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Senate Higher Education Committee

Testimony on Sub. House Bill 96

Kevin Duff, Executive Vice President, Ohio Excels *May 15, 2025*

Chair Roegner, Vice Chair Timken, Ranking Member Ingram, and members of the Senate Higher Education Committee, my name is Kevin Duff, and I am the Executive Vice President at Ohio Excels. Thank you for the opportunity to testify on the higher education provisions of House Bill 96 (HB 96).

Ohio Excels is a nonpartisan, nonprofit organization that engages and unites Ohio's business community on the full education-to-workforce pipeline, from early childhood, K-12, postsecondary, and into the workforce. We convene coalitions, conduct research, and advocate for solutions that improve educational outcomes for all Ohio students.

One of our primary goals is to make higher education more accessible, affordable, effective, and connected to the workforce. We believe this will let more Ohioans benefit from the economic mobility that higher education can provide and the state as a whole can benefit from additional talent in Ohio's workforce. Researchers project that 66% of jobs by 2031 will require education or training after high school. As of 2023, only 52.8% of working-age Ohioans have a postsecondary degree or credential – up from 49.2% in 2018. Combined with the state's challenging demographic trends, Ohio needs more of its own high school graduates to earn high-value credentials and postsecondary degrees. Fortunately, we believe HB 96 will help Ohio achieve this goal.

Governor's Merit Scholarship

We are excited to see HB 96 continue the implementation of the Governor's Merit Scholarship. We've already seen impressive benefits from this new program. Historically, about 60% of the top students in every high school committed to staying in Ohio for college or university. This increased to 76% in the first year of the scholarship and up to an amazing 87% in the second year. A new poll by Ohio Excels found that 78% of all Ohioans think it is a good idea for the state to invest in scholarships to keep Ohio's top students in the state. We strongly agree. Ohio Excels encourages the Senate to continue the phase in of the scholarship.

Financial Support for Students

The previous budget showed an incredible commitment to developing talent by making higher education more affordable. We believe it makes sense to continue the same funding levels for this budget as the Governor and House proposed:

- Ohio College Opportunity Grant (OCOG): OCOG is the state's primary need-based aid program. The current budget maintains the previous biennium's award amounts and student eligibility. The appropriation is adjusted to better account for the number of students projected to use OCOG, which includes a net increase of \$10M by the end of the biennium.
- **Regional FAFSA Completion Support System:** The regional system of FAFSA support established in the last biennium is continued in this budget. The system is designed to help more students overcome the challenging rollout of the online FAFSA form with \$1M in each fiscal year.
- Ohio Work Ready Grant Program: Ohio Work Ready is a program that awards up to \$3,000 to students enrolled in a credit or noncredit program at a community college, Ohio Technical Center, or branch campus that leads to an industry-recognized credential, certificate, or degree and prepares the student for an in-demand job. The program continues the \$10M in each fiscal year.
- Talent Ready Grant Program: The budget continues the Talent Ready program and funding level (\$10M in each fiscal year) from the last budget. The program is designed to support the establishment and operation of workforce credential and certificate programs under 30 credit hours or 900 clock hours at community colleges and Ohio Technical Centers.
- **TechCred:** The TechCred program, which helps upskill Ohioans in critical tech fields, is funded by the proposed budget at FY 25 levels (\$25.2M each fiscal year). Programs identified for funding must now align to the Governor's Office of Workforce Transformation's list of top jobs and prioritize programs aligned to statewide or regional workforce goals.
- **Second Chance Grant Program:** The budget continues this program which allows students who unenrolled from college to receive state aid if they return to higher education, supported with \$2M in funding each year.

Improved Access & New Options for Students

Beyond financial support, this budget includes new programs that can help Ohio students see that attending an Ohio college or university is a real possibility. The new Direct Admissions pilot is a voluntary program that automatically notifies high school seniors attending participating high schools if they meet the academic admissions requirements of participating public and private higher education institutions in Ohio.

