



Ohio Legislative Service Commission

Bill Analysis

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Sub. H.B. 484*

130th General Assembly
(As Reported by S. Finance)

Reps. Rosenberg and Brown, Dovilla, Amstutz, R. Adams, Anielski, Antonio, Baker, Beck, Boose, Buchy, Burkley, Clyde, Damschroder, Derickson, DeVitis, Duffey, Foley, Green, Grossman, Hackett, Hall, Hayes, Hill, McClain, McGregor, O'Brien, Patterson, Pillich, Ramos, Redfern, Rogers, Sears, Sprague, Stebelton, Stinziano, Winburn, Batchelder

BILL SUMMARY

- Repeals current enrollment limits (as shown in parentheses) for the central campuses of Bowling Green State University (17,000), Kent State University (22,000), Miami University (17,000), Ohio University (22,000), and the Ohio State University (42,000).
- Authorizes a community college, state community college, or technical college to establish a tuition guarantee program, subject to the approval of the Chancellor of the Board of Regents, and requires the Chancellor to establish guidelines for developing such programs and submitting applications to the Chancellor.
- Requires the treasurer of a state community college to be insured, in lieu of being bonded as required under current law, for "faithful performance of official duties and proper accounting for all moneys coming into the treasurer's care."
- Eliminates the current requirement for a state community college treasurer's bond to be approved by the Attorney General.
- Requires the Chancellor to establish a course and program sharing network to enable state institutions of higher education and adult career centers to share curricula for existing courses and academic programs and to adopt rules to administer the network.

* This analysis was prepared before the report of the Senate Finance Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

- Regarding the commitment for future awards that the Chancellor and Controlling Board may make to a state institution of higher education under the Ohio Co-Op/Internship Program, removes the existing prohibition on committing to awarding any proposal after June 30, 2014, and instead prohibits committing to awarding any proposal for a period that exceeds five fiscal years.
- Specifies that, when an award or a commitment for an award under the Co-Op/Internship Program expires, an institution may apply for a new award.
- Prescribes a revised formula for funding community colleges, state community colleges, and technical colleges, beginning with fiscal year 2015, that allocates amounts to colleges in proportion to their share of certain prescribed student success factors.
- Prescribes a formula for funding Ohio Technical Centers based on certain milestones of student achievement.
- Requires the Chancellor, by December 31, 2014, to evaluate performance-based funding practices and policies at all state institutions of higher education and to report each institution's graduation rate compare to the institution's expected graduation rate and make recommendations regarding funding weights and factors, including potential funding weights and factors for veterans and individuals who are first-generation college students, to the Governor and the General Assembly.
- Creates the Higher Education Student Financial Aid Workgroup to review financial assistance provided to Ohio residents that attend institutions of higher education in the state and develop recommendations with regard to the types of financial assistance available, including assistance for at-risk populations, and optimal funding levels.
- Requires the Workgroup to submit its recommendations to the Governor and General Assembly not later than December 31, 2014.
- Permits the Chancellor to enter into a reciprocity agreement with the Midwestern Higher Education Compact to allow a participating institution of higher education in another state to enroll Ohio residents, and a participating institution in Ohio to enroll residents of a participating state, in distance education programs without prior approval from the Chancellor or appropriate agency.
- Requires the Chancellor to designate a "post-secondary globalization liaison" to work with state institutions of higher education, state agencies, and representatives of the business community to enhance the state's globalization efforts.

- Requires the Chancellor, by December 31, 2014, to submit recommendations to the Governor, Speaker of the House, and President of the Senate regarding future efforts to promote the state's post-secondary globalization.
- Requires the Chancellor to make available on the Chancellor's website a complete inventory of education programs that focus on workforce development and training.
- Permits a teacher preparation program to satisfy the standards of an independent accreditation organization by satisfying the standards of any applicable national educator preparation accrediting agency recognized by the United States Department of Education.

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CONTENT AND OPERATION

Caps on enrollment at state universities

(Repealed R.C. 3345.19)

Current law prescribes enrollment limits (as shown in parentheses) for the central campuses of Bowling Green State University (17,000), Kent State University (22,000), Miami University (17,000), Ohio University (22,000), and the Ohio State University (42,000). That law also specifies that campus housing facilities can only be authorized within those limitations by a university's board of trustees.



