

**Ohio Senate
Finance Committee
HB 33 Operating Budget
*Testimony of Kent A. Trofholz, Executive Director
Ohio-Michigan Association of Career Colleges and Schools***

May 16, 2023

Good morning, Chairman Dolan, Vice-Chair Cirino, Ranking Member Sykes, and members of the Senate 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 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' focus on workforce development and workforce preparation, is our sector's expertise with a proven track record of success.

Our career colleges remain a viable and nimble player in the workforce development arena while continuing to re-fuel our local economies with experienced graduates.

These aspirations for state-supported initiatives mirror what career colleges 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 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 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: **78 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 their local economy.

A few of our top employers hiring our graduates are **OhioHealth, Mt. Carmel, University Hospital, Akron Children's Hospital, Cleveland Clinic, Premier Health, Mercy Health, Kettering Health, Cleveland Medical Center, MedVet, Metropolitan Veterinary Hospital**, and the **Defense Finance Accounting Services**.

Career colleges serve the economically disadvantaged

Majority women students

Data from 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 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 **78 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 own 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 the House passed version of HB33. 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 grant amounts as proposed by Governor DeWine 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, as detailed in the above table, public institutions and non-profit colleges and universities are to receive sizable percent increases in HB33, while the grant amount for students attending for-profit career schools are NOT increased. Let me remind you, these grant amounts benefit the students directly. OCOG is a vital component of a student's financial resources, along with the Pell Grant, scholarships and personal borrowing. While all 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 Schools.

Our members respectfully request this committee to provide career college students an increase in the annual OCOG grant amount in each year of the upcoming biennial. 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 a more contributing individual member of our society.

We have communicated our request to Chancellor Gardner to reconsider the OCOG amount for Career College students. We appreciate his willingness to engage on this issue and hear our concerns. At a minimum, the Chancellor has indicated, the current OCOG line item in HB33 would support \$1800 in FY24 and \$2000 in FY25. An increase of \$200 in each year of the biennium.

We look forward to working with the members of this 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.



THE CAREER COLLEGE IMPACT

**How career education serves Ohio's individuals,
communities, and economy**

Research report on Ohio's degree-granting colleges - March 2023



OMACCS

OHIO-MICHIGAN ASSOCIATION OF
CAREER COLLEGES AND SCHOOLS

About the Research



The primary sources for our research are made available at both the federal and state level.



At the federal level, the U.S. Department of Education’s Integrated Postsecondary Education Data System (IPEDS), collects information from every college, university, technical, and vocational institution that participates in the federal student financial aid programs, and is one of data is one of the most comprehensive data sets available. We have used the most recent available required reporting year; data used in this report is solely from the 2021 IPEDS report.



Board of Career
Colleges and Schools

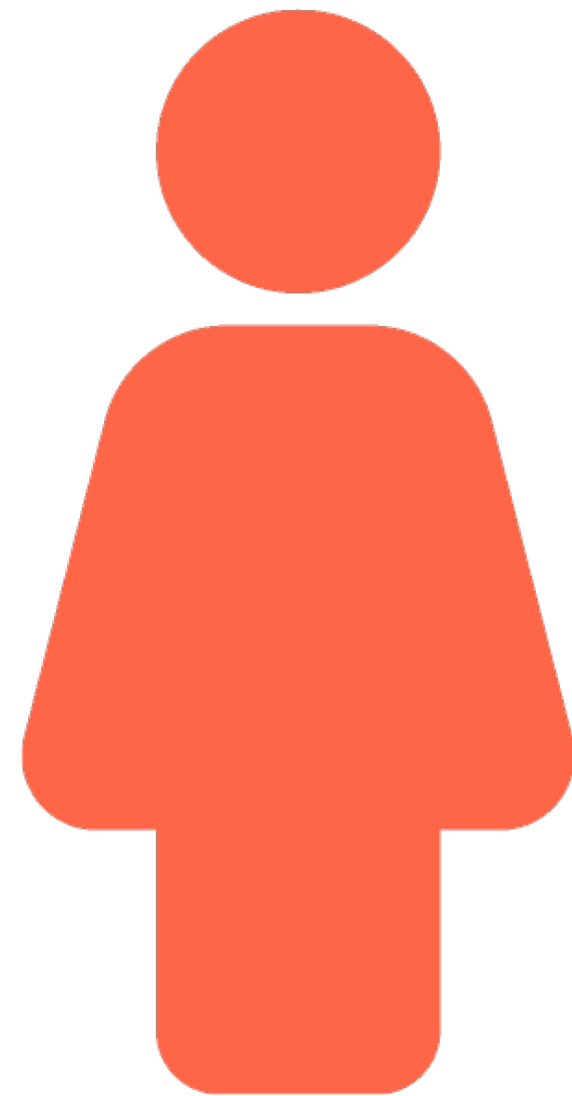
At the state level, the Ohio State Board of Career Colleges and Schools (OSBCCS) collects annual data from all the colleges and schools it oversees, presenting its annual data in the form of the OSBCCS Annual Report; data used in this report is taken from the 2022 edition.

Our Research Partners: **Cyanna Education Services**

Cyanna serves educators and related regulatory agencies in three key areas: licensing, compliance, and accreditation consulting; academic training and curriculum development; and software licensing and development.

OHIO

Executive Summary



Women
make up
about **70%**
of students
at career
colleges



More than
44% of
career college
students are
minorities



66% of
career college
students are
25 and older

Career colleges proportionately serve a **larger share of underserved and economically disadvantaged students**. Because our students are older, Ohio is the heart of it all for our non-traditional students who have their roots here and are more likely to continue to live and work in the Buckeye State after graduation.

