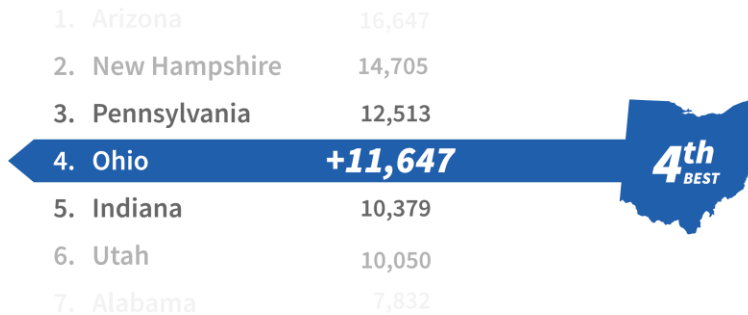
THE VALUE OF POSTSECONDARY EDUCATION

When it comes to postsecondary education attainment and Ohio's future, more than ever before, we must be an **"All of the Above"** state. Every day we strive to enhance an attitude that supports all sectors of education entrusted to us at the Department of Higher Education – from GEDs to Ph.Ds. My own family's experiences have instilled in me a belief in the great variety of education and training that Ohio has to offer.

And our network of technical centers, colleges, and universities provide so much value, benefit and opportunity to our great state. As an example, not long ago Ohio lost many of its high school graduates to other states and found fewer students coming to Ohio for college. Now, Ohio

attracts 11,647 more recent high school graduates to Ohio than it loses to other states, as shown in the graphic below. This statistic speaks to both Ohio’s affordability and quality.

Net Importing of College Students



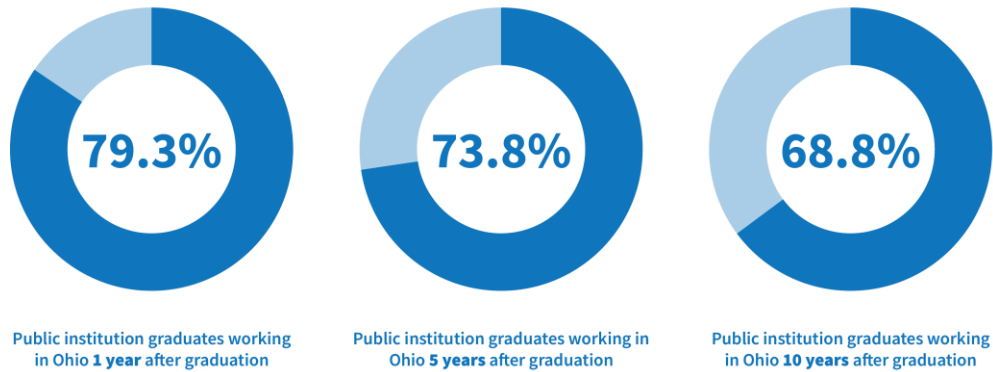
Source is National Center for Education Statistics (NCES), Table 309.10, Residence and migration of all first-time degree/certificate-seeking undergraduates in degree-granting postsecondary institutions, by state or jurisdiction: Fall 2020.

Annually, the immense opportunity available throughout Ohio’s higher education system is on display in the range and volume of credentials awarded to students, as shown in the table below.

Credentials Awarded, by Sector and Type (AY20/21)		
Sector	Credential Type	Number
Public Community College	Certificate	15,208
Public University	Certificate	3,967
Subtotal		19,175
Public Community College	Associate	19,617
Public University	Associate	6,752
Subtotal		26,369
Public University	Bachelor’s	51,041
Independent University	Bachelor’s	19,840
Subtotal		70,881
Public University	Master’s	15,526
Independent University	Master’s	8,059
Subtotal		23,585
Public University	Doctorate/Professional	4,754
Independent University	Doctorate/Professional	1,526
Subtotal		6,280
TOTAL		146,290

Degrees, certificates and credentials are important, but Ohio’s economy will not be enhanced if those with these credentials leave our state and move elsewhere. Indeed, the vast majority of our public college and university graduates do in fact **stay in Ohio to work**, as shown in the graphic below, contributing to our expanding workforce opportunities.

