



Department of  
Higher Education

Mike DeWine, Governor  
Randy Gardner, Chancellor

## House Higher Education Finance Subcommittee

Chair Gayle Manning

Randy Gardner, Chancellor

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Chair Manning and Ranking Member Jarrells, I am honored to be with the Ohio House Finance Subcommittee on Higher Education.

As a brief reminder, the Ohio Department of Higher Education (DHE) serves more than 635,000 students throughout the state at 14 four-year public universities, 24 public university regional campuses, 23 community colleges, 74 independent, not-for-profit colleges and universities, 49 Ohio Technical Centers and 52 Aspire (Ohio's basic literacy program for adult learners) program locations. That's 236 campuses.

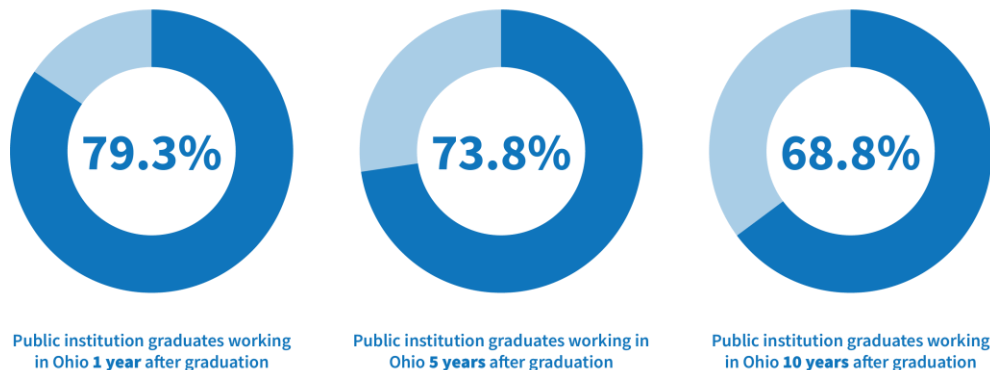
But far more important than these campuses and these buildings, our role at the department is to support students, to help families and get positive results that will make Ohio's future brighter. Together, we can help people in Ohio realize, as Governor DeWine often says, their God-given potential.

Annually, the immense opportunity available throughout Ohio’s higher education system is on display in the range and volume of credentials awarded to students, as shown in the table below.

Credentials Awarded, by Sector and Type (AY20/21)		
Sector	Credential Type	Number
Public Community College	Certificate	15,208
Public University	Certificate	3,967
Subtotal		19,175
Public Community College	Associate	19,617
Public University	Associate	6,752
Subtotal		26,369
Public University	Bachelor's	51,041
Independent University	Bachelor's	19,840
Subtotal		70,881
Public University	Master's	15,526
Independent University	Master's	8,059
Subtotal		23,585
Public University	Doctorate/Professional	4,754
Independent University	Doctorate/Professional	1,526
Subtotal		6,280
TOTAL		146,290

Degrees, certificates and credentials are important, but Ohio’s economy will not be enhanced if those with these credentials leave our state and move elsewhere. Indeed, the vast majority of our public college and university graduates do in fact **stay in Ohio to work**, as shown in the graphic below, contributing to our expanding workforce opportunities.

### Ohio’s College and University Graduates Stay in Ohio to Work

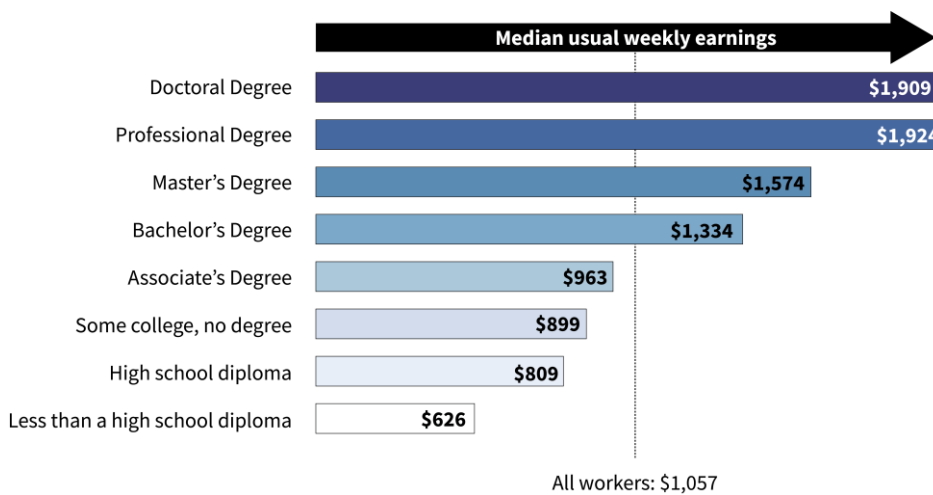


Source: U.S. Census Post-Secondary Employment Outcomes (PSEO)

