

RECOMMENDATIONS OF THE
OHIO HIGHER EDUCATION FUNDING COMMISSION



AMERICA HAS TO GROW ITS WORKFORCE

THE **BIG** GOAL

Increase the proportion of Americans with high-quality college degrees and credentials to 60% by 2025.

The United States risks an unprecedented shortage of college-educated workers in coming years. With the global economy demanding more and more highly skilled workers, economists and labor experts say increasing college attainment is a national imperative.



■ HERE'S HOW OHIO STACKS UP

35.79%

Current % of adults with college degrees (2010)

60%

Goal for 2025

44%

Projected rate in 2025

16%

Projected gap for 2025

35th

Rank among states in terms of college attainment

57%

Percentage of jobs requiring a college credential by 2018

■ TRACKING THE TREND IN OHIO

35.79% of the state's 6.1 million working-age adults (25-64 years old) hold at least a two-year degree.

2008

34.9%

2009

34.7%

2010

35.8%

The national average is 38.3%

(According to 2010 Census data).

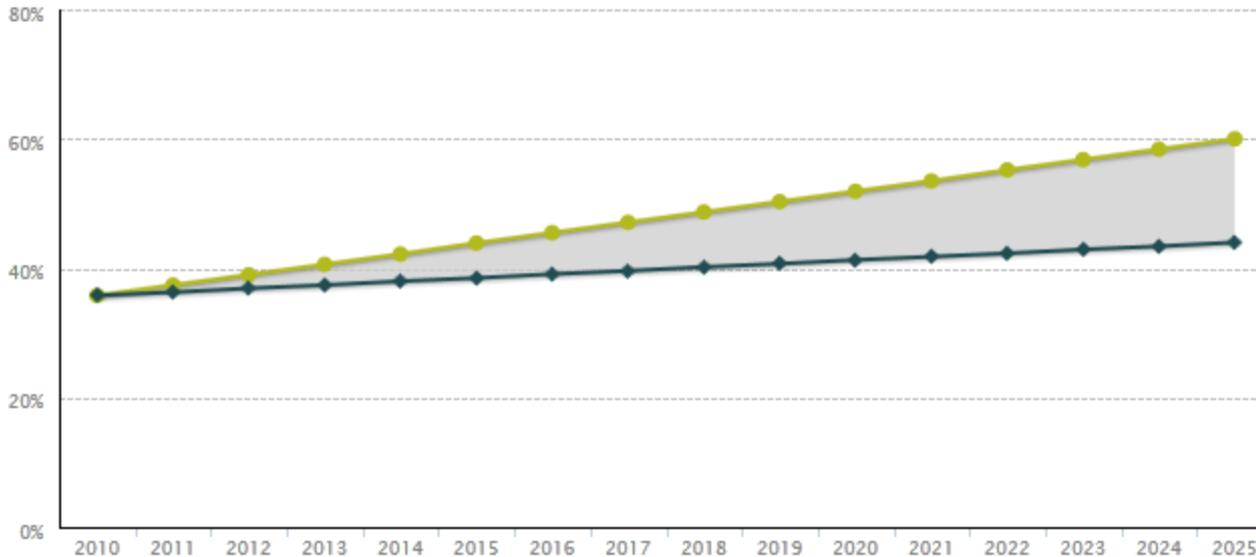
National

Average

38.3%

► **Projected Degree Gap**

◆ Trend Projected for 2025 ● Goal



■ THE QUICK BREAKDOWN

60%

Goal for 2025

16%

Projected gap

918,721

Additional degrees required to meet workforce needs in 2025

44%

Projected rate in 2025

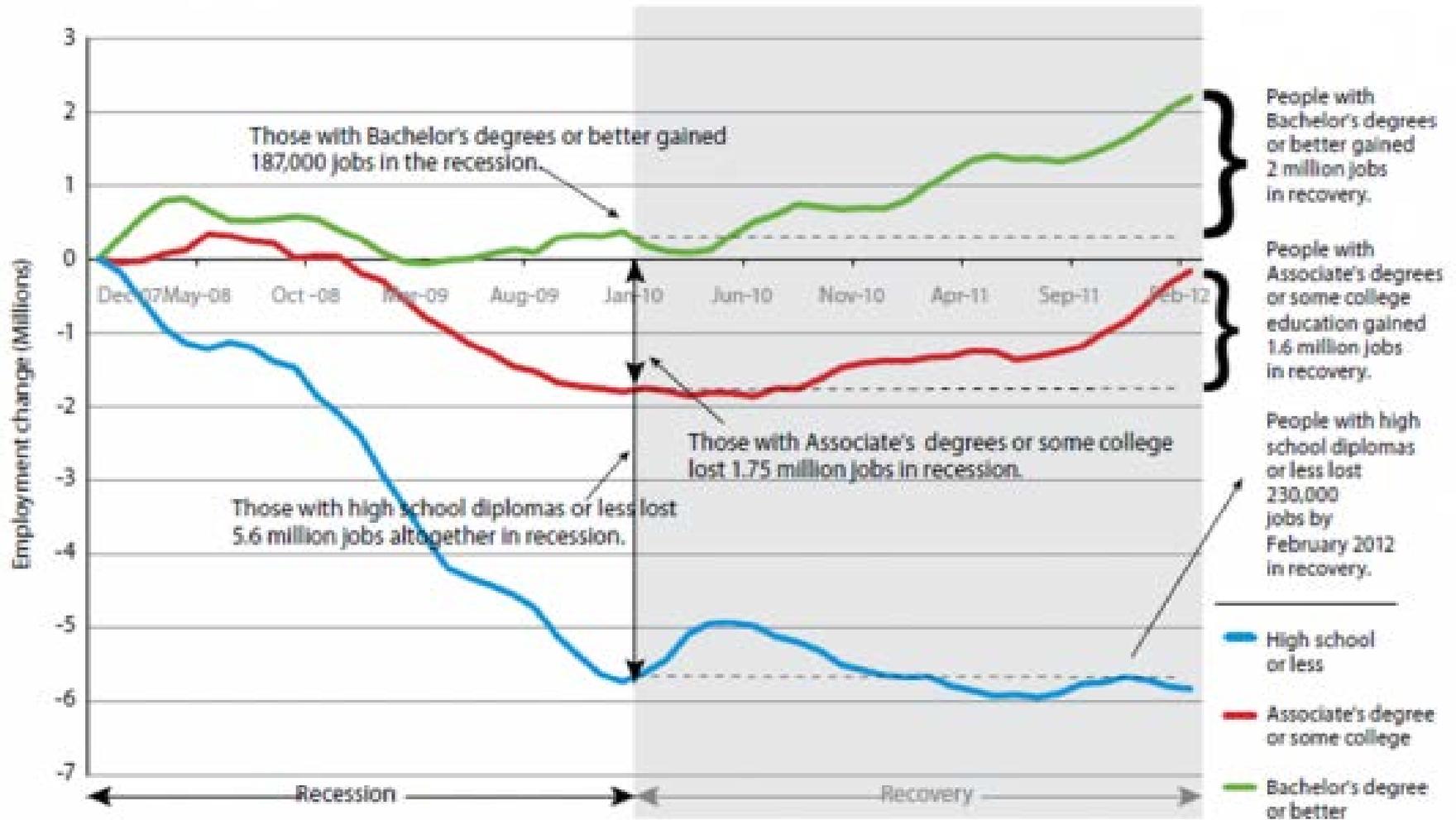