Ohio's College and University Graduates Stay in Ohio to Work

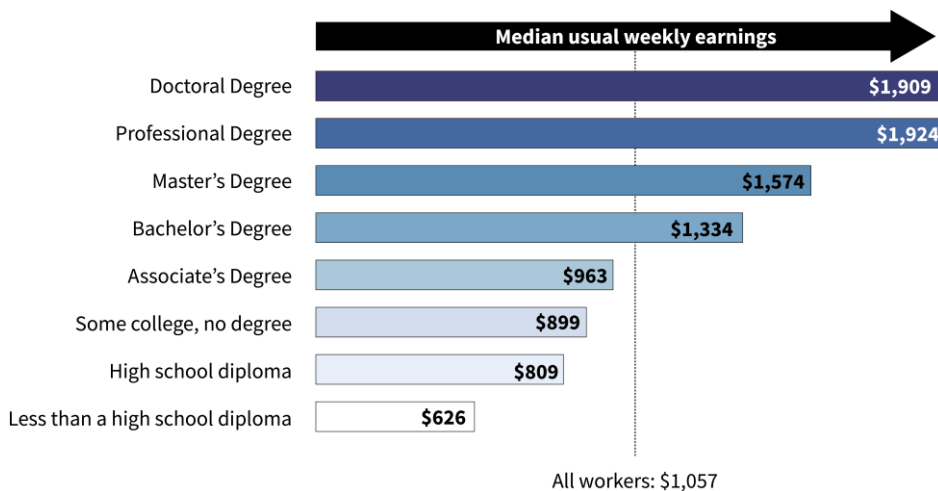


Source: U.S. Census Post-Secondary Employment Outcomes (PSEO)

Achieving postsecondary degrees and credentials is dramatically important today – more important than ever before for our nation, our state, and individuals who strive for a better future. All levels of education matter to our economy – all these things are higher education – and this budget reflects our commitment to that principle. Quantifiable quality-of-life statistics as well as fundamental unemployment and wage rates support the importance of increased access to opportunities for education attainment, as shown in the chart below from the federal Bureau of Labor Statistics (BLS):

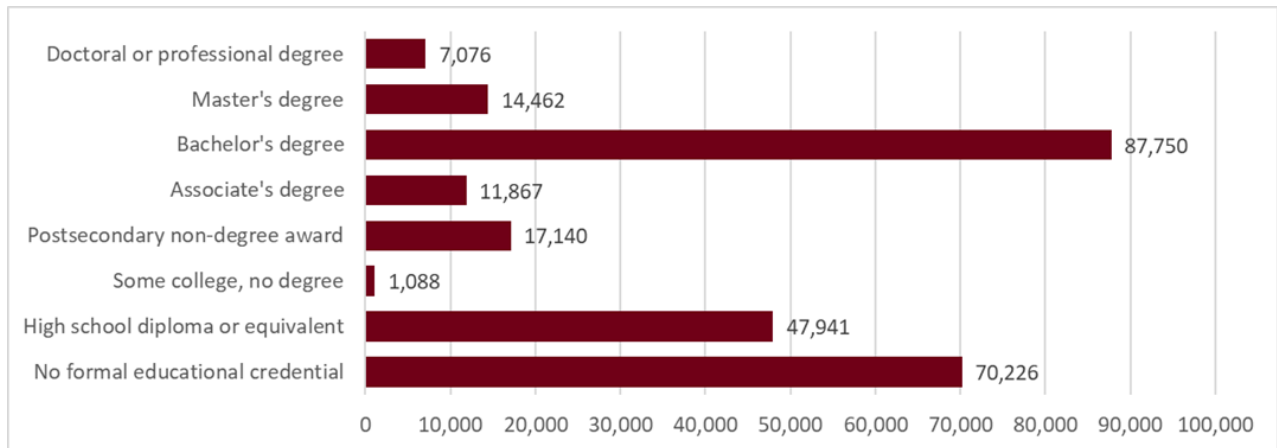
Earnings by Education Attainment

(Source: U.S. Bureau of Labor Statistics, 2021)



As important as education attainment has been to the growth of our economy in recent years, it may be even more important going forward. Ohio Bureau of Labor Market Information data suggests significant future net job growth in areas of higher education attainment, as follows:

Projected Net Job Growth by Education Level, 2020-2030



Source: Ohio Bureau of Labor Market Information

I'm now going to share some trends, observations and statistics to help provide you with a sort of "state of higher education" report.

First, higher education attainment matters: Of the top 11 states with the highest college and university attainment rates, all but two of them are in the top 11 when it comes to income earnings per capita. And when looking at the top 11 states in per capita income, all but two of them are in the top 11 in higher education attainment. On top of that, most states with the strongest higher education attainment have some of the best college graduation rates. Completing a degree or credential means a better chance to avoid being unemployed, enjoying better health care outcomes, earning higher wages and other positive quality of life measures.

It is not for the department or in my view any guidance counselor to determine what the best path forward might be for a high school graduate. The DeWine-Husted Administration embraces an All of the Above approach that supports whatever a student's career goal might be. Pathways include career technical schools, trades and apprenticeships, community colleges and four-year universities and military service. We should provide as much information as possible regarding the value, costs and career opportunities for all of these options and then support whatever pathway is chosen.

Adult Learners and College Comeback: Ohio's number of high school graduates is expected to decline by approximately 9 percent by 2031. This means fewer prospective college students and, potentially, fewer Ohio workers to fill the high-demand jobs of the near future. That is why almost two years ago we embarked on a proactive strategy to welcome back stopped out adults to Ohio campuses. College Comeback is a strategy that says if you have some college credit but no degree we will strive to provide support to encourage you to finish your credential or degree, even if you have debt or past-due balances that need to be resolved. Mr. Chairman I want to thank you for your support for this concept which is underway especially in Northeast Ohio and beginning to build in southwest Ohio.