The bill repeals those provisions.

Community college tuition guarantee program

(R.C. 3333.33)

The bill authorizes a community college, state community college, or technical college to establish a tuition guarantee program, subject to the approval of the Chancellor of the Board of Regents. It also requires the Chancellor to establish guidelines for college boards of trustees to follow when developing their tuition guarantee programs and submitting their applications to the Chancellor.

State community college treasurers

(R.C. 3358.06)

Current law requires the treasurer of each state community college, prior to discharging any official duties, to give a bond to the state for "faithful performance of official duties and proper accounting for all moneys coming into the treasurer's care." The bill authorizes the treasurer to be insured, in lieu of bonding. The bill also eliminates a current requirement that the bond be approved by the Attorney General.

Course and program sharing network

(R.C. 3333.90)

The bill requires the Chancellor to establish a course and program sharing network that enables members of the University System of Ohio (state institutions of higher education) and adult career centers to share curricula for existing courses and academic programs. The bill states that the network's purpose is to increase course availability across the state and to avoid unnecessary course duplication through the sharing of existing curricula. The bill requires the Chancellor to adopt rules to administer the course and program sharing network.

Ohio Co-Op/Internship Program

(R.C. 3333.77)

The bill makes changes regarding the commitment for future awards that the Chancellor and Controlling Board may make to an institution under the Ohio Co-Op/Internship Program. Under current law, when making an award under the Program, the Chancellor, subject to Controlling Board approval, may commit to giving an institution's proposal preference for future awards after the current fiscal year or fiscal biennium, provided that proposal satisfies specified conditions for eligibility.



However, the Chancellor and Controlling Board are prohibited from committing to awarding any proposal after June 30, 2014. The bill removes this prohibition and, instead, prohibits the Chancellor and the Controlling Board from committing to awarding any proposal for a period that exceeds five fiscal years.

The bill also specifies that, when an award or a commitment for an award under the Program expires, an institution may apply for a new award.

Background

The purpose of the Ohio Co-Op Internship Program is "to promote and encourage cooperative education programs and internship programs at Ohio institutions of higher education . . . in order to support the growth of Ohio's businesses by providing businesses with Ohio's most talented students and providing Ohio graduates with job opportunities with Ohio's growing companies." The program must recruit both Ohio residents who have remained in the state and those who have left Ohio to attend out-of-state institutions. It must either, or both, (1) "support the creation and maintenance of high quality academic programs that utilize an intensive cooperative education or internship experience for students" or (2) "assign a number of scholarships to institutions to recruit Ohio residents as students in a high quality academic program." If scholarships are included in an award to an institution of higher education, they are to be awarded as grants to the institutions and then reflected on the students' tuition bills.¹

Funding formulas for two-year and technical post-secondary institutions

Community colleges, state community colleges, and technical colleges

(Sections 363.190 and 363.200 of Am. Sub. H.B. 59 of the 130th General Assembly, amended in Sections 3 and 4 of the bill)

The bill prescribes a revised formula for funding community colleges, state community colleges, and technical colleges, beginning with fiscal year 2015, based on formal recommendations of the college presidents made to the Chancellor in December of 2013. Under the bill's provisions, state funding for those colleges is allocated in proportion to their share of certain prescribed student success factors. The bill also provides bridge funding to assist colleges as they transition to the new funding formula.

¹ R.C. 3333.72 (second paragraph), not in the bill.



Ohio Technical Centers

(Section 363.120 of Am. Sub. H.B. 59 of the 130th General Assembly, amended in Sections 3 and 4 of the bill)

The Chancellor recognizes certain public career centers that offer post-secondary programs as "Ohio Technical Centers." Generally, these are the same centers that offer career-technical education programs for school-age students, such as joint vocational school districts, comprehensive career centers, and compact career centers (those that provide services on a contractual basis). The bill prescribes a formula for funding Ohio Technical Centers based on certain milestones of student achievement and provides specific earmarks for particular services.

Reference

For further description of the bill's provisions for two-year and technical post-secondary institution funding, see the LSC Fiscal Note and Local Impact Statement for H.B. 484. That document can be found at the General Assembly's website (<http://www.legislature.state.oh.us/>). Under "current legislation," search H.B. 484 and click on "Fiscal Notes."