Executive Summary



For the last 10 years, **graduation rates at Ohio career colleges** have been higher than graduation rates at the state's public universities and community colleges

In 2022, Ohio's career schools* paid **\$124M** in wages and spent **\$284M** in our local economies



Over 53,000 **Ohioans** attended a career college in 2022, with over 9,218 in degree programs



Our **student-to-faculty ratio** for 2022 is 15:1. That's lower than Ohio's public universities and community colleges

Executive Summary



78%

78% of 2022 graduates found **employment in their field within 90 days** after graduation, according to the OSBCCS Annual Report

91%

91% of **degree-earning graduates** are in Ohio's fastest growing fields: health, business, and technology

1.8%

Career college grads represent **1.8%** of all Ohio's grads, but represent:

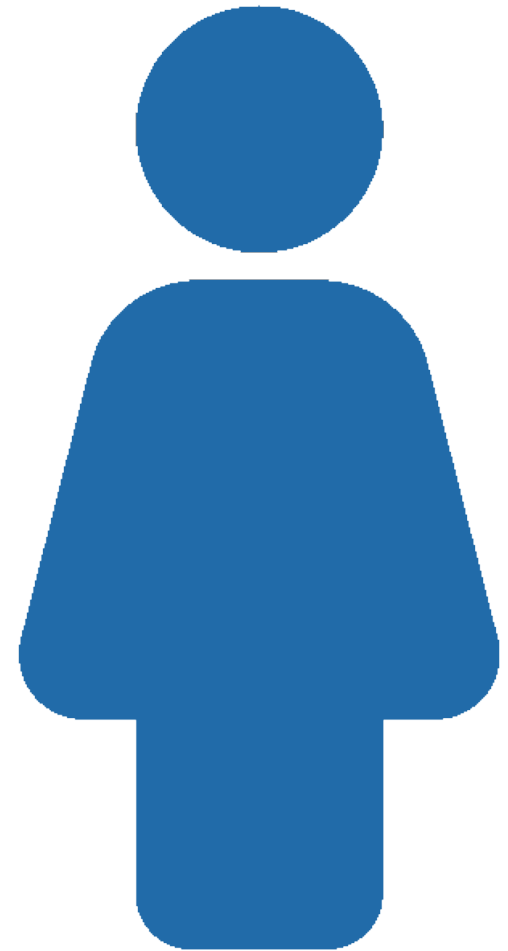
- 6.5% of all health graduates
- 2.2% of all technology graduates
- 0.6% of all business graduates



Based on the **U.S. Census Bureau**, since average earnings for individuals with a two-year degree are higher than those with a high school diploma alone, we're increasing the earning potential of our graduates. And because a majority of our graduates go to work in high-demand occupations, we're **helping Ohio keep pace with workforce demands.**

OHIO

Enrollment by Gender



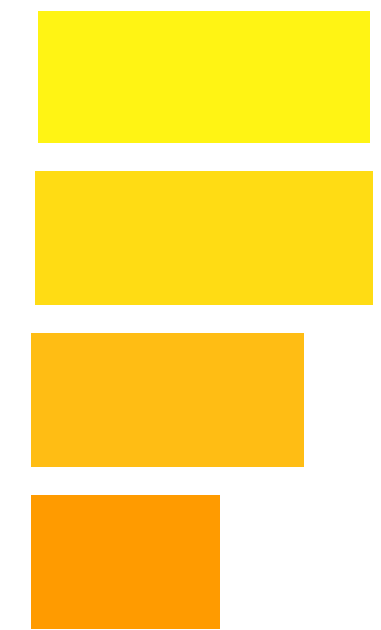
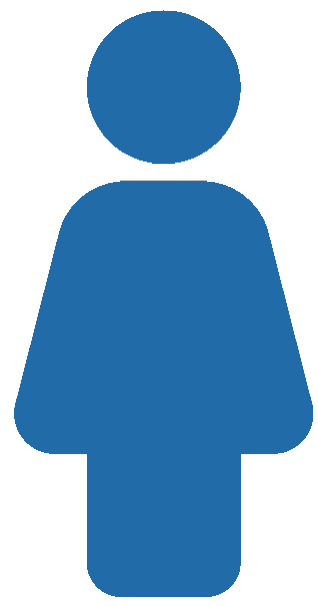
WOMEN

70%



MEN

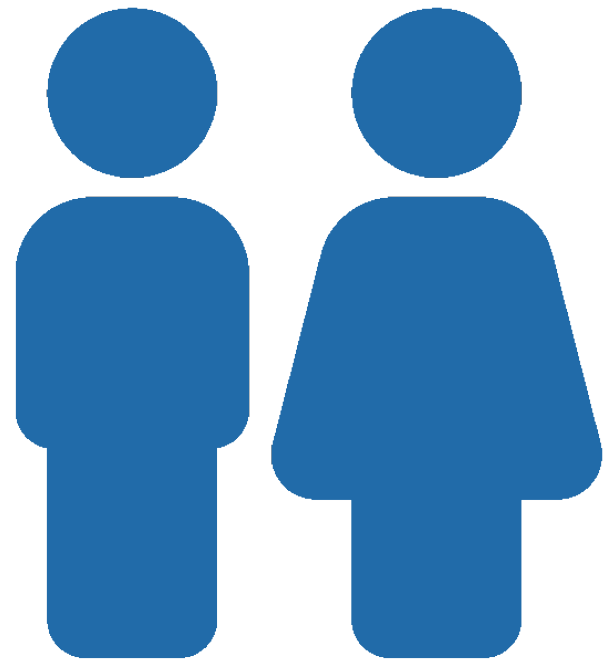
30%



Women make up a significant number of career college enrollment compared to other sectors of higher education