FAFSA: It is difficult for students or families to know just how affordable postsecondary education can be without completing the FAFSA – or Free Application for Federal Student Aid. It is not to qualify for federal loans. It is to help determine whether you may qualify for a Pell grant or other financial aid programs – the state OCOG scholarship or need-based aid offered by colleges and universities. It has been estimated that \$108 million in federal aid was left on the table by Ohio students alone last year due to lack of completing the FAFSA. The DeWine-Husted budget seeks to increase FAFSA completions by joining four other states that require completion of the FAFSA to be a requirement for graduation, but with a parent or school opt-out provision. This policy could help more students enhance their life earnings through a meaningful job or career.

Budget: I'd like to spend just two minutes to highlight key initiatives in the DeWine-Husted budget. Our budget doubles the number of **short-term certificates and credentials** funded at community colleges, technical centers and university regional campuses. We continue to support the **CDL Training** grant program – established by the Ohio House in the last state budget. We significantly increase the **Ohio College Opportunity Grant**, our need-based financial aid program for 4-year college and university students, to encourage more Ohioans to stay in our state to eventually be a part of our workforce. We established a new **Access Challenge** line item, with a majority of the funds directed to community colleges to support students with wrap-around services and other needed support services. Another new line item, **WorkFORCE Ohio**, targets funding for colleges and universities who can expand programs to meet high-demand jobs of the future. And we enhance the existing **RAPIDS** program – Regionally Aligned Priorities in Delivering Skills – to support targeted workforce training programs in combination with purchasing needed lab equipment or financing facility upgrades. It has been named **Super RAPIDS**, supported by federal ARPA funds, as a surge opportunity to prepare Ohio's workforce.

Choose Ohio First: As some of you know, the Choose Ohio First program was established under the vision and leadership of then-Speaker of the House Jon Husted in 2008. The program, which provides scholarships to students in all sectors of higher education (public university, community college, and independent college students), is designed to significantly strengthen Ohio's competitiveness within the fields of science, technology, engineering, and math.

Since 2009, the program has awarded grants to **more than 22,500 students**, helping increase the number of Ohio STEM graduates. The budget provides a modest increase in each year of the upcoming budget to allow continued momentum in this important scholarship program, and we continue to require that students served participate in work-based learning opportunities.

Mental Health Support: Healthier, supported students have an enhanced opportunity to be more successful students. When they struggle with a mental health challenge, we want to be there for them. In this spirit, Ohio was the first state in the nation to provide discretionary federal CARES Act funds for student mental health services. The recommended budget allows for these critical student services to be maintained through an allocation of \$10 million per year.

Maintenance of Effort: Before I transition to the next portion of my testimony, I want to highlight a critical, but not readily apparent aspect of this budget proposal. The additional funds appropriated to support OCOG, the Governor's Merit Scholarship, and the Mental Health Support

line item come with a maintenance of effort requirement that our colleges and universities **must minimally maintain their current spending in these areas**. This means that even more access and affordability will be provided to students, and our state dollars will be used to expand existing financial aid support to students.

POSITIVE TRENDS IN OHIO:

- **Student Success and Completion:** Ohio has the strongest results-based funding formula in the nation. Colleges and universities do not receive more funding simply because enrollment increases. The formula requires funding based on the number of graduations and courses completed.
 - **Graduation Rates:** Graduation rates at both community colleges and universities in Ohio have increased over the past ten years. And despite enrollment declines, the number of students earning a degree or credential has increased by 34%.
 - **Student Retention:** The first-to-second year retention rate of students at Ohio’s colleges and universities has increased from 72% to 80% in the last ten years. Students who persist beyond their freshman year are more likely to stay in school and graduate.
- **Tuition Restraint:** Since 2007, Ohio public university tuition rates have risen below the rate of inflation. As some of you may know, all incoming freshman students at four-year public undergraduate universities in Ohio have their tuition and general fees and room and board rates frozen – **guaranteed** – so what they pay for their first year will be the same for the next three consecutive years. We have reviewed “guarantee” programs in other states, and we believe Ohio has the best guaranteed tuition strategy in the nation -- more **predictability** and **transparency** for students and families.
- **Workforce Investment:** Ohio has become the “go to” state for private sector workforce investment. Intel Corporation’s \$20 billion investment, Honda and LG Energy Solution’s EV battery plant, and other recent economic announcements have heightened the critical importance of our state’s ability to produce a skilled workforce.

The programs and policies I have just described are intentionally and purposefully designed to increase access and opportunity, promote student success and wellbeing, and produce a pipeline of qualified workers that are ready to tackle the jobs of today and tomorrow.

Mr. Chairman, members of the committee, it has been an honor to present to you today, and I am glad to answer any questions you may have.