



Testimony before the House Higher Education & Career Readiness Committee

Senate Bill 135

Tuesday, March 1, 2022

Chair Lanese, Vice Chair Young, Ranking Member Ingram, and members of the House Higher Education & Career Readiness Committee, thank you for the opportunity to testify today in support of Senate Bill 135, which received strong bipartisan support in the Senate. I am Jack Hershey, President of the Ohio Association of Community Colleges (OACC), which represents the trustees and presidents of all twenty-three of the state's public community colleges.

A few words about community colleges to start this testimony. Our 23 colleges, along with the 13 public universities that we work with closely, compose Ohio's system of public higher education. With more than 20,000 community college students transferring each year to a university, our colleges are a key pipeline to helping prepare students for our 4-year partners. Our colleges are becoming increasingly connected with the K-12 system through College Credit Plus, which helps more than 78,000 high school students annually get a head start on their postsecondary journey. At the same time, we also serve the state's career and workforce learning system, alongside Career Tech schools and the Ohio Technical Centers. We also interact directly with Ohio businesses, by providing direct training to their incumbent adult employees through programs like TechCred and other workforce training programs. Finally, to increase the success rates of our students – many of whom are low-income or working adults – we have increasingly begun to coordinate with local social service and non-profit partners to provide the wrap-around services that many of our students need to be successful.

As for our students, they are just as diverse, especially in their goals and motivations. We attract what most call "traditional" college students as well as an overwhelming majority of the so-called "non-traditional" students. Our "traditional" students come to us directly or shortly after high school and know they want to finish a bachelor's degree in four years and start with our colleges often because of the lower costs or proximity to their home.

However, the "non-traditional" student is the norm at a community college, with the average age around 28 years old, often working and/or raising a family. Some have no interest in college at all, and only attend with the goal of earning a credential or a certificate. Others enroll to pick up some additional skills through a couple of classes. Some have little time to come to campus due to work and family commitments and choose to take most of their classes with us online. Some have no interest in higher education's traditional timelines for finishing programs and may only take a few classes each semester and may take multiple semesters off to work during their academic journey. Finally, some students, especially first-generation students, come to us simply to try college out, even though they have probably been told by someone in their life that they weren't college material, but want to try and rise above that perception.

It is not easy to serve a student body that is so diverse in their backgrounds and goals, and yet this is our mission. We are open access colleges. This means that we accept all who wish to enroll, and we work diligently to help them succeed – whether their goals are to quickly upskill so they can advance in their careers or transfer to a university to earn their bachelor's degree.

With all this in mind, I wanted to focus on some of the more promising and relevant provisions in SB 135 that OACC believes will provide the most benefit to our students and Ohio employers.

COMPLETE TO COMPETE 65% ATTAINMENT GOAL

Complete to Compete Ohio is a public-private coalition of more than 40 member organizations throughout Ohio who have been meeting for several years now to try and increase the number of Ohioans who earn a skills-based certificate or college degree after finishing high school. Currently, 49.5% of Ohioans have some high-quality credential. We are well short of reaching what economists believe is the ideal credential attainment number to position Ohio for economic success, which is 65%.

The Ohio Department of Higher Education released a report called *Finish for your Future: Fulfilling Ohio's Adult Learner Promise*. The report stated: "Reaching our attainment goals will take completion across demographics." Meaning that all the various higher education and workforce experts across Ohio working towards this goal understand that we must work to achieve better attainment rates among every category of student. A particular focus on adults (age 25+) is needed, which means designing additional strategies that have adults at the center of their design. This is why we support the key provisions in SB 135, as they provide clear strategies aimed at purposefully helping convince adult students to enroll or re-enroll at a community college.

As I am sure members of this committee are aware, the initial version of SB 135 was not supported by all members of the Coalition. However, OACC's position last year was that we should not lose sight of the bigger picture: that this bill has the type of workforce-focused higher education reforms that many of us have been saying the state needed for years. While there may have been disagreements on the some of the approaches in SB 135, the goal of advancing new ideas and strategies to help more Ohioans pursue a postsecondary credential remains equally important today.

Thanks to Senator Cirino's patience and willingness to work with all interested parties – including ODHE, the various higher education organizations and, perhaps most importantly, employer and business organizations – there were many positive changes made to SB 135 that continue to reflect the urgent attainment challenges facing Ohio.

SECOND CHANCE GRANT PILOT PROGRAM

The Second Chance Grant Program contained in SB 135 is one of the one of the more promising new proposals that we have seen to help increase college attainment, because for the first time it is purposefully targeting and marketing to the more than 1 million Ohioans who have earned some college credit but have not yet earned a certificate or a degree. The state has already invested in the education of these Ohioans, so it makes enormous sense to try attracting them back and make it easier for them to finish their training or education.