OHIO

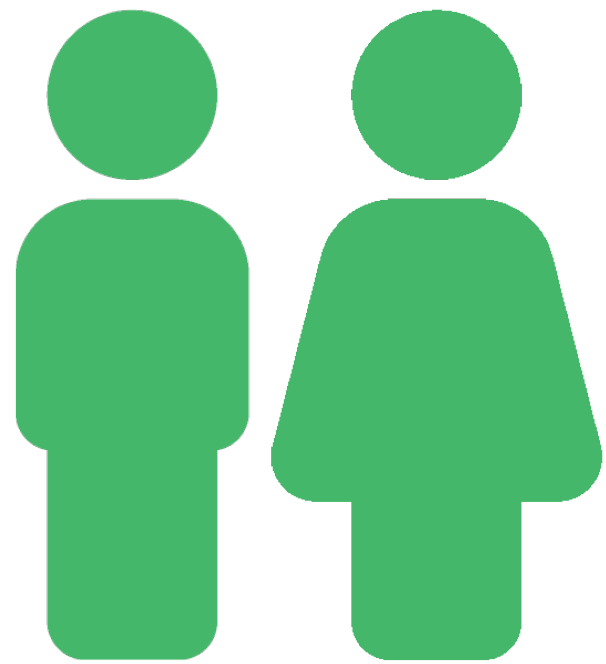
Minority Enrollment



Hispanic



4.51% Public Universities
 5.16% Not-For-Profits
 7.73% Community Colleges
4.27% Career Colleges



African American



8.51% Public Universities
 9.61% Not-For-Profits
 15.80% Community Colleges
40.13% Career Colleges

More than
40%
 of the total student
 population at Ohio's
 degree-granting career
 schools are
MINORITIES