Reaching the Big Goal

PERCENTAGE OF OHIO ADULTS (AGES 25-64) WITH AT LEAST AN ASSOCIATE DEGREE, BY COUNTY

Sort by: [County](#) | [Attainment Rate](#)

Adams	17.91	Allen	27.8	Ashland	27.71
Ashtabula	21.36	Athens	38.34	Auglaize	27.95
Belmont	27.33	Brown	18.96	Butler	35.75
Carroll	20.32	Champaign	22.92	Clark	27.39
Clermont	35.11	Clinton	23.93	Columbiana	24.13
Coshocton	20.83	Crawford	21.89	Cuyahoga	38.97
Darke	22.13	Defiance	26.89	Delaware	60.74
Erie	31.68	Fairfield	36.27	Fayette	20.6
Franklin	44.22	Fulton	25.98	Gallia	25.06
Geauga	45.63	Greene	47.74	Guernsey	22.13
Hamilton	43.16	Hancock	36.72	Hardin	23.48
Harrison	19.92	Henry	24.11	Highland	18.16
Hocking	20.61	Holmes	14.95	Huron	21.86
Jackson	21.31	Jefferson	27.42	Knox	26.67
Lake	36.46	Lawrence	22.58	Licking	32.23
Logan	22.36	Lorain	32.25	Lucas	33.96
Madison	25.61	Mahoning	30.46	Marion	20.81
Medina	41.31	Meigs	23.09	Mercer	28.33
Miami	30.93	Monroe	20.76	Montgomery	35.82
Morgan	18.72	Morrow	22.42	Muskingum	24.23
Noble	17.21	Ottawa	32.3	Paulding	21.72
Perry	17.45	Pickaway	21.15	Pike	20.38
Portage	33.75	Preble	20.68	Putnam	34.75
Richland	25.75	Ross	21.77	Sandusky	26.74
Scioto	22.21	Seneca	27.26	Shelby	24.26
Stark	30.98	Summit	40.77	Trumbull	25.81
Tuscarawas	23.4	Union	37.45	Van Wert	24.94
Vinton	16.65	Warren	47.09	Washington	26.6
Wayne	27.45	Williams	24.13	Wood	42.81
Wyandot	25.44				