The budget also created a new admissions guarantee initiative. Students in the top 10% of their graduating class will be guaranteed admission to at least one campus of any state institution of higher education in Ohio. Students in the top 5% of their graduating class are guaranteed admission to the main campus of any public institution in Ohio. These guarantees are another way to keep Ohio's top talent in the state.

The House created the Accelerated College and Career Pathways Program, which requires each state university to establish at least one accelerated 90-hour bachelor's degree program that is aligned to an indemand career area by the 2026-27 academic year. Universities are required to work with the local business community to identify in-demand career areas and to develop College Credit Plus pathways aligned to the 90-hour degree programs that the university offers. While we support this initiative, we do have some concerns about the proposed funding structure which I will discuss later in my testimony.

Measuring Education & Workforce Outcomes

Ohio has a strong foundation of education and workforce data. But we are not yet using this data to its full potential. Students, families, educators, and policymakers still lack answers to fundamental questions: Are our investments improving student outcomes? Which programs deliver the strongest returns? Where are students struggling—and thriving—across the education-to-workforce pipeline?

We are asking for your support of amendment SC0534, which would establish the Education and Workforce Data Insight Board—a cross-agency leadership body that brings together state agency directors and external stakeholders to provide strategic direction for Ohio's data system. This board would help ensure our data efforts are coordinated, accessible, transparent, and—above all—focused on impact. It would support policies that link education to workforce outcomes, such as performance-based funding, and help build tools and reports that provide actionable insight for students and families. It would also be charged with finding ways to reduce duplicative reporting requirements for higher education institutions.

Critically, this work will also prioritize student data privacy and responsible data use, ensuring that all efforts protect the integrity and security of student information. With the right leadership and safeguards in place, we can finally unlock the full value of our data—making smarter decisions, measuring what matters, and better serving Ohio's students and economy.

Incenting Education & Workforce Outcomes

Ohio has had a fully performance-based formula for the State Share of Instruction (SSI) for years, making Ohio the only state that rewards colleges and universities for advancing and graduating students, not simply enrolling them. The budget makes several changes to this formula, some of which are positive. However, we are concerned others might undermine the outcomes focus of this formula.

First, the Governor proposed – and the House refined – a new element of the SSI formula that would tie a portion of funding to whether graduates are staying in the state and securing good-paying jobs. The Ohio Department of Higher Education will measure employment outcomes one and five years after students graduate. The budget proposes directing \$100M of the roughly \$2.2B in SSI using workforce outcomes each year. We support this change, but we would ask the Senate to give the department more flexibility to determine how to implement combined retention and income measures and which data sets to use – not just the Census Bureaus' Postsecondary Education Outcomes (PSEO) project. We hope that, in the long term, more funds will be directed using this element of the formula.

The House changed the performance-based formula for universities in two other ways, which we believe undermine the formula's outcomes focus. The current budget shifts 10% of the university formula from course completion to two set-asides that are based on enrollment.

While we support the Accelerated College and Career Pathways Program, we believe that the set-aside for this program should be based on how well students are completing courses and earning degrees in the program, not just enrollment. We also believe funding for this program should begin in fiscal year 2027 to align with to the program's requirements and to give universities time to set up high-quality programs.

We are also concerned about the set-aside for enrolling high percentages of Pell-eligible students. While we see Ohio's universities as engines for economic mobility – which is something that the state should find a way to incent – we don't believe diverting funds based on enrollment is the best way to achieve this. Just enrolling low-income students isn't enough. They must successfully complete their coursework and degrees to give them a path to economic independence.

In conclusion, Ohio Excels believes the budget continues successful student support initiatives and better aligns the higher education system with the state's talent needs. We believe that the Senate can enhance a strong foundation by improving how the budget measures and rewards education and workforce outcomes, including through our **amendment SC0534 which establishes a data insight board**. Thank you for your time today, and I would be happy to answer any questions you might have.