



## Board of Regents

University System of Ohio

John R. Kasich, Governor

John Carey, Chancellor

**House Finance Committee**  
**Higher Education components of MBR Testimony – House Bill 484**  
**John Carey, Chancellor**  
**Ohio Board of Regents**

Chairman Amstutz, Vice Chairman Boose, Ranking Member Sykes and members of the committee:

I appreciate the opportunity to speak to you today to discuss the higher education components of the 2014 Mid-Biennium Review.

Governor Kasich has made higher education reform a key priority for his administration. In fact, his commitment has already put Ohio in a national leadership role as our public colleges and universities have adopted a new culture where they work together to tackle issues that impact higher education, such as how to spend capital construction dollars and how best to fund universities and colleges in light of the fact that Ohio needs to increase its number of college graduates and credentialed members of the workforce.

Under the leadership and direction of Governor Kasich, Ohio's institutions of higher education have come together in an unprecedented way to make higher education more affordable and more effective with taxpayer dollars. This would not be possible without the challenge to the presidents of these institutions by the Governor, and the leadership and innovative thinking of the presidents and their staffs. I am confident that, by empowering our presidents and other stakeholders to help develop the plan for higher education, our effort to bring more students the opportunity to begin and finish college with a degree is groundbreaking and leads the nation. The Board of Regents is a coordinating board with some regulatory functions, but we are using the model established by the Governor and the presidents and supported by the legislature, in developing much of our public policy in other areas. College Credit Plus is an example of this process that was put into law by the Legislature in House Bill 59. I want to publicly thank the legislature, the Governor and our University System of Ohio presidents for supporting higher education innovation in Ohio.

To further advance his goal of reforming higher education in Ohio, Governor Kasich is moving forward in the Mid-Biennium Budget Review (MBR) to strengthen pathways to college and enhance college learning opportunities in ways that will benefit all Ohioans. These initiatives are aimed at improving college readiness, lowering the out-of-pocket costs required to obtain a college degree, and improving graduation rates at our state-supported campuses. At the same time, we will ensure that Ohioans are well prepared to take advantage of what job creators are doing across the state.

At this year's State of the State address, Governor Kasich continued to emphasize the importance of higher education in Ohio. His comments, and his desire to make higher education even more efficient and effective, reflect a true commitment to educating our students and preparing them to have successful careers here in Ohio. I'm happy to report that we continue to work to make a seamless connection between pre-K through 12 education, higher education, and

job creation. Workforce development is a top priority for Governor Kasich, and at the Board of Regents we have made it a top priority to ensure that our higher education institutions are preparing their students to be productive members of the workforce in Ohio. We have several initiatives that will help us achieve our goals of increasing the number of Ohioans with degrees and certificates of value and creating and retaining jobs here.

Ohio's success depends on a skilled workforce, and that starts with a quality education. Education is important not only to the economy but also to the quality of life for all Ohioans. While Ohio has some of the best institutions of higher education in the world, only about 36 percent of adults in Ohio have a postsecondary credential, a figure that does not meet the needs of our economy<sup>1</sup>. That shortage of qualified workers places Ohio at a competitive disadvantage compared to the rest of the nation<sup>2</sup>. Governor Kasich has a vision for helping Ohio achieve long-lasting economic growth, and a skilled workforce is paramount to our state's ability to attract job creators.

### **Expanding Performance-Based Funding for All of Higher Education**

To help increase the number of Ohioans with degrees, the state budget for FY 2014-15 (HB 59) included a new funding formula that ties state higher education funds to successful student outcomes. For four-year schools, the share of state funding tied to student graduation increased from 20 percent to 50 percent. The provisions in this bill reflect the work of Ohio's community college presidents, who recently finalized recommendations for the coming fiscal year that will base all of their state funding on successful course, degree, and certificate completions, rather than course enrollments. As a result, in a period of just two years (FY13 to FY15), Ohio's community colleges will go from being funded almost entirely based on earmarks and student enrollment to being funded 100 percent based on successful student outcomes.

With the adoption of this new formula, Ohio will complete the transition to a higher education funding formula for all public institutions that is entirely performance based. This will replace the outdated formula that rewarded colleges based on enrollment and measured the number of students in classroom seats regardless of whether they graduated. Ohio will now lead the nation in incentivizing its public colleges and universities to ensure student success, and I have been very proud to talk with other states that are asking how we got this accomplished.

House Bill 472 also proposes a performance-based formula for adult programming at Ohio Technical Centers, formerly referred to as vocational schools. Bringing our Ohio Technical Centers under a performance-based funding model will put them in line with our public universities and community colleges. The groundbreaking aspect of this proposal is that, as of FY15, 50 percent of the funding would be based on OTC students going on to a job, military service or additional post-secondary education and training.

