

3 things to know about DeWine's plan to tie Ohio college funding to job placement

By **Laura Hancock**
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COLUMBUS, Ohio - While Ohio currently bases a higher education funding on course completion, certificates, and degrees, Gov. Mike DeWine wants to expand this approach by rewarding colleges for their graduates' employment outcomes.

"It's time to take the next step forward: That next step is funding colleges based on whether graduates are gainfully employed after graduation," DeWine said on Feb. 3, [when he unveiled his \\$218 billion, two-year proposed budget](#) to the legislature.

"That will become one of the factors. Our budget does exactly that, making Ohio the first state, we believe, in the nation to tie a significant portion of funding for college and universities to whether their graduates are in fact getting jobs."

DeWine's budget plan, [House Bill 96](#), is being reviewed and amended in the Ohio House. The budget bill must clear both chambers by the end of June, ahead of the new fiscal year starting July 1.

Cleveland.com/ The Plain Dealer sent a message to the chair of the Ohio House Finance Committee to inquire about whether DeWine's idea is likely to survive those changes.

Piet van Lier, a senior researcher with Policy Matters Ohio, a left-leaning think tank, argued before lawmakers Feb. 25 that Ohio's main funding stream for higher education has not kept up with inflation for decades.

He [cited research](#) from the State Higher Education Executive Officers Association that says the \$6,741 per full-time student enrollment at public institutions was 61% of the U.S. average. That's down from \$7,679, or 77% of the U.S. average, in 2006.

"In short, Ohio underfunds public higher education compared to the rest of the nation and is moving in the wrong direction," he said.

Professors are concerned that schools may try to steer students into majors associated with lucrative, entry-level jobs. But not everyone has the aptitude to major in engineering, said Sara Kilpatrick, executive director of the Ohio Conference of the American Association of University Professors.

If there is an overemphasis on short-term wages as a result of DeWine's plan, then the liberal arts could be hurt, she said.

"There definitely is a concern that this is meant to undermine the liberal arts," Kilpatrick said. "We want to ensure this isn't going to be misused."

Below are three things to know about the proposal.

1. Tuition and fees generally count among the largest components of college funding.

The largest components of college funding in Ohio are typically tuition, fees, room, board, federal Pell grants and loans that cover tuition and other expenses, said Jeff Robinson, the director of communications at the Ohio Department of Higher Education.

If the university has one or more medical centers, these can provide revenue. Private donations and state funding also provide funding, Robinson said.

Ohio has 14 public universities and 23 public community colleges, all with different budgets.

"State funding, while substantial, may amount to a relatively small share of an institution's overall revenues," Robinson said in an email.

State funding is called the State Share of Instruction, or SSI. It's about \$2.1 billion or 70% of the Ohio Department of Higher Education's budget.

"Currently, SSI funds Ohio's public colleges and universities based on student performance with specific regard to course, certificate, and degree completions over a rolling three-year period," he said.

2. DeWine's plan would award about \$100 million to schools based on post-graduation employment outcomes.

Robinson said \$100 million is about 5% of DeWine's proposed \$2.1 billion SSI.

"This would complement the existing SSI formula that rewards course, certificate, and degree completions," he said.

DeWine's plan would base outcomes on the [U.S. Census Bureau's Postsecondary Employment Outcomes dataset](#), looking at one-, five- and 10-year outcomes.

"Factors may include a combination of job placement, cost effectiveness, and higher wage outcomes," Robinson said. "Under the proposed legislation, the Chancellor of Higher Education would determine the final formula methodology, following consultation with Ohio's public colleges and universities.

3. Schools would compete for the money against peer institutions.

If the economy slid into a recession, which would be something that the colleges and universities have little control over, the SSI funding is not automatically decreased, Robinson said.

The amount received by an individual school in any given year depends on their relative performance among peer institutions.

"The better an institution performs on outcomes, the larger that institution's share of the funding," he said.

"State funding from an institutional perspective is additive, meaning institutions would receive traditional SSI based on performance and then also receive the allocated amount for employment outcomes, which is also performance-based," Robinson added.

Ultimately, any given college would stand to benefit from traditional SSI, the new employment-based SSI, and then through student-focused aid, including state scholarships and grants.