Performance-based funding evaluation

(Section 7)

The bill requires the Chancellor to evaluate performance-based funding practices and policies at all state institutions of higher education (state universities and colleges, community colleges, state community colleges, university branches, and technical colleges²). The Chancellor also must make recommendations regarding funding weights and factors which must include, but not be limited to, potential funding weights and factors for veterans and individuals who are first generation college students. The report also must include each state institution's graduation rate compared to the institution's expected graduation rate.

The Chancellor must submit a report of the Chancellor's findings to the Governor and the General Assembly not later than December 31, 2014.

² R.C. 3345.011, not in the bill.



Higher Education Student Financial Aid Workgroup

(Section 6)

The bill creates the Higher Education Student Financial Aid Workgroup. The Workgroup is required to review financial assistance provided to Ohio residents that attend institutions of higher education in the state.

Membership

The Workgroup consists of the following members:

- (1) The Chancellor or the Chancellor's designee;
- (2) A representative of the Inter-University Council of Ohio selected by the Council;
- (3) A representative from the Ohio Association of Community Colleges selected by the Association;
- (4) A representative from the Association of Independent Colleges and Universities selected by the Association;
- (5) Two members of the House of Representatives, one each from the majority party and the minority party, appointed by the Speaker of the House;
- (6) Two members of the Senate, one each from the majority party and the minority party, appointed by the President of the Senate;
- (7) A representative of the Ohio Association of Career Colleges and Schools selected by the Association;
- (8) A representative from the Department of Veterans Services selected by the Director of Veterans Services;
- (9) A representative from the Ohio Association of Student Financial Aid Administrators selected by the Association;
- (10) Representatives of other organizations or other individuals as determined by the Chancellor.

The bill specifies that the Chancellor or the Chancellor's designee is the chairperson of the Workgroup.



Report

Not later than December 31, 2014, the Workgroup must develop recommendations with regard to the types of financial assistance available, including assistance for at-risk populations, and optimal funding levels and submit those recommendations to the Governor and the General Assembly. The Workgroup ceases to exist upon the submission of this report.

Interstate reciprocity agreement for distance education

(R.C. 3333.171)

The bill permits the Chancellor to enter into a reciprocity agreement with the Midwestern Higher Education Compact (MHEC) that allows both (1) a participating institution of higher education in another state to enroll Ohio residents in distance education programs at that institution without prior approval from the Chancellor, and (2) a participating institution of higher education in Ohio to enroll residents of another participating state in distance education programs at that institution without prior approval from the appropriate agency of the other state. Any eligible institution in Ohio that wishes to participate in the agreement is required to first attain approval for inclusion from the Chancellor. The bill defines eligible institutions as (1) state institutions of higher education (including state universities, state community colleges, community colleges, university and regional branches, and technical colleges), (2) private, nonprofit institutions of higher education, and (3) private, for-profit (proprietary) institutions of higher education authorized by the State Board of Career Colleges and Schools.

Upon approval from the Chancellor to participate in the agreement, an institution may enroll residents of a participating state in the approved programs without seeking further approval from the Chancellor, unless the institution adds new distance education programs and wishes to enroll residents of a participating state in those programs under the agreement. The bill specifies that all other "post-secondary activity" requiring the Chancellor's approval that is not part of the reciprocity agreement with MHEC remains subject to the Chancellor's review and approval as is provided for under current law.

Finally, the bill permits the Chancellor to do all of the following under the terms of the reciprocity agreement with MHEC:

(1) Apply on behalf of the state to participate in the agreement and designate the Board of Regents as the lead agency on the agreement;



(2) Develop criteria and procedures for Ohio institutions applying to participate in the agreement and for their continued participation in the agreement;

(3) Assess and collect fees and collect annual data from Ohio institutions participating in the agreement. The bill specifies that fees may be assessed according to rules adopted by the Chancellor, while data may be collected as prescribed by the Chancellor or as required by the MHEC.

(4) Develop a student grievance process to resolve complaints brought against Ohio institutions that are participating in the agreement and offering eligible distance education programs under that agreement;

(5) Work collaboratively with the State Board of Career Colleges and Schools to determine the initial and continued eligibility of institutions authorized by that Board. The State Board of Career Colleges and Schools monitors and regulates private for-profit (proprietary) career colleges and schools operating in Ohio.