UNEMPLOYMENT RATES AMONG INDIVIDUALS AGES 25 AND OLDER, BY EDUCATION LEVEL



OHIO HIGHER EDUCATION CAPITAL FUNDING COLLABORATIVE

- **Changing relationship between the State of Ohio and the state's colleges and universities.**
- **Repealed the previous capital funding formula from state law, and did not replace it with a new one.**
- **Instead, University and Community College Presidents recommended a series of projects for funding that followed statewide strategic principles.**
- **Recommended that Ohio invest in four strategic investment themes:**
 - **Public-Private Partnerships**
 - **Workforce Development (Stark State & Zane State Energy Centers)**
 - **Engineering and Basic Science Collaborations**
 - **Long-term maintenance projects (focus on student learning areas and projects that reduce campus operating costs)**
- **Showed a willingness to be innovative and set the stage for future collaborations.**

OHIO HIGHER EDUCATION FUNDING COMMISSION

The Commission was Given Broad Reform Goals by Governor Kasich

- Improve graduation rates and the time it takes to graduate.
- Encourage the best and brightest students to stay in Ohio to learn as well as come to Ohio to learn.
- Make higher education more affordable.
- Encourage graduates to stay in Ohio after they graduate.

President E. Gordon Gee (Chair)
The Ohio State University

President Kevin Boys
Southern State Community College

President Jerry Sue Thornton
Cuyahoga Community College

President Morris W. Beverage
Lakeland Community College

President David Hodge
Miami University

President David Hopkins
Wright State University

President Paul Brown (Vice Chair)
Zane State College

President Rita Rice Morris
Shawnee State University

President Roderick McDavis
Ohio University

Mr. Bruce Johnson
Inter-University Council

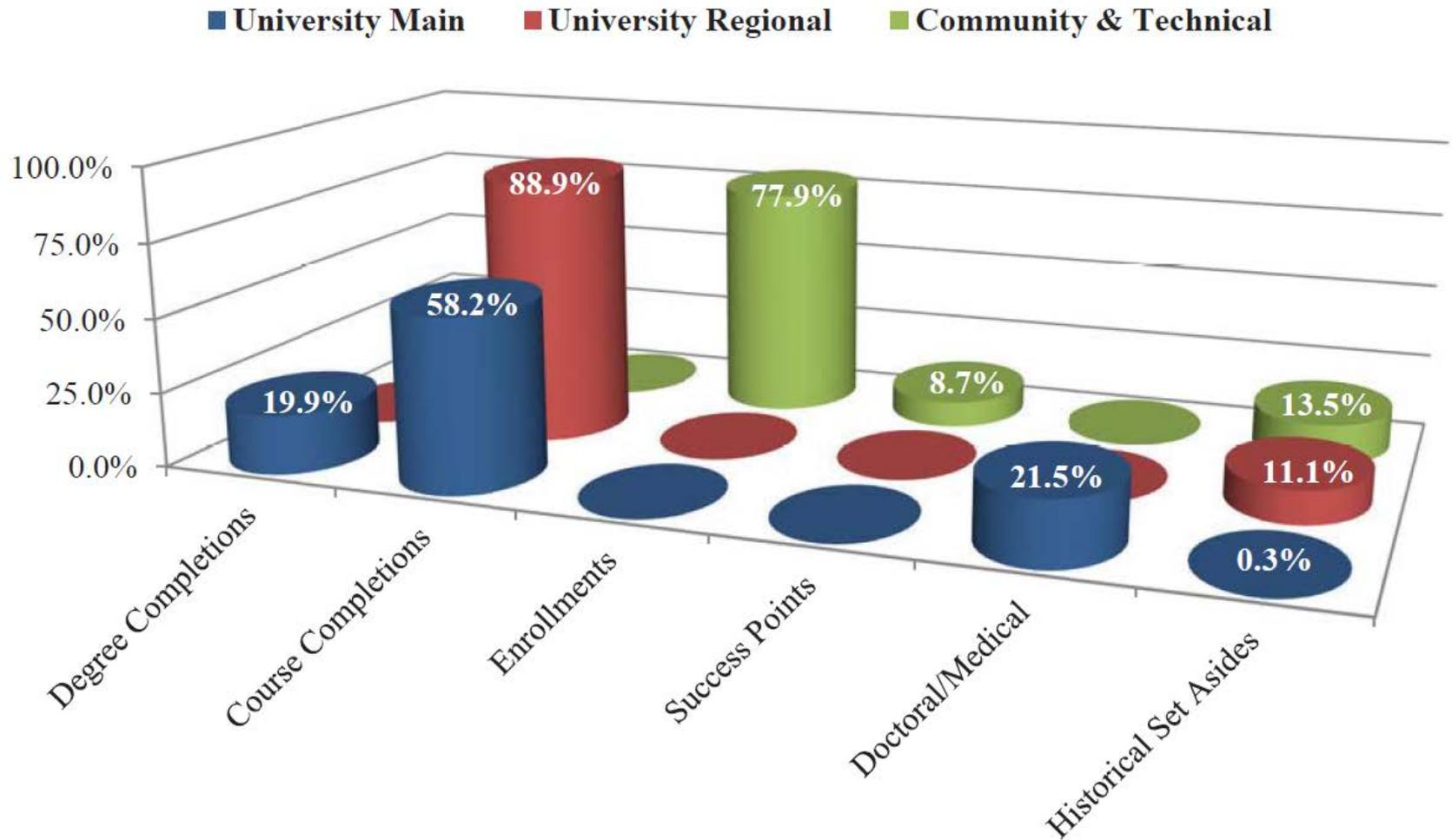
Dr. Ron Abrams
Ohio Association of Community Colleges

Mr. Jack Hershey (Staff)
The Ohio State University

BUILDING BLOCKS OF OHIO'S FORMULA

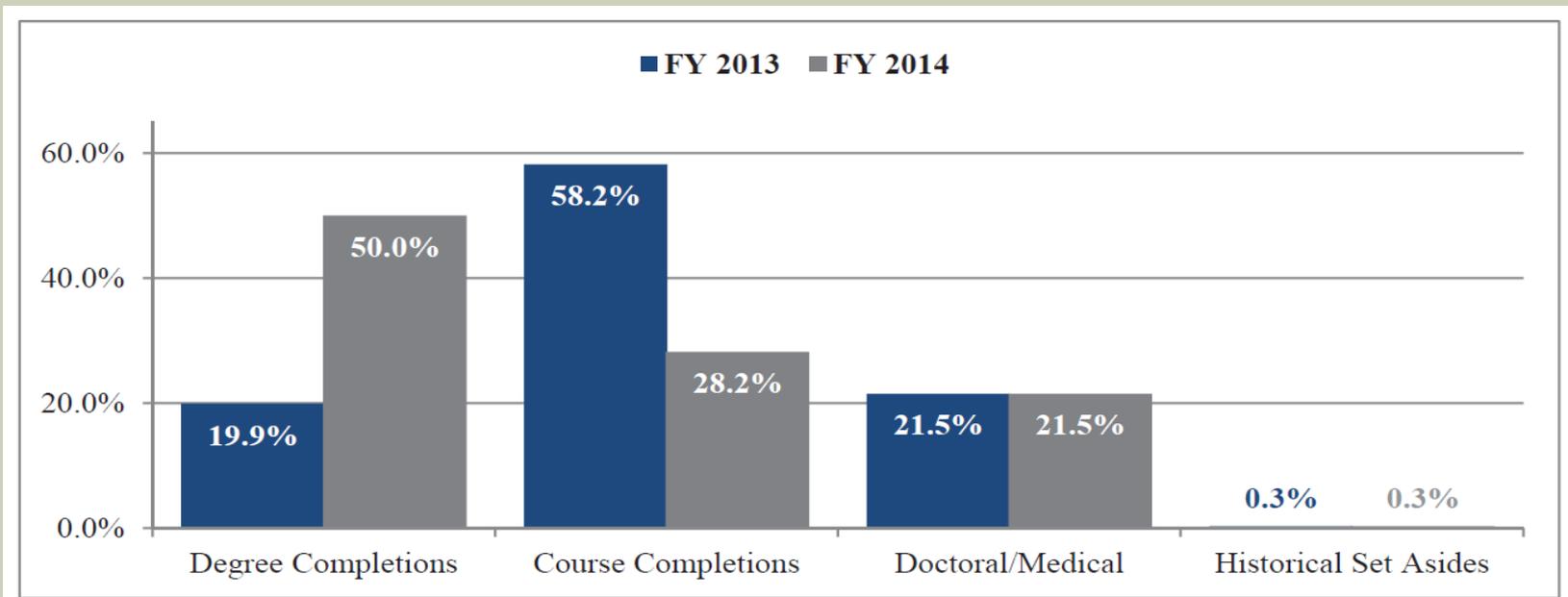
- **Formula is based on statewide average costs of academic programs.**
- **Formula is based on how you perform proportionately as compared to peers.**
- **State funding is distributed by different formulas for schools with different missions.**
- **Funding flows within sectors, but not between them.**
- **None of these core principles above change in the new formula.**
- **What does change are the funding priorities and the incentives built into the new formula.**