Source: The Integrated Postsecondary Education Data System

OHIO

Students Age 25+



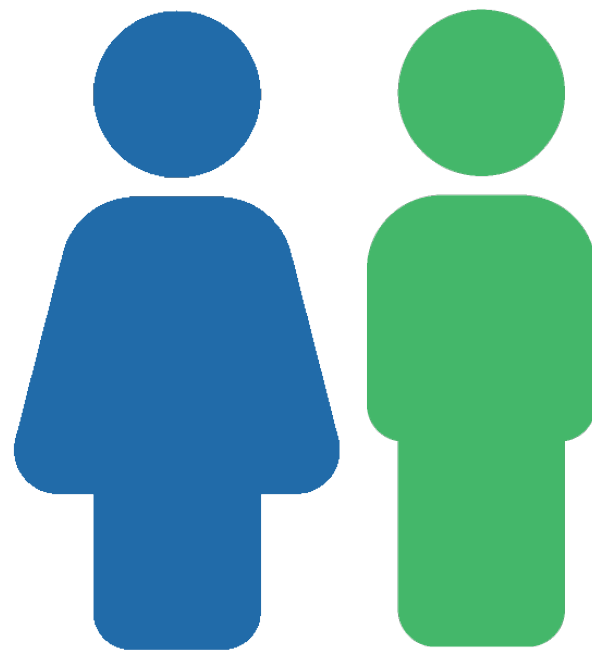
Students aged

25+

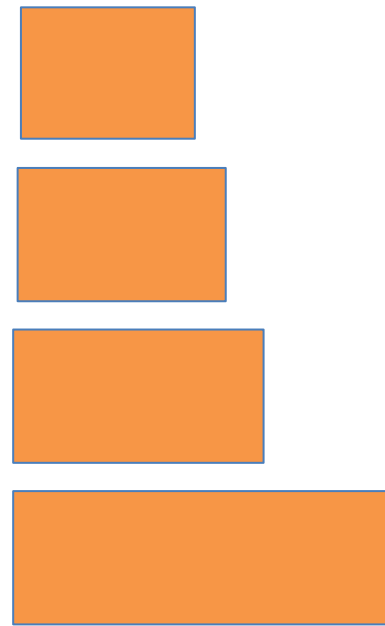
represent over

66%

of all students enrolled in a degree-granting career school in Ohio



Age 25+



16.13% Public Universities

24.16% Not-For-Profits

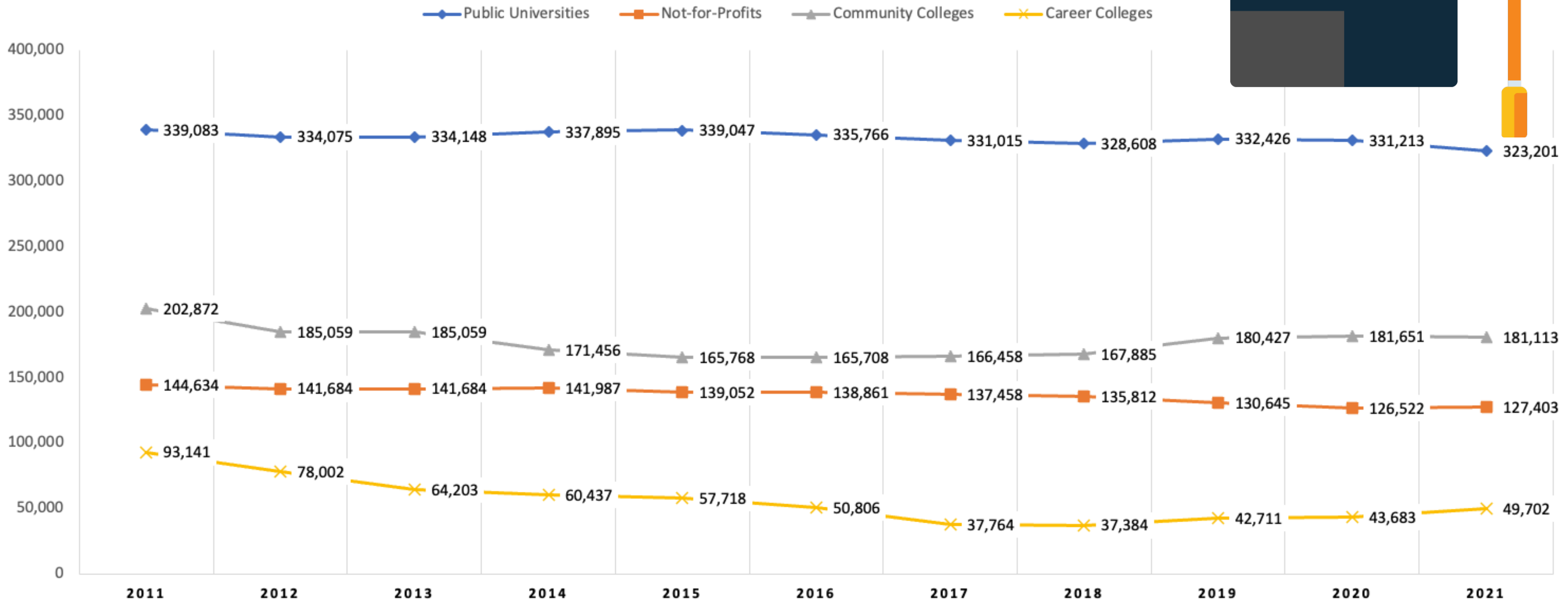
29.22% Community Colleges

66.03% Career Colleges



Source: The Integrated Postsecondary Education Data System

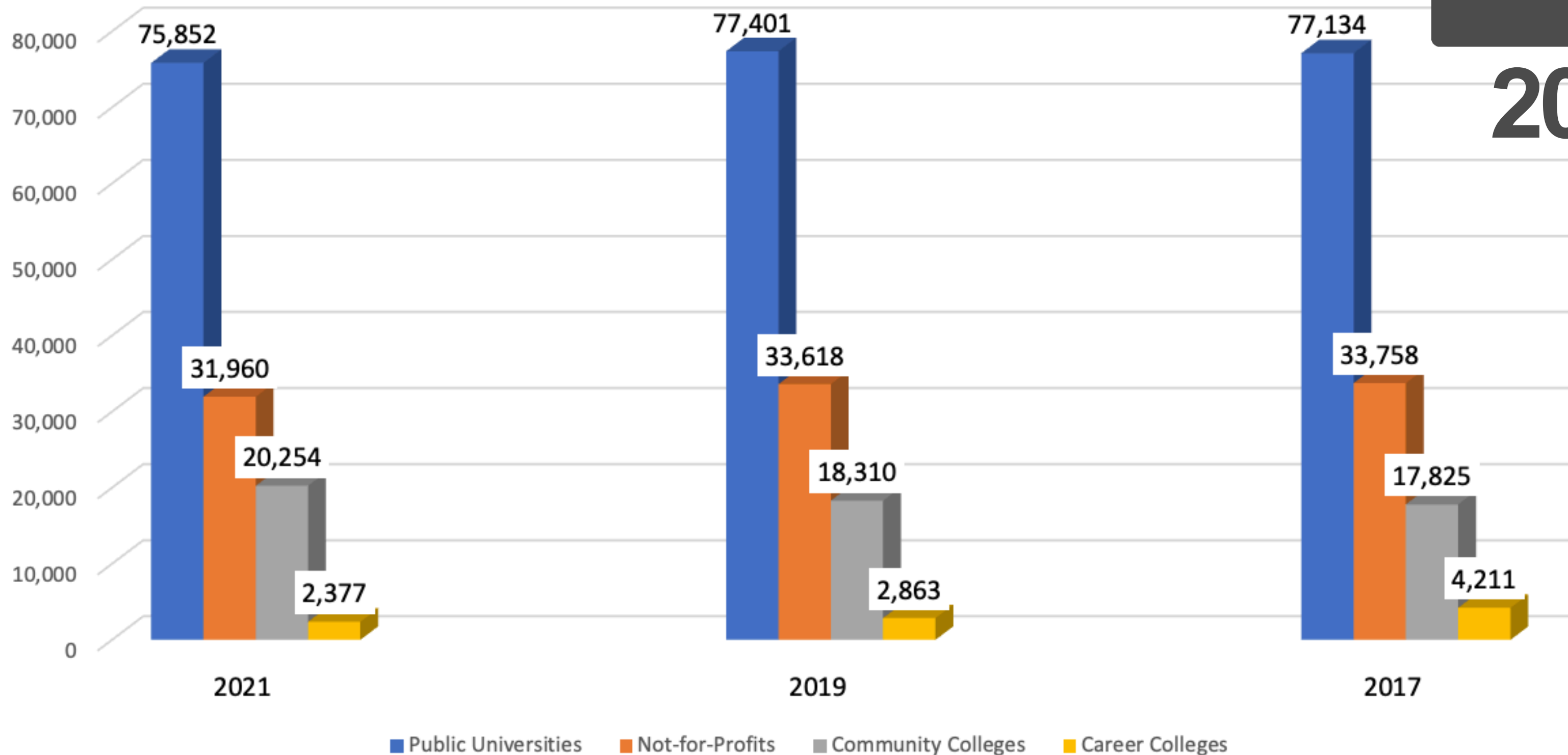
OHIO Enrollment Trends



In 2021 **18.5% of all students** at Ohio's career colleges and schools (**9,218 students**) were **enrolled in degree-level programs.**

