



House Bill 49 FY2018-2019 Biennial Budget
VERSION: As Passed by the House
Proposed Policy and Funding Changes

Funding Changes

- SSI funding reduced to FY17 amount of \$1,979,416,550 in each fiscal year. Flat funded.
- OCOG funding reduced from the “As Introduced” version by \$2 million in FY18 and \$3 million in FY19. Total FY18 appropriation - \$98 million. Total FY19 appropriation - \$99 million.
- Separate OCOG funding for students earning short-term certificates is provided under GRF appropriation item 235500, with an appropriation of \$5,000,000 in FY19. Eligible for assistance are OCOG students enrolled in a program at a state institution of higher education that may be completed in less than one year and for which a certificate or industry-recognized credential is awarded in an in-demand job.
- Clinical teaching funding reduced by 10% and for FY19 combined into a single line item with other medical programs including Geriatric Medicine, Family Practice, Long-term Care Research, and Primary Care Residencies.
- Appropriates \$1.4 million across the biennium for co-ops and internships and state university public policy schools.
- Appropriates \$6.78 million across the biennium for higher education program support, earmarking funding for financial literacy, rural revitalization, additive manufacturing, and leadership training.

Policy Changes

1. State Share of Instruction (**SSI Funding**).
 - a. Executive Proposal:
 - i. FY18 - \$1,999,210,716 FY19 - \$2,019,202,823
 - b. House Passed:
 - i. FY18 - \$1,979,416,550 FY19 - \$1,979,416,550
 - c. IUC Position: Continue to prioritize state subsidy but with the understanding that the current state revenue situation makes additional appropriation to this line item doubtful.
2. Sec. 381.150 **Restriction on fee increases**.
 - a. Executive Proposal:
 - i. Requires in fiscal years 2018 and 2019, the boards of trustees of state institutions of higher education to restrain increases in in-state undergraduate instructional, general, and extends the restriction to all other fees.
 - ii. Excludes room and board.
 - b. House Passed: Amended.
 - i. Authorizes each community college, state community college, or technical college to increase its in-state undergraduate instructional and general fees no more than \$10 over what the college charged the previous academic year to support quality academic programming.

- ii. Maintains the freeze extension to all other fees, but adds that the following fees are exempt from the prohibition of fee increases: (1) student health insurance, (2) fees for auxiliary goods or services provided to students at the cost incurred to the institution, (3) noninstructional program fees, (4) fees assessed to students as a pass-through for licensure and certification examinations, (5) fees in elective courses associated with travel experiences, (6) elective service charges, (7) fines, (8) voluntary sales transactions, and (9) career services.
 - iii. Adds a new section of permanent law (ORC Sec. 3333.0416) authorizing the Chancellor to (1) investigate all fees charged to students by state institutions of higher education and (2) prohibit any state institution from charging a fee that the Chancellor determines is not in the best interest of students. Grants authority to a state institution to seek approval from the Controlling Board to charge a fee prohibited by the Chancellor.
 - c. IUC Position: Support new exceptions to the fee restriction extension. Support increasing the traditional tuition cap. Oppose and amend the chancellor's authority to investigate and prohibit fees.
3. ORC Sec. 3345.48 **Undergraduate tuition guarantee program.**
- a. Executive Proposal: No Provision.
 - b. House Passed: Amended.
 - i. Removes the current law limit on the one-time tuition increase permitted under the Undergraduate Tuition Guarantee program, including a maximum 6% tuition increase for the first cohort and, for subsequent cohorts, up to the sum of the average rate of inflation and the percentage amount the General Assembly restrains increases on in-state undergraduate instructional and general fees for the applicable fiscal year.
 - ii. Authorizes, instead, each participating state institution a one-time tuition increase for each cohort, in an amount to be determined by the institution's Board of Trustees.
 - iii. Maintains current law permitting the Board of Trustees to determine a benchmark by which the Board can set an annual increase in general and instructional fees.
 - c. IUC Position: Support.
4. ORC Sec. 3333.951 **Textbook cost study.**
- a. Executive Proposal:
 - i. Requires, for the 2018-2019 academic year, the boards of trustees of state institutions of higher education to provide textbooks to all undergraduate students as a mandatory service.
 - ii. Permits, for this purpose, the board of trustees to charge a textbook fee not to exceed an annualized amount of \$300 for a full-time undergraduate student. Requires the board to pro-rate the fee for a part-time undergraduate student based on the number of credit hours for which the student is enrolled.
 - iii. Defines "textbook" as any required instructional tools, such as bound and electronic textbooks and software, used specifically for curricular content instruction in a course.
 - b. House Passed: Amended.
 - i. Deletes the textbook purchase mandate and all associated language, including the definition of textbooks.
 - ii. Requires a state institution of higher education, annually, to do the following: (1) report to the Efficiency Advisory Committee on its efforts to reduce textbook costs and (2) conduct a study to determine the current cost of textbooks and submit it to the Chancellor.
 - c. IUC Position: Support.