Achieving postsecondary degrees and credentials is 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 – and this budget reflects our commitment to that principle. Quantifiable quality-of-life statistics as well as fundamental unemployment and wage rates support the importance of increased access to opportunities for education attainment, as shown in the chart below from the federal Bureau of Labor Statistics (BLS):

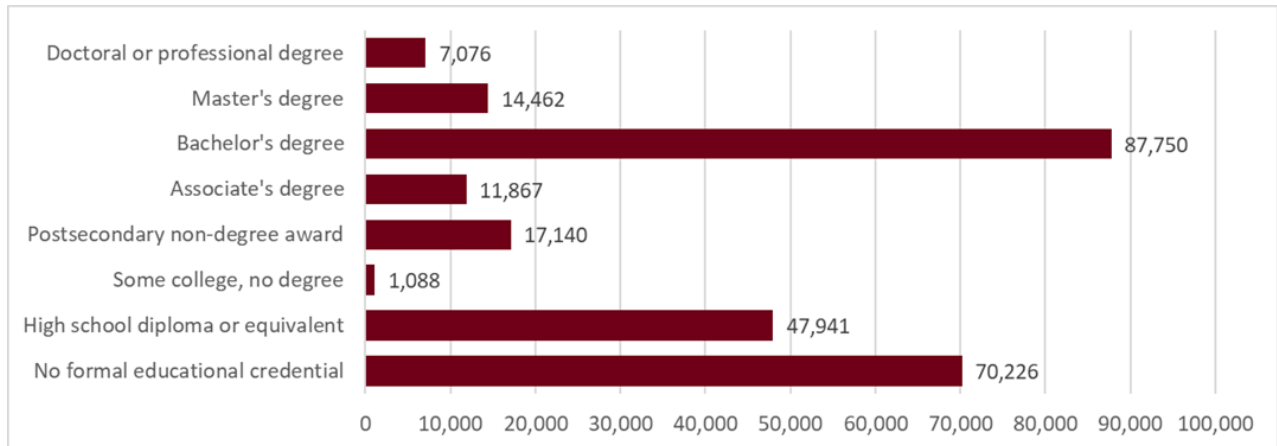
### Earnings by Education Attainment

(Source: U.S. Bureau of Labor Statistics, 2021)



As important as education attainment has been to the growth of our economy in recent years, it may be even more important going forward. Ohio Bureau of Labor Market Information data suggests significant future net job growth in areas of higher education attainment, as follows:

### Projected Net Job Growth by Education Level, 2020-2030



Source: Ohio Bureau of Labor Market Information

I'm now going to share some trends, observations and statistics to help provide you with a sort of "state of higher education" report.

**First, higher education attainment matters:** Of the top 11 states with attainment rates at the bachelor's level or higher, all but two of them are in the top 11 when it comes to income earnings per capita. And when looking at the top 11 states in per capita income, all but two of them are in the top 11 in higher education attainment. On top of that, most states with the strongest higher education attainment have some of the best college graduation rates. Completing a degree or credential means a better chance to avoid being unemployed, better health care outcomes, higher wages and other positive quality of life measures.

It is not for the department or in my view any guidance counselor to determine what the best path forward might be for a high school graduate. The DeWine-Husted Administration embraces an All of the Above approach that supports whatever a student's career goal might be. Pathways include career technical schools, trades and apprenticeships, community colleges, four-year universities and military service. We should provide as much information as possible regarding the value, costs and career opportunities for all of these options and then support whatever pathway is chosen.

**Adult Learners and College Comeback:** Ohio's number of high school graduates is expected to decline by approximately 9 percent by 2031. This means fewer prospective college students and, potentially, fewer Ohio workers to fill the high-demand jobs of the near future. That is why almost two years ago we embarked on a proactive strategy to welcome back stopped out adults to Ohio campuses. College Comeback is a strategy that says if you have some college credit but no degree we will strive to provide support to encourage you to finish your credential or degree, even if you have debt or past-due balances that need to be resolved.