Targeting this population is the best way to make short term gains towards the 65% workforce goal. According to ODHE's *Finish for Your Future* report, in 2019, Ohio's postsecondary enrollment was around 590,000 students, while our "some college, no degree population" was more than 1.3 million Ohioans. Think about that – Ohio has more than double the amount individuals in our state who have started college without earning a credential as we do students currently enrolled. Now, if our institutions could convert *just 5%* of these adults over each of the next 6 years, we would reduce the projected degrees needed to meet the attainment goal by nearly one-third.

Closing Ohio's skills gap will require a great collective effort but know that Ohio's 23 community colleges are ready to meet the challenge. For the past decade, we have redesigned curriculum to incorporate stackable certificates of value that align with regional employer needs. Our colleges have embraced

holistic, student-focused reforms to improve the academic, career and financial success of our students. Our colleges did not do this because it was financially advantageous (in fact, many of these reforms come with significant upfront costs), but because we know it is imperative that we improve how we serve our most vulnerable students.

Again, as ODHE's *Finish for Your Future* report stated: "Community colleges serve as the major routes of initial entry, re-entry, and completion on the postsecondary education pathways for 'some college, no degree' students." We are often the most common higher education choice for returning adults, regardless of their previous institution. Our community colleges leaders are excited to welcome these students back and believe that Senate Bill 135 would be an enormous boost to our recruitment efforts.

The budget bill (HB 110) earmarked \$3 million in one-time federal funding to create the Second Chance Grant Pilot Program. Thanks to this funding commitment, the pilot program has already enabled hundreds of students to return to a college or university to pursue a credential or degree while also identifying best practices that can serve as a blueprint for a permanent program going forward. The first obvious step in Ohio's efforts to build its post-pandemic workforce should be to encourage those individuals who stopped out from their studies to return. This is the quickest way to fill our most immediate workforce needs.

TARGETED FINANCIAL AID FOR LOW-COST PATHWAYS & CERTIFICATES

Since the Strickland administration, Ohio has used a "Pell First" policy for the state's need based aid program. Under this policy, if the federal Pell grant covers the cost of tuition at an institution, then low-income students at the college are not eligible to receive any aid through the Ohio College Opportunity Grant (OCOG). The policy ignores the actual costs for most low-income students, especially working adults and parents, to attend college – ranging from the cost of textbooks to other education-related such as purchasing required tools, uniforms, or childcare.

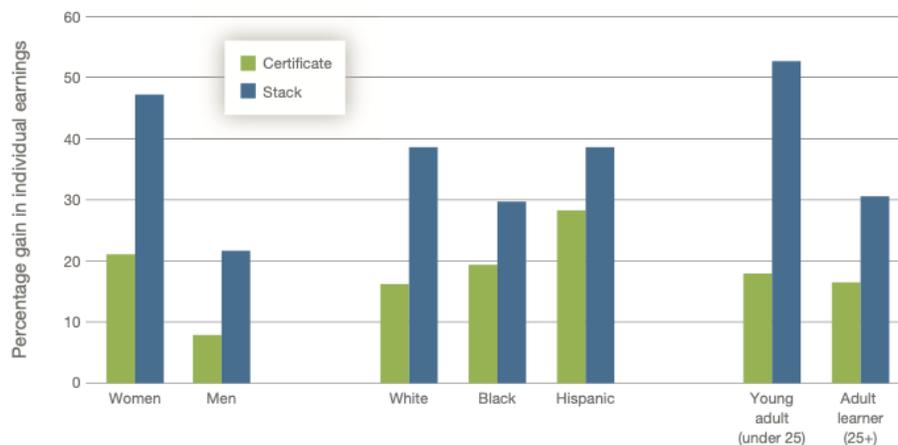
While SB 135 does not reverse the current Pell First policy, OACC supports the provision to award eligible students an additional OCOG amount once they have completed their first two years and are making progress toward completing their bachelor's degree. If structured correctly, this supplemental OCOG award could lead to stronger pathways between postsecondary institutions to encourage more low-income students to start at lower cost community college for their first two years knowing they have additional financial support to then transfer to a 4-year institution to complete their degree.