5. Various Sections **College credit plus revisions.**

a. Executive Proposal:

- i. CC+ Student Eligibility. Requires a student to either: (1) be considered "remediation-free" on one of the assessments established for the purpose of determining a student's remediation-free status; or (2) score within one standard error of measurement below the remediation-free threshold for one of those assessments and either (a) have a GPA of at least 3.0 or (b) receive a recommendation from a school counselor, principal, or career-technical program advisor. Requires the student to meet the college's established standards for enrollment (in addition to the college's standards for admission and course placement, as under current law), as well as the relevant academic program's established standards for admission, enrollment, and course placement.
- ii. CC+ Course Eligibility. Requires the chancellor to adopt rules specifying which courses are eligible for funding under the program.
- iii. CC+ Underperforming Students. Requires the Chancellor to adopt rules specifying conditions under which participants determined to be underperforming may continue participating in CC+.
- iv. CC+ Default Floor. Removes the chancellor's authority to approve agreements below the default floor amount.
- v. CC+ Textbook Agreements. Removes the requirement that a school district pay for the cost of a participating student's textbooks. Requires the school district to enter into an agreement with each college for the provision of textbooks. Requires the secondary school to either: (a) Pay the college an amount equal to \$10 per credit hour of enrollment for each participant. Under this option, the college owns the textbooks and the textbooks are returned to the college upon completion of the course. (b) Pay the college an amount agreed upon by both the secondary school and the college. Under this option, the secondary school and the college determine which entity owns the textbooks and to which entity the textbooks must be returned. Requires the college to provide required textbooks.

b. House Passed: Amended.

- i. CC+ Student Eligibility. No change to the existing requirements in the Executive Proposal. Adds a new provision that requires the college to which a student applies to participate in CC+ to pay for one assessment to determine the student's eligibility. Makes additional assessments the student's financial responsibility. (Support existing criteria and Oppose the assessment fee)
- ii. CC+ Course Eligibility. No change. (Support)
- iii. CC+ Underperforming Students. No change. (Support)
- iv. CC+ Default Floor. Reinstates current law permitting CC+ payments below the default floor, so long as the agreement complies with all other requirements of the program. (Oppose)
- v. CC+ Textbook Agreements. Modifies the Executive Proposal language to remove the \$10 per credit hour reimbursement option and replaces that with an option that specifies the secondary school pays the college 50% of the cost of required textbooks for each participant. (Oppose)
- vi. CC+ Minimum Grade for Credit. New Provision. Requires high schools and colleges to adopt a policy for awarding grades under CC+ where students must receive a "C" or better to get credit for the course. (Support)
- vii. CC+ Outcomes Report. New Provision. Requires the chancellor and superintendent of ODE to annually report on outcomes of CC+. (Support)

c. IUC Position: Support, Oppose, and Amend.

6. ORC Sec. 3333.122 **OCOG for short-term certificate programs.**

a. Executive Proposal: No Provision.

b. House Passed: Amended.

- i. Qualifies for OCOG students who are enrolled in a program at any state institution of higher education that may be completed in less than one year and for which a certificate or industry-recognized credential is awarded in an in-demand job.
 - ii. Includes state university students as eligible for assistance under this new program.
 - iii. Creates a new OCOG calculation for students enrolled in a certificate or credential program for a high-demand job, to be determined by the Chancellor, that does not apply the student's federal Pell grant to the state cost of attendance.
- c. IUC Position: Support and Amend.

7. Sec. 381.282 **Clinical teaching.**

- a. Executive Proposal: No Provision.
- b. House Passed: Amended.
 - i. Consolidates all clinical teaching and other medical related line items into a single line.
 - ii. Requires that GRF appropriation item 235528, Clinical Teaching, be distributed through the Chancellor to support a variety of programs, including laboratory and clinical components of medical and other health-related education at Ohio's medical colleges, dental and veterinary medicine clinics at the Ohio State University, and family practice residencies and instructional costs at Ohio's medical colleges.
 - iii. Requires, prior to July 1, 2018, the Chancellor, in consultation with the recipients of funds from the 12 appropriation items consolidated into line item 235528 to develop a plan to prioritize the distribution of funds from the line.
- c. IUC Position: Oppose and Amend.

8. Academic Degrees – Various Provisions.

a. ORC