Source: The Integrated Postsecondary Education Data System

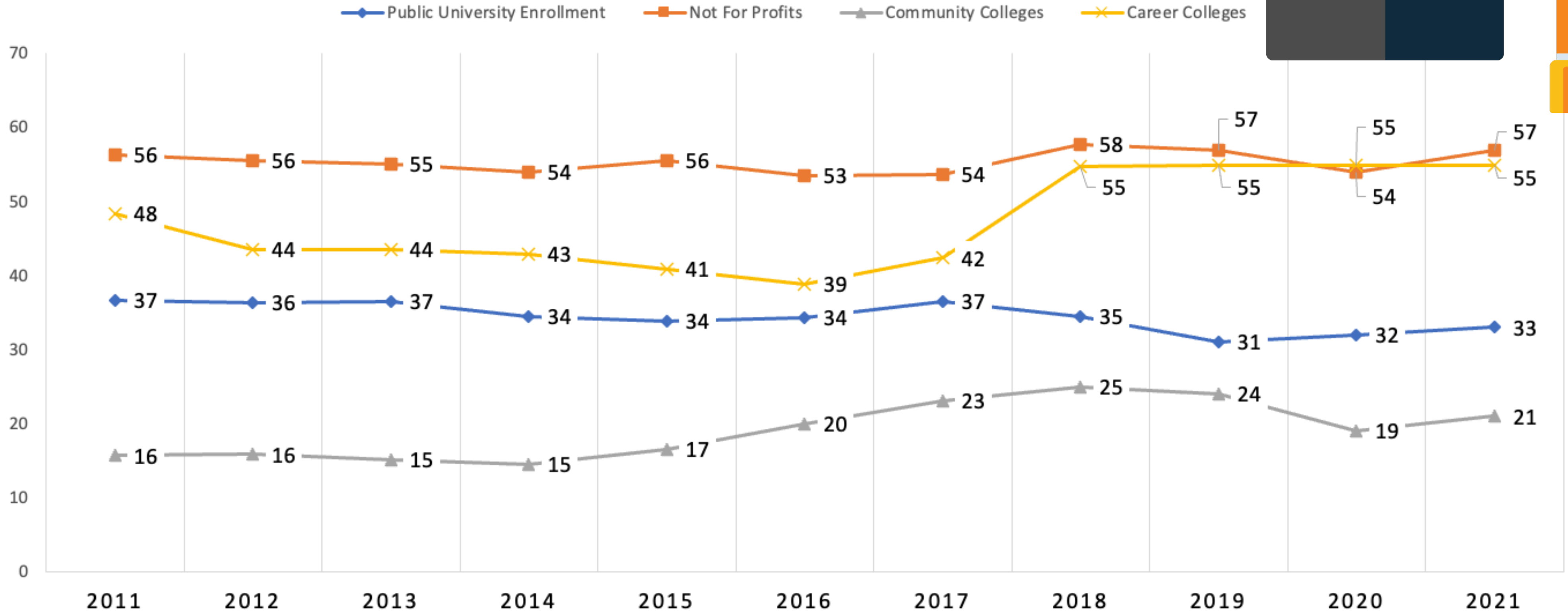
OHIO Degree-Earning Graduates



Of the 130K+ degree-earning graduates in Ohio, career colleges account for 1.8% of all Ohio college graduates. However, Ohio career colleges and schools totaled **28,719 graduates across all levels of programs** offered.

Source: The Integrated Postsecondary Education Data System and the OSBCCS 2022 Annual Report

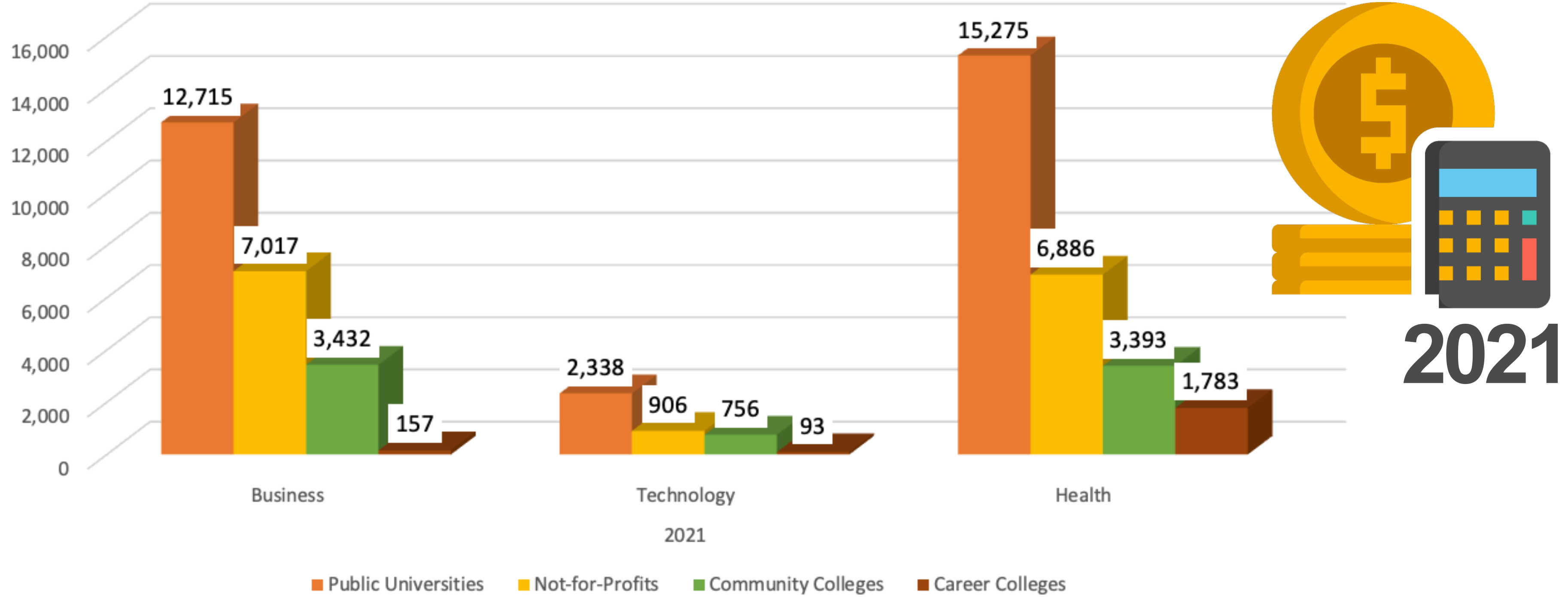
Graduation Rates



Career schools in Ohio continued to consistently achieve higher graduation rates than public universities and community colleges, and have rivaled not-for-profits in the last 4 years.