SB 135 also includes a provision that directs the use of a portion of the federal COVID-relief funds to be used to provide financial aid for students in short-term training programs. For the past several years, Senator Portman has been working on a bipartisan bill to extend the Pell for short-term training programs; however, SB 135 correctly suggests that Ohio should no longer wait for the federal government to finally provide targeted financial aid to individuals pursuing a job-focused certificate. OACC is grateful that the legislature amended the budget bill to provide funding to provide financial aid for these in-demand certificates. We believe Ohio should continue to wisely use a portion of federal ARPA funds to directly bolster workforce training that responds to the desperate plea from Ohio's employers to upskill the workforce.

Expanding access to short-term certificates provides tremendous career growth opportunities for many Ohioans. One of the more promising practices to improving student success for underrepresented or adult students is through embedding stackable certificates directly into degree pathways. A recent research study by the RAND Corporation, partnering with ODHE, found that 80% of Ohio students who earned stackable certificates in high demands fields like health care, IT, and engineering went on to complete their associate degree or bachelor's degree within 4 years. Perhaps just as important was the

ROI for increased earnings for these credentials for these students was consistent across all demographics including race, sex and age.

Estimated Returns from Credential-Stacking Vary by Student Demographics



SOURCE: Author calculations based on data in the Ohio Longitudinal Data Archive.

Many of the financial aid proposals in SB 135, as well other promising proposals contained in separate bills that have been introduced, will encourage innovative approaches like embedding stackable credentials into their academic programs. These approaches will help grow enrollment in postsecondary institutions by increasing access for nontraditional students. It is this kind innovation and enrollment infusion that the state will continue to need to advance to meet our workforce goal and make our state competitive.

IMPROVED TRANSFER AND DUAL ENROLLMENT PARTNERSHIPS

“Dual enrollment” partnerships, where a student is enrolled in a university but takes some portion of their classes at a local community college, already exist between our community colleges and both public and private universities across Ohio. Many higher education researchers now suggest this as a best practice because many students thrive in an environment where they are allowed the opportunity to lower their tuition costs at a community college, while also staying connected with the university that they ultimately plan to graduate from. It should come as no surprise that most of the current relationships between community colleges and local universities are well established, collaborative, and have shown good results. Therefore, it would not take much time or effort to establish the new partnerships envisioned by SB 135.

Under SB 135, the Chancellor would codify Ohio Guaranteed Transfer Pathways Initiative to create a statewide transfer policy where a student can earn an associate degree at a community college while knowing all their credits will transfer seamlessly and apply to a bachelor’s degree at any state university. This initiative builds off the good work already underway through ODHE by streamlining credit transfer amongst Ohio’s public colleges and universities and will ensure associate degree earners aren’t forced to repeat courses when they continue toward their bachelor’s degree.

The proposed provision that would require public universities to discuss and fully inform students of their options makes sense to us in the context of Ohio’s system of public higher education. That system generally allows for local control of our colleges and universities, governed by boards of trustees at each institution. Where the state does play a significant role is in the administration of the state’s credit transfer system and in the way the system is financed. SB 135 would require that all students who

enroll in the public system simply be informed that the state system has lower costs options available to them, with the guarantee that those courses will transfer to the public university they were accepted into. As student loan debt has increased in recent years, most of higher education has embraced the idea that increased financial literacy for incoming college students is a key strategy in helping them manage the loans that they will ultimately be responsible for paying. Ohio's community colleges support this student-first proposal to help individuals and their families make the best financial choices for them if they enroll at one of our public institutions of higher education.

AREAS OF CONCERN

While we believe the bill overall moves Ohio in a positive direction, I wanted to highlight two areas where our colleges have identified concerns in the initial review:

1. While we understand the situation driving the provisions in SB 135 that deal with honoring the intent of a philanthropic donor, we think this provision may be overly broad in its attempt to correct course. The provisions which give donors and their heirs a consistent, ongoing ability to direct how funds are spent, could not only become difficult to manage, but may also have unintended consequences that could jeopardize the tax benefits for these charitable donations.
2. More than a concern, I would say that the provisions regarding freedom of speech on campus are confusing at this moment, especially as our institutions are just implementing the new reforms contained in Senate Bill 40 from the 133rd GA. OACC appreciated the willingness of the bill sponsors and House members to work with both IUC and OACC on the comprehensive FORUM Act (Forming Open and Robust University Minds Act), which became effective less than a year ago and our colleges are implementing the new policies to ensure we meet the goals and requirements of SB 40. Therefore, we would respectfully request that you remove this duplicative section from the bill to allow time for colleges to both implement the FORUM Act and determine if that legislation is effective in meeting the General Assembly's intentions.

Once again, thank you for the opportunity to testify in support of the many policy recommendations in SB 135 that we believe will encourage significant numbers of nontraditional and adult learners to finish their postsecondary credential. I would be happy to answer any questions that the committee may have.