### **Helping Students Navigate the Path to a College Degree (College Credit Plus)**

In addition to graduating our students, we want to make sure they are completing their degree, certificate or credential in less time and for less cost. Currently, only a small fraction of students take advantage of Ohio's dual credit programs<sup>3</sup>,

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<sup>1</sup> According to Complete College America data (2011) <http://www.completecollege.org/docs/Ohio.pdf>

- 36% of Ohio adults have a associates degree or higher
- 59% of Ohio jobs require a career certificate or college degree
- 23% skills gap in Ohio

<sup>2</sup> According to OhioMeansJobs (as of March 9, 2014) - 149,835 unfilled jobs in Ohio

<sup>3</sup> According to the Ohio Department of Education, Ohio has approximately 30,000 high school students that currently participate in dual credit programs, which represents about 5% of the 560,000 high school students.

which allow them to begin earning credit toward a college degree while still in high school. House Bill ### codifies the provisions outlined by the College Credit Plus report, which recommends ways to ensure that access to accelerated programs to degree completion is expanded to all students. An improved system to help high schools encourage more students to get college credit will give students a jump on their college careers and also help reduce college costs for them and their families.

The proposed College Credit Plus program will govern students who are engaged in college coursework while in high school to receive both transcribed high school **and** college credit. In developing the College Credit Plus recommendations, HB 59 directed me to convene representatives from both the higher education and K-12 communities, including stakeholders from public and private universities, community colleges, and adult career-technical centers; the State Superintendent of Public Instruction; and a variety of K-12 public and private stakeholder groups. Each representative had an opportunity to provide feedback on the current system and make suggestions for improvement. I relied heavily on the input from the interested parties in formulating these recommendations.

The recommendations contained within the College Credit Plus report are targeted at achieving the following results:

- 1) Establishing a clearly defined system of dual credit in Ohio
- 2) Creating a transparent and equitable system of funding for dual credit
- 3) Providing greater access to student populations that have not taken full advantage of dual credit opportunities in the past
- 4) Producing more college- and career-ready students

The recommendations require public high schools and public colleges and universities to participate, and they allow private high schools, private colleges and universities, and homeschooled students to participate. Additionally, students taking part in a College Credit Plus program must meet admission and college-readiness criteria set by the participating college or university.

Funding for the College Credit Plus program would be based on a per college credit hour model, with a maximum and minimum per credit hour charge. High school and higher education partners may negotiate a per credit amount within the maximum and minimum range, as well as an amount for items such as books, fees, location, instructor pay, etc. School districts will retain a percentage of foundation funding for a student participating in College Credit Plus.

Courses within College Credit Plus must be both relevant and meaningful. A course must be non-remedial and included in a college's or university's course catalog for transcribed credit that applies toward a degree or certification. Course instructors must also meet the Ohio Board of Regents' faculty credential requirements.

Information about the College Credit Plus program (including, but not limited to, counseling, advising, coordinated events, and website updates) must be provided to students and parents. I also recommend that there be a no-cost option for every student at every public high school. It is important to ensure access, regardless of income, to all of our students across the state.

### **Providing Distance Education across State Lines**

The use of technology on our college campuses is changing rapidly, and we have been looking at ways to provide

students with greater access to distance education programs. A wealth of learning opportunities exists for adult learners and teachers, including various modes of “distance learning” that take place outside the traditional classroom. To take full advantage of this emerging technology, we would like to have the ability to enter into an interstate reciprocity agreement with the Midwestern Higher Education Compact for the purpose of allowing post-secondary institutions to deliver distance education in and outside of Ohio. Currently, Ohio colleges and universities must attain approval or exemption from the appropriate state higher education agency in every state where it enrolls residents of that state.

Participation in this reciprocity agreement would remove that barrier, allow Ohio colleges and universities to expand their distance education offerings, and create more access opportunities for Ohio residents wanting to enroll in distance education.<sup>4</sup>

### **Providing Tuition Certainty to Students**

In his state budget last year, Governor Kasich and the legislature successfully sought to limit in-state undergraduate tuition and general fee increases to no more than 2 percent at our four-year universities and \$100 at our two-year community colleges. We were pleased to see several schools make an effort to hold the line on tuition even further. While some of our four-year schools stayed below the 2 percent increase, several others took the opportunity to freeze tuition for their students or look at ways to create four-year tuition freeze plans.

To build on that progress and keep Ohio’s colleges more affordable, under House Bill 472, Ohio’s community colleges would be given the option of giving their students a guaranteed tuition rate that would apply throughout their time on campus. Under this provision, I will have the ability to establish guidelines and approve requests for tuition guarantee programs for community colleges. This cost predictability will give families the ability to plan their finances more effectively, while encouraging students to stay in school until their degree or certificate is completed.