Source: The Integrated Postsecondary Education Data System

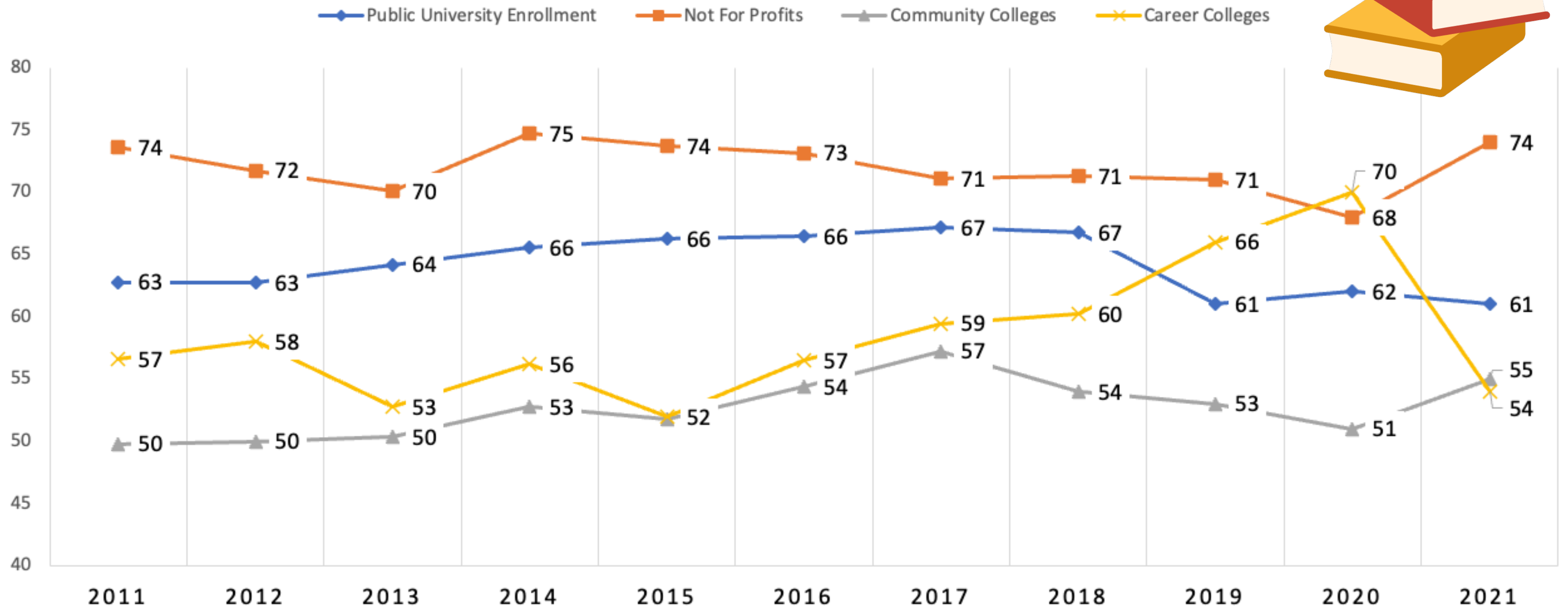
OHIO Supplying the Workforce



While career colleges comprised only 1.8% of all graduates of degree-granting institutions in 2021, they represented 6.5% of all students earning a health-related degree, 2.2% of all graduates in the state earning a computer/technology degree, and 0.6% earning a business degree. **Among the 2,033 career college degree-earning graduates, 91% of them earned degrees in health, technology and business**

Source: The Integrated Postsecondary Education Data System

Student Retention Rates



From 2015 to 2020, **career college retention rates** increased every year, until a decline back towards the median in 2021. **Retention rate** is the percentage of a school's first-time, first-year undergraduate students who continue at that school the next year.

