

Ohio House of Representatives
Finance Subcommittee on Higher Education
HB 33 Operating Budget
Testimony of Kent A. Trofholz, Executive Director
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Good morning, Madam Chairperson Manning, Ranking Member Jarrells, and members of the Finance Subcommittee on Higher Education. 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 33 recognizes the need for OCOG to pave the way to high-quality jobs.

Meeting the needs of students and Ohio's workforce

Chancellor Gardner stated in his testimony, "Achieving postsecondary degrees and credentials are 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".

Further, and most importantly in our opinion, Chancellor Gardner stated, "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 the Department of Higher Education – from GEDs to Ph.Ds.....our network of technical centers, colleges, and universities provide so much value, benefit and opportunity to our great state".

This is who we are! Our career colleges and schools focus on workforce development, and 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 53,000 students a year, of which, more than 9,200 are in degree-granting programs in more than 200 occupational fields. Of Ohio's 200 career

colleges and schools, 54 Ohio institutions are degree-granting. A few of our degree-granting member career colleges and schools in Ohio are Fortis College, Ross Education, DeVry University, Hondros College, Stautzenberger College, Orion Institute, Ohio Business College, Valley College and Davis College.....to name a few.

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. **91 percent of career college students earned degrees in the fastest-growing occupations of business, health care, and technology**, as reported to the Integrated Postsecondary Education Data System (or IPEDS).

Here's the best proof of the preparedness of career college graduates: **91 percent of our graduates secured employment in their field within 90 days of graduation**, as reported by IPEDS.

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 70 percent of the enrollment at career colleges. That average is about 10 - 15 percent more than other colleges and universities.

Serving Ohio's minorities

Turning to minority student enrollment, more than 40 percent of the total student population at our degree-granting career schools are minorities, higher than our higher-education counterparts. About 40 percent are African American and about 4 percent are Hispanic/Latino.

Educating older adults

Career colleges serve an older student population. **Approximately 66 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 55 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 \$15,054, is slightly higher than all of Ohio's tax-supported community colleges, state universities and their branches, while lower than the non-profits at \$28,490.

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 \$30,000 with a \$50,000 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 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 **91 percent** of students are on the job within 90 days of graduation as reported by IPEDS.

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 colleges 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 dependence on social safety net programs. 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, 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 this academic year, we have a total of 133 available scholarship available to college-bound high school seniors, totaling over \$308,000 in scholarship aid.

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.

For the 2022 - 2023 academic year, career college students are allocated approximately \$1,600 per student 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 OCOG budget in House Bill 33. For the first time since the recession of 2008, the annual OCOG grant amounts are being proposed to be codified in state statute. We appreciate Chancellor Gardner's decision to make this change. Below are the proposed grant amounts in HB33 for all three (3) sectors of Higher Education (Public Institutions, Private Non-Profit & Private For-Profit).

OCOG Awards for Full Time Students

Sector	FY 2008-2009	Current 2022-2023	HB33 2023-2024	HB33 2024-2025
Public	Avg. \$1,399 Max. \$2,496	\$2,700	\$4,000 <i>48% increase</i>	\$6,000 <i>50% increase</i>
Non-profit	Avg. \$2,799 Max \$4,992	\$4,200	\$5,000 <i>19% increase</i>	\$6,000 <i>20% increase</i>
Career College	Avg. \$2,213 Max \$3,996	\$1,600	\$1,600 <i>0% increase</i>	\$1,600 <i>0% increase</i>

I'm sure you'll notice, public institutions and non-profit colleges and universities receive sizable percent increases in HB33, while the grant amount for students attending for-profit career schools is NOT increased. Let me remind you, these grant amounts benefit the

students directly. OCOG is a vital component of a student financial resources, along with the Pell Grant, scholarships and personal borrowing. While all of Ohioans have experienced the impact of inflation, so too have students who have chosen to seek and improve their economic status via one of Ohio's Career Colleges and School.

Our members respectfully request the members of this sub-committee to provide career college students a similar percentage increase as the other sectors referred to above. The OCOG is intended to financially assist a student "in-need" to seek a higher education degree. Our members feel the grant amount should NOT discriminate against a student simply because they choose a career college to pursue their nursing degree (as an example) over one of Ohio's public or non-profit nursing schools. Each student regardless of where they may have received their nursing degree is improving their long-term career path and becoming more contributing individual members of our society.

We have communicated our request to the Department of Higher Education to reconsider the OCOG amount for Career College students. We appreciate Chancellor Gardner's willingness to engage on this issue and hear our concerns.

We look forward to working with the members of this sub-committee and Chancellor Gardner to try to rectify the disparities referenced above for students attending Career Colleges.

Ohio's career colleges continue to be an economic driver for our state workforce. We are grateful HB 33 recognizes the need for OCOG for our students. The Ohio-Michigan Association of Career Colleges and Schools urges your support of OCOG, and HB 33. 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.