### **Showing Veterans That They are Valued**

As Governor Kasich mentioned in his recent State of the State address, the U.S. Armed Forces provides some of the best training and education in the world. When we talk about the efforts being made to get Ohio’s students through college and on to a successful career, those students include the thousands of military servicemembers and veterans at our college campuses. Last June, Governor Kasich issued an Executive Order to support Ohio’s veterans by ensuring they are receiving the appropriate credit and credentialing for their military training and experience. The Board of Regents was tasked with working with the presidents of the University System of Ohio to conduct a thorough review of current institutional policies and practices, and to make recommendations for simplifying and improving the process for awarding college credit for military training, experience, and coursework. Working with the Governor’s Office of Workforce Transformation and the Department of Veterans Services, we drafted recommendations to help veterans get the proper credit and credentialing.

When reentering civilian life as a college student, veterans often struggle to learn their options and take advantage of the many opportunities available on a college campus. We do have some schools that are excelling at reaching out to our veterans, and we will work with every public campus in the state to ensure they can make this transition easy for all returning veterans.

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<sup>4</sup> Indiana is the first state to be approved as a “SARA” (State Authorization Reciprocity Agreement) state; of the 45 states that require legislative approval, 20 states have introduced legislation to join the agreement, 9 states have passed legislation (Source: National Council for State Authorization Reciprocity Agreements - <http://www.nc-sara.org/content/sara-state-status>)

House Bill 472 requires the Board of Regents to develop baseline standards for granting credit for military experience; have each USO institution establish a single point of contact on campus to assist veterans on issues relating to earning credit for their military experience; and ask USO institutions to provide priority registration for veteran and active duty service members.

The bill also requires no-cost academic credit for veterans' training and experiences while on active duty. Academic credit for their training and experience will help tear down barriers to veterans' successful reintegration to civilian life, and give Ohio job creators ready access to an expanded pool of skilled workers.

### **Competing in the Global Economy**

With all of our efforts that encourage our students to stay in school, we are also interested in having them stay in Ohio after graduation. That goes for our international students, as well as our in-state and out-of-state students. The number of international students attending Ohio's colleges and universities is at an all-time high at more than 28,000, and the state's future workforce needs – especially in engineering and scientific fields – would benefit greatly from their contributions to a well-trained workforce.<sup>5</sup>

With this in mind, House Bill 472 requires me to designate within the Board of Regents a new globalization liaison. This liaison will work with our state institutions of higher education to identify ways to increase the recruitment and enrollment of international students and encourage them to remain in the state after graduation. It is our hope that, ultimately, this effort will result in keeping international students in high-demand jobs where there is a skills gap, while at the same time building the pipeline to educate more Ohioans for these opportunities.

### **Making College Credit More Accessible**

Establishing a new academic or training program can be an expensive, time-consuming process, and student demand or local industry needs may not be enough to justify the cost and effort associated with building an entire new curriculum from scratch. Through the University System of Ohio's Course and Program Sharing Network, which was proposed through Senator Beagle's SB 69 and included in this MBR, institutions can efficiently respond to the demands of their local educational marketplace while controlling the costs of new curricula development.

The Course and Program Share Network partnership model would allow two or more institutions to work in collaboration to deliver programming in order to meet a specific business or industry need. These kinds of industry sector partnerships are important models to address workforce challenges. Identifying preferred programs for specific workforce needs and sharing them across institutions becomes a worthwhile outcome of sector partnership work.

### **Furthering Education and Career Opportunities for Adults**

Education is a vital part of a skilled workforce. Today in Ohio, there are approximately one million adults without a high school diploma. In this bill, the Board of Regents is suggesting a study, similar to what was done with the College Credit Plus recommendations, to investigate ways the state can increase the number of adults with a high school diploma equivalency, along with a pathway to additional education and training that could lead to a career. Ohio ranks second in

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<sup>5</sup> According to NAFSA: Association of International Educators, there were 28,373 foreign students in Ohio for the 2012-2013 academic year

the country in the number of GED students going on to college, and having a GED does qualify a student for both federal financial aid and entry into the military.

We propose engaging a variety of stakeholders, including the State Superintendent of Public Instruction; state agencies such as the Ohio Department of Job and Family Services and the Governor's Office of Workforce Transformation; representatives from community colleges and ABLÉ programs; and others as issues are identified. As the Governor outlined in his State of the State address, we want to lift more Ohioans out of poverty, and providing a high school equivalency and career pathway to one million of our residents would go a long way toward achieving this goal.

### **Reviewing Faculty Workload**

Faculty engagement with students can be a key component in a student's education, and can play a big role in the completion of a student's degree or certificate. However, we often hear concerns from the public regarding the amount of work as compared to the amount of compensation for faculty at our universities. This provision would require each university to report on current policies and practices regarding the assignment of faculty workload. Additionally, each university would evaluate its current practices and propose a plan to maximize faculty performance.

I would like to thank you for taking the time to listen to our testimony today on behalf of higher education. We can now answer any questions you may have.