Source: The Integrated Postsecondary Education Data System

OHIO
Student-to-Faculty Ratio

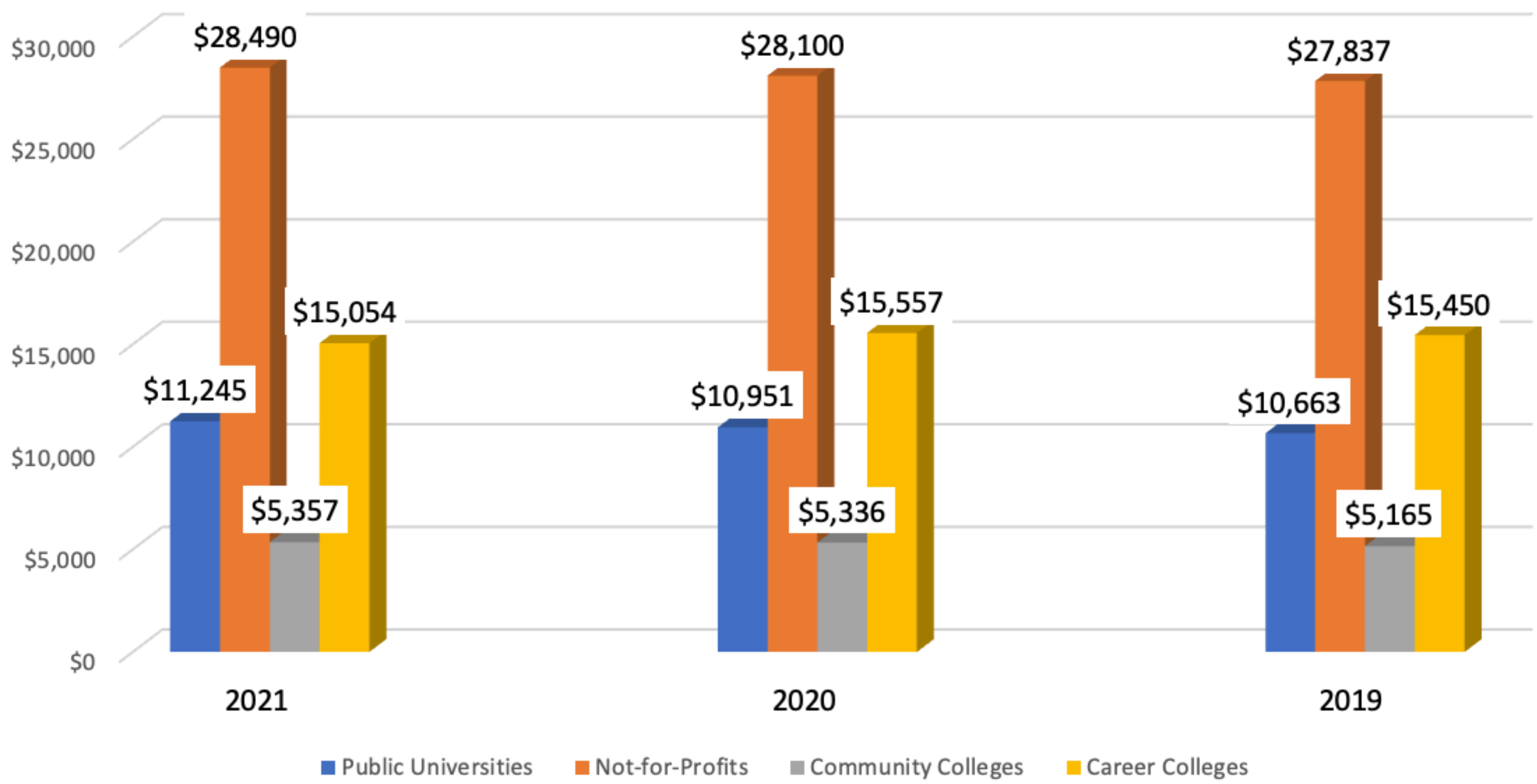


Ohio career colleges' **student-to-faculty ratios** are lower than those compared to Ohio's public universities and community colleges. They have maintained a long tradition of keeping class sizes small enough to foster one-on-one learning.

Source: The Integrated Postsecondary Education Data System

OHIO

Average Degree Program Tuition

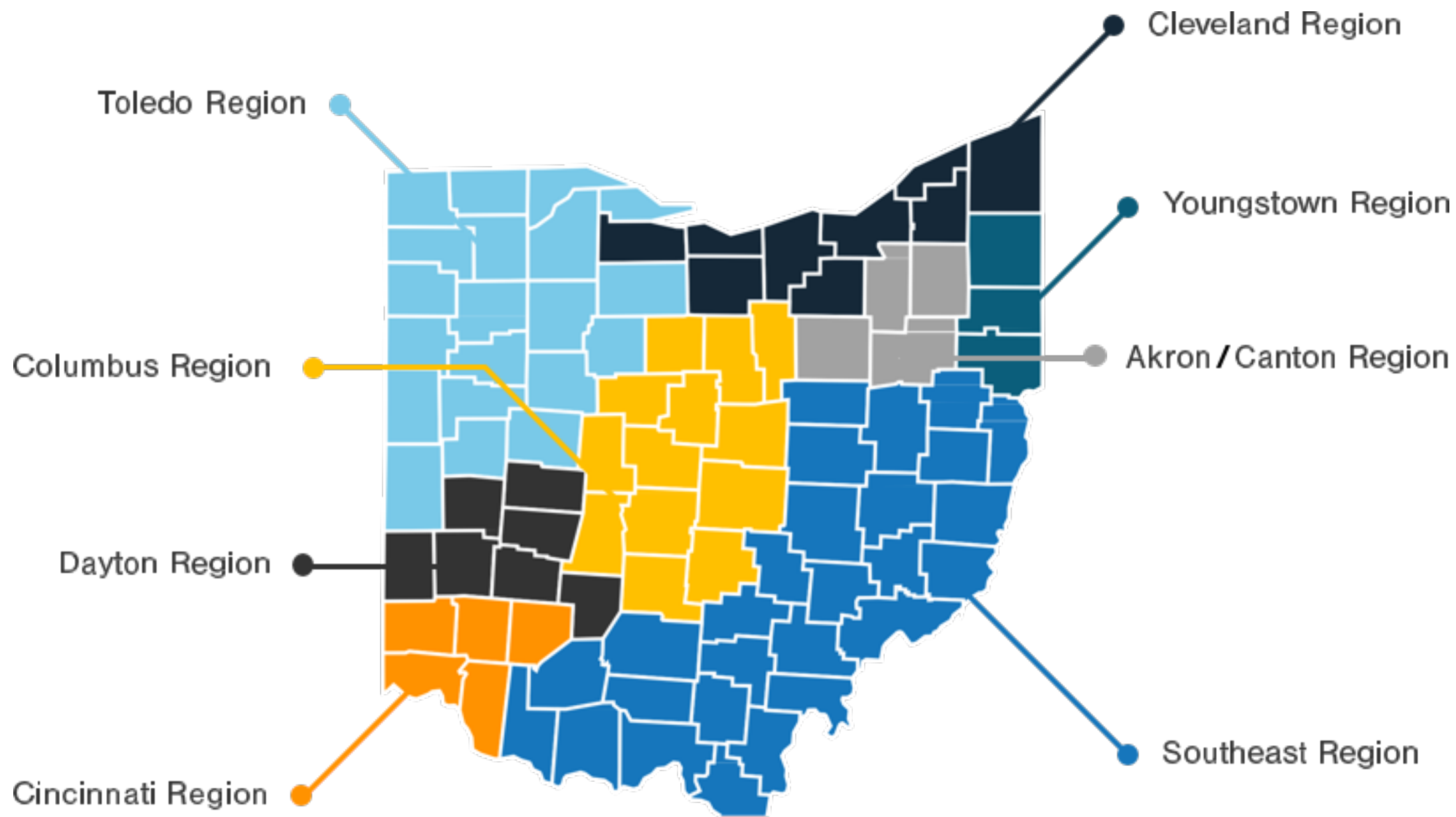


From 2019 through 2021, tuition at public universities was capped by the Ohio Legislature. Career colleges have raised tuition **by just over 1%** from 2019 to 2021.

