



STATE BOARD OF CAREER COLLEGES AND SCHOOLS

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STATE BOARD OF CAREER COLLEGES AND SCHOOLS BUDGET TESTIMONY

Presented by: John Ware, Executive Director

Chairman Manning, members of the House Finance Subcommittee on Higher Education, my name is John Ware, Executive Director for the State Board of Career Colleges and Schools. On behalf of the members of the Board, I thank you for this opportunity to present testimony in support of the Fiscal Year (“FY”) 2024-2025 budget request for our agency.

The State Board of Career Colleges and Schools is responsible for monitoring and regulating 244 private career schools in the State of Ohio. These schools enroll over 50,000 Ohio students in over 1,000 approved programs ranging from two-week certificate programs to four-year baccalaureate degrees. Career colleges and schools provide valuable career and workforce training and generally enroll higher percentages of non-traditional students than are served by other sectors of higher education. According to data compiled by the U.S. Department of Education’s National Center for Education Statistics, 70% of students who enroll in accredited career colleges are females, 30% are African-Americans and nearly 60% are age 25 years or older. Average graduation rates for career colleges exceed 50% and placement rates compiled by this agency for show that over 75% of career college students are placed within 30 days of graduation. In addition to student enrollments, career colleges and schools employ over 3,500 faculty and staff and pay wages in excess of \$120,000,000.

The State Board of Career Colleges and Schools fulfills its statutory responsibilities by ensuring that programs, instructors, equipment and facilities are in compliance with sound educational standards as required by the Board's administrative rules. This is accomplished through periodic reviews and site visits conducted by the Board and its staff. Activities of the Board and its staff during FY 2022 included over 125 in-person site visits, 109 new program and degree approvals, 31 new school certificates of registration, 109 renewals for existing certificates of registration, and over 600 program and degree re-authorizations.

The typical program types offered by Career Colleges and Schools can be broken into 3 categories:

1. **Medical and Health Related Programs:** This category includes programs such as Nursing, Medical Assisting, Dental Assisting, Surgical Technology, Phlebotomy, STNA , and Home Health Aid
2. **Trades:** This category includes programs such as Truck Driving, Welding, HVAC, Auto and Diesel Mechanics, and Construction
3. **Information Technology:** This category includes programs such as Computer Science, Network Security, Software Development, and Coding.

Data from the Board's annual report shows that in FY 2022 career colleges and schools enrolled over 22,000 students in health and medical programs, over 7,000 students in trades programs and over 6,000 students in information technology programs.

Career Colleges and Schools also work with closely many other state and national organizations to promote and provide workforce training opportunities. Some of these partnership agencies include:

1. **Department of Veteran's Affairs** We have a number of schools that work with the State Approving Agency here in Ohio to provide training opportunities Veteran's and their dependents as well as active duty military personnel here in Ohio,
2. **Ohio Means Jobs and the Bureau of Vocational Rehabilitation:** Schools work closely with these agencies to provide training programs unemployed or displaced workers and for workers with physical and mental disabilities.
3. **Department of Corrections:** We have a number of schools that have partnered with the Department of Corrections and other county correctional facilities to offer inmate re-entry programs. This includes schools like Lutheran Metropolitan Ministries and Edwins Restaurant Institute in Cleveland and Capital Transportation here in Columbus.

Another part of the Board's oversight of registered schools occurs through the investigation of complaints filed by students or other interested parties. Corrective measures available to the Board range from consent agreements and civil penalties to the revocation of a school's certificate of registration. During FY 2022, the Board initiated 48 preliminary investigations, which included 40 student complaints. The vast majority of these complaints were resolved by the Board by obtaining voluntary compliance from registered schools. In addition to the Board's general school oversight responsibilities, the Board also maintains the Ohio Student Tuition Recovery Fund, financed by assessments to registered schools, that provides tuition recovery options to the students of closed schools and provides for the maintenance of closed school records.

The Board's preliminary cost projections for the FY 2024-2025 biennium demonstrate that the Board's current personnel expenses will increase during the next biennium, however, other expenses will remain relatively stable. As part of the Board's budget request for the FY 2024-2025 biennium the Board has proposed an increase in funding for the Board's 500 line item for increased personnel costs and a small increase in the Board's 520 line item for operational expenses. The Board is proposing no increase in its 510 line item that supports personnel service contractors who perform evaluations of schools and programs for the Board.

As a result of the increase in expenses from the 510 line item, the Board's budget request as reflected in the Governor's budget proposal for FY 2024 has been increased 3.6% from \$532,085 to \$551,000 and for FY 2025 there is a 2.9% increase to \$567,000. This is the first budget increase the Board has requested since the 2016-2017 biennium and due to budget reductions requested by the Board in previous bienniums, the amount requested for FY 2025 (\$567,000) remains lower than the Board's FY 2017 appropriation (\$579,328).

The Board's revenue has fluctuated during the past ten years since it is based upon fees derived from activity of the schools under the Board's jurisdiction and the activity of schools has changed over this time period. In FY 2011, the Board's fee revenue peaked at \$1,101,520. Since revenue was almost double the Board's expenses the Board initiated fee decreases during that time period, however, yearly revenue still averaged over \$800,000 during the period from FY 2012 to FY 2015. Beginning in FY 2016 the Board's revenue began to drop due to school closures and decreased school activity primarily caused by changes in federal regulations. The Board's revenue was further impacted by COVID related issues in FY 2020 and FY 2021. In an effort to stabilize the revenue fluctuations, the Board implemented some fee changes during the last biennium including a fee increase that went into effect in January, 2022 that represented the first increase in fees since 2003. As a result, the

Board's fee revenue increased from \$431,000 in FY 2021 to \$502,000 in FY 2022.
Fee revenue for FY 2023, 2024, 2025 is estimated at \$565,000.

In conclusion, for many years the Board has focused on internal efficiency and budget restraint as evidenced by the fact that the Board's budget has seen no growth during the past thirty years and the funding amounts requested for FY 2024 (\$551,000) and FY 2025 (\$567,000) remain lower than the Board's FY 2017 appropriation (\$579,000). Moreover, the total amount requested for the biennium (\$1,118,000) are only slightly higher than that actual expenses of the Board during the FY 1994-1995 biennium (\$1,054,750).

Thank you for your consideration. I would be happy to answer any questions that you might have.