FY 13 SSI FORMULA DISTRIBUTION



CHANGE PRIORITIES. CHANGE CULTURE.

- Graduation becomes the new measure of success in Ohio's funding formula.
- 50% of state funds rewarded based on number of degrees produced.



UNIVERSITY MAIN CAMPUS FORMULA

FISCAL YEAR 2014

Eliminate the Stop Loss Provision from the Formula

- Unlike the K-12 guarantee, the stop-loss guarantee was re-distributive.

Eliminate Historical Set Asides

- Two outdated regional campus earmarks are eliminated.
- Earmarked funds totaled \$12.9 million in FY 2013.
- Same earmarks to be eliminated for university main campuses in FY 2016.

Adopt a Standard Three-Year Average

- Several different methods of averaging are used in FY 2013 formula.
- In FY 2014, a standard three-year average is used throughout the formula.
- Compensates schools who switched from quarters to semesters.

UNIVERSITY MAIN CAMPUS FORMULA

FISCAL YEAR 2015

Proportional Credit for Transfer Students

- Currently, degree completion funding is awarded entirely to the institution from which a student graduates.
- In FY 2015, degree funding will be awarded proportionally based on the actual amount of credits taken at different universities.

Apply At-Risk Weights at the Student Level

- At-risks weights provide additional funding to universities for graduating students from at-risk populations in recognition of additional support services those students may need.
- These weights are currently applied at the campus level through a general campus index based on the number of at-risk students you enrolled.
- The new formula will apply the weight at the student level, when they graduate, and will be based on the student's precise level of at-risk factors.

REGIONAL & BRANCH CAMPUS FORMULA

Merge the Two University Sector Formulas into One

- The separate funding formula for regional and branch campuses is eliminated.
- Funding previously allocated through two separate streams is merged in FY 15.
- Goal now for every student accepted into a university is the same: Graduate

Award Credit for Associate Degrees

- Currently, only a small number of main campuses earn credit for awarding associate degrees.
- The new formula provides funding for associate degrees earned at all university regional and main campuses.

