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 Young, members of the House Workforce and Higher Education committee, 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") 2026-2027 budget request for our agency.

The State Board of Career Colleges and Schools is responsible for monitoring and regulating 243 private career schools in the State of Ohio. These schools enroll over 55,000 Ohio students in over 900 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 2024 included over 175 in-person site visits, 124 new program and degree approvals, 31 new school certificates of registration, 134 renewals for existing certificates of registration, and over 580 program and degree re-authorizations.

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

1. **Medical and Heath 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 Software Coding.

Data from the Board's annual report shows that in FY 2024 career colleges and schools enrolled over 30,000 students in health and medical programs, over 5,000 students in trades programs and over 2,800 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, the Governor's Office of Workforce Transformation, and the Bureau of Vocational Rehabilitation:** Registered schools work closely with these agencies to provide training programs for employers as well as for 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 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 2024, the Board initiated 44 preliminary investigations, which included 35 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 2026-2027 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 2026-2027 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 a small decrease 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 500 personnel line item, the Board's budget request as reflected in the Governor's budget proposal for FY 2026 has been increased 2.5% from $567,000 to $581,189 and for FY 2027 there is a 2.2% increase to $593,979. Due to budget reductions requested by the Board in previous bienniums, the amount requested for FY 2027 ($593,979) is only a 2.5% increase from 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 form 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 FY 2022-2023. As a result, the Board's fee revenue increased from $389,000 in FY 2020 to $538,000 in FY 2024. Fee revenue for FY 2025, 2026, 2027 is estimated between $550,000-$600,000.

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 total amount requested for the 2026-2027 biennium ($1,118,000) is 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.