(6) Terminate the agreement or remove the Board of Regents as the lead agency, if the Chancellor determines that the agreement is not in the state's or the Board of Regents' best interest; and

(7) Perform other duties and responsibilities required (presumably by the MHEC) for participation in the agreement.

Background

The Midwestern Higher Education Compact (MHEC) is one of four interstate compacts regarding higher education opportunities and services and serves the Midwestern region, including Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. Currently, MHEC and its regional partners – which include the New England Board of Higher Education (NEBHE), the Southern Regional Education Board (SREB), and the Western Interstate Commission for Higher Education (WICHE) – are working together on a national initiative called the State Authorization Reciprocity Agreement (SARA) to create interstate reciprocity in the regulation of postsecondary distance education. SARA is "an agreement among member states, districts, and territories that establishes comparable national standards for interstate offering of postsecondary distance

education courses and programs (and) is intended to make it easier for students to take online courses offered by postsecondary institutions based in another state."³

Post-secondary globalization

(R.C. 3333.44; Section 5)

The bill requires the Chancellor to designate a "post-secondary globalization liaison" to work with state institutions of higher education, state agencies, and representatives of the business community to enhance the state's globalization efforts. The bill specifies that the Chancellor may designate a current employee as the liaison.⁴

The bill also requires the Chancellor, not later than December 31, 2014, to submit recommendations on future efforts to promote post-secondary globalization in the state to the Governor, Speaker of the House, and President of the Senate. In developing the recommendations, the Chancellor must study current international post-secondary student recruitment practices and enrollment in the state and the retention of international post-secondary students in the state. The Chancellor must also consult institutions of higher education, state agencies, community organizations, and members of the business community.

The bill requires the Chancellor to include recommendations regarding future efforts to promote the state's post-secondary globalization, which consider implications of, and opportunities for, encouraging international students to remain in the state after graduation. The bill directs the Chancellor to place a particular emphasis on the economic impact and effects on workforce development and to identify provisions of state and federal law that could potentially limit the implementation of the recommendations.⁵

Inventory of education programs that focus on workforce development and training

(R.C. 3333.0413)

Under the bill, the Chancellor must make available by December 31, 2014, in a prominent location on the Chancellor's website, a complete inventory of education

³ National Council for State Authorization Reciprocity Agreements, "Frequently Asked Questions About SARA," November 18, 2013. For access, go to <http://nc-sara.org> and under the heading entitled "FAQs" on the left-hand side of the page, click on "FAQs printable pdf file."

⁴ R.C. 3333.44.

⁵ Section 5.



programs that focus on workforce development and training. The inventory must include both of the following:

(1) Programs offered by state institutions of higher education, adult career-technical institutions, and all private nonprofit and for-profit post-secondary institutions operating in the state; and

(2) Programs registered with the Ohio State Apprenticeship Council.

The bill expressly permits the Chancellor to update the inventory as necessary.

Educator preparation program accreditation

(R.C. 3333.048)

Under continuing law, the Chancellor jointly with the Superintendent of Public Instruction must: (1) establish metrics and preparation programs for educators and other school personnel and the higher education institutions that offer the programs, and (2) provide for the inspection of those institutions.⁶ The Chancellor must, based on the metrics and preparation programs, approve institutions with preparation programs that maintain satisfactory training procedures and records of performance.⁷

Under the bill, if those metrics require a teacher preparation program to satisfy the standards of an independent accreditation organization, the program may do so by satisfying the standards of any applicable national educator preparation accrediting agency recognized by the United States Department of Education, rather than by satisfying the standards of either the National Council for Accreditation of Teacher Education or the Teacher Education Accreditation Council as specified in current law.⁸

The bill also expands the source of funds that an institution of higher education may use to pay for the costs of making required curricular changes for educator preparation programs from existing "appropriations," as under current law, to existing "revenue sources."⁹

⁶ R.C. 3333.048(A).

⁷ R.C. 3333.048(B).

⁸ R.C. 3333.048(C).

⁹ R.C. 3333.048(F).

HISTORY

ACTION	DATE
Introduced	03-18-14
Reported, H. Finance & Appropriations	04-09-14
Passed House (92-0)	04-09-14
Reported, S. Finance	---

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