**FAFSA:** It is difficult for students or families to know just how affordable postsecondary education can be without completing the FAFSA – or Free Application for Federal Student Aid. Our primary interest in FAFSA completion is not related to federal loans. It is to help determine whether you may qualify for a Pell grant or other financial aid programs – the state OCOG scholarship, the new two-year student need-based aid line item, and other need-based aid offered by colleges and universities. It has been estimated that \$108 million in federal aid was left on the table by Ohio students alone last year due to lack of completing the FAFSA. The DeWine-Husted budget seeks to increase FAFSA completions by joining four other

states that require completion of the FAFSA to be a requirement for graduation, but with a parent or school opt-out provision. This policy could help more students enhance their life earnings through a meaningful job or career. How do families truly know if going to college is affordable for them if they haven't completed the FAFSA?

**BUDGET LINE ITEMS:** I'd like to spend just a few minutes to highlight key initiatives in the DeWine-Husted budget:

1. Our budget doubles the number of **short-term certificates and credentials** funded at community colleges, technical centers and university regional campuses.
2. We continue to support the **CDL Training** grant program – established by the Ohio House in the last state budget.
3. We significantly increase the **Ohio College Opportunity Grant**, our need-based financial aid program for 4-year college and university students, to encourage more Ohioans to stay in our state to eventually be a part of our workforce.
4. The budget provides **\$41 million over the next two years** to support community college and university regional campus students with new financial aid scholarships.
5. We established a new **Access Challenge** line item, with a majority of the funds directed to community colleges to support students with wrap-around services and other needed support services.
6. Another new line item, **WorkFORCE Ohio**, targets funding for colleges and universities who can expand programs to meet high-demand jobs of the future.
7. We enhance the existing **RAPIDS** program – Regionally Aligned Priorities in Delivering Skills – to support targeted workforce training programs which could occur in combination with purchasing needed lab equipment or financing facility upgrades. It has been named **Super RAPIDS**, supported by federal ARPA funds, as a \$200 million surge opportunity to prepare Ohio's workforce for jobs at Intel, Honda and dozens of other workplaces across Ohio.
8. A new **Teacher Apprenticeship** line item will provide needed emphasis on meeting critical teacher shortages in the state.
9. **Choose Ohio First** remains a priority. Established under the vision and leadership of then-Speaker of the House Jon Husted in 2008, the program provides scholarships to students in all sectors of higher education (public

university, community college, and independent college students) and is designed to significantly strengthen Ohio's competitiveness within the fields of science, technology, engineering, and math.

10. The **State Share of Instruction** line receives a 3% increase each of the next two years in this budget. Another brief reminder, our formula provides funds based on results – graduations and course completions, not enrollment.
11. Healthier, supported students have an enhanced opportunity to be more successful students. When they struggle with a **mental health** challenge, we want to be there for them. In this spirit, our budget provides funds help colleges and universities maintain and enhance these critical services.

**Maintenance of Effort:** Before I transition to the next portion of my testimony, I want to highlight a critical, but not readily apparent aspect of this budget proposal. The additional funds appropriated to support OCOG, the Governor's Merit Scholarship, and the Mental Health Support line item come with a maintenance of effort requirement that our colleges and universities **must minimally maintain their current spending in these areas.** This means that even more access and affordability will be provided to students, and our state dollars will be used to expand existing financial aid support to students.

## RECENT QUESTIONS ABOUT THE BUDGET AND HIGHER EDUCATION IN OHIO

- ***What are recent trends in graduation rates at Ohio's public colleges and universities?*** Answer: Information regarding graduation rates at Ohio's public universities is provided at this [link](#) and community college information is provided at this [link](#).
- ***Where does Ohio rank in terms of college debt and default rates?*** Answer: Ohio's ranking in terms of debt and default has improved over the last five years for which data is available, improving from an overall student default rate of 13.4% to the current level of 7.3%. This [link](#) provides detailed student default rate information for each college and university.
- ***Shouldn't our budget and higher education spending focus mostly on filling the most in-demand jobs that must be filled in the next 3-5 years?*** Answer: Our budget is the most student and workforce-based in the 37 years I've been around Capital Square. Many of our line items - Super RAPIDS, Choose Ohio First, Short-Term Certificates, WorkFORCE Ohio, Access Challenge and others - are specifically designed to support higher rates of graduation and meet the high-demand jobs of the rest of this decade and beyond.

The programs and policies I have just described are intentionally and purposefully designed to increase access and opportunity, promote student success and wellbeing, and produce a pipeline of qualified workers that are ready to tackle the jobs of today and tomorrow.

Chair Manning, members of the subcommittee, it has been an honor to present to you today, and I am glad to answer any questions you may have.