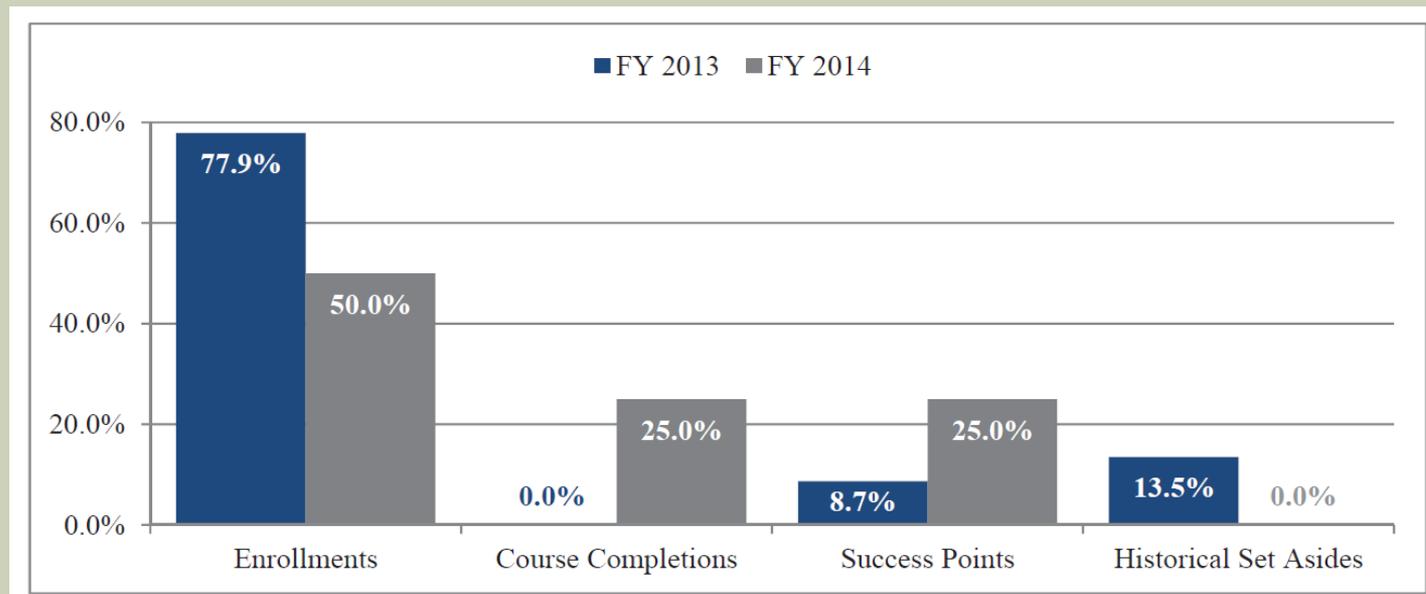
Proportional Credit for Transfer Students

Regional Campus Program Approval

- Campuses would be allowed to offer any program that the main campus is already approved to offer by the Board of Regents.

CHANGE PRIORITIES. CHANGE CULTURE.

- **Course completion (skill acquisition) becomes the new measure of success in Ohio's community college funding formula.**
- **Under the old formula, enrollments were the main measure of success.**
- **Presidents make an immediate commitment to completion in FY 14.**



COMMUNITY COLLEGE FORMULA

FISCAL YEAR 2014

Eliminate Historical Set Asides

- Two outdated earmarks within the formula are eliminated.
- Earmarked funds totaled \$54.5 million in FY 2013.
- Funding remains in the community college formula to be distributed through the new completion based formula.

Adopt a Standard Three-Year Average

- Several different methods of averaging are used in FY 2013 formula.
- In FY 2014, a standard three-year average is used throughout the formula.
- Compensates for schools who switched from quarters to semesters.

COMMUNITY COLLEGE FORMULA

FISCAL YEAR 2015

State Funding Based on Enrollment Levels is Eliminated

- 100% of funding will now be based on completion-based factors.

Eliminate the Stop Loss Provision from the Formula

- Follows the recommendation to eliminate this from University formula in FY 14.

Develop a Degree Completion Incentive

- A new formula provision will be developed by community college leaders, to reward the successful completion of an associate degree or transfer to a university.
- Recommend that the Regents work with campuses to develop statewide standards for certificates, and then begin to count them in Ohio's formula.

Maintain the Access Mission of Community Colleges

- A new formula weight will be developed to reward schools that are successful in enrolling and educating non-traditional and at-risk student populations.

SUCCESS POINT SYSTEM A SUCCESS

The current formula's Success Point incentive system rewards campuses with points based on certain student achievements:

- 15 college level semester credit hours
- 30 college level semester credit hours
- Earn an associate degree
- Complete first developmental course in current year
- Complete a developmental English course and attempt college level English
- Complete a developmental Math course and attempt college level Math
- Enroll at a university main or regional campus after earning at least 15 college level semester credit hours

Since first adopted in the Ohio funding formula in 2009, the number of success points earned has increased almost 25%.

Provides evidence that performance based funding models produce results.

ATTRACTING A WORKFORCE INTO OHIO

Old Approach:

Only attempt to grow the workforce among current Ohio residents.

New Approach:

Incentivize colleges and universities to also help grow Ohio's workforce by attracting the best and brightest students to come to Ohio to learn and eventually work here for Ohio businesses.

Recommended Change:

Universities that attract students from other states to come to Ohio would be rewarded in the new formula with a 50% FTE credit in the formula only if they stay in the state after graduation to work or go to graduate school.

QUESTIONS?