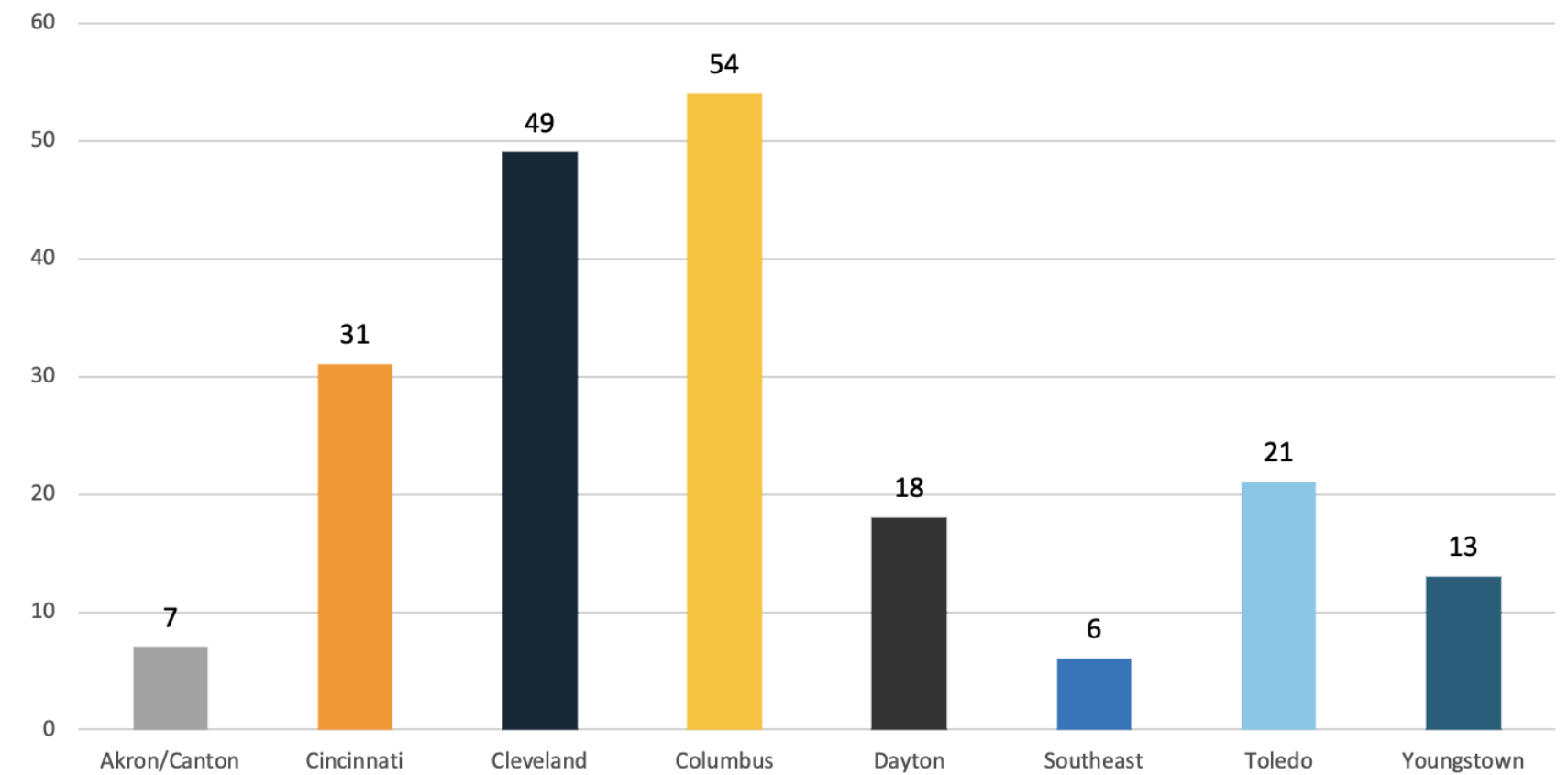
Source: The Integrated Postsecondary Education Data System

OHIO

Total Student Enrollment



Career Colleges by Region



2022 Total Enrollment by Region

- Akron/Canton - 1,278
- Cincinnati - 13,331
- Cleveland - 9,340
- Columbus - 12,618
- Dayton - 3,348
- Southeast - 507
- Toledo - 5,616
- Youngstown - 1,959

9,218
 Total degree program enrollments in 2022

Ohio boasts nearly 200 career colleges and schools that serve students in all major regions of the state, including **54 degree-granting institutions.**

Source: The OSBCCS 2022 Annual Report

Presentation Development



Thank you to the team at **Cyanna Education Services** and **Scholar House Media** for their assistance in developing this presentation for OMACCS. For more information about Cyanna and Scholar House, please visit their websites at the links below.



ADMISSIONS & OPERATIONS
ONLINE & HYBRID EDUCATION
STATE LICENSING & ACCREDITATION
INSTRUCTIONAL MEDIA & CURRICULUM
SOFTWARE & TECHNOLOGY

Cyanna.com



DIGITAL ADVERTISING
SOCIAL MEDIA MANAGEMENT
VIDEO & WEBINAR PRODUCTION
WEB DEVELOPMENT
BRANDING & DESIGN

ScholarHouseMedia.com

OHIO
Contact



Kent Trofholz, Executive Director

Ohio-Michigan Association of Career Colleges and Schools



ktrofholz@omaccs.org



614-487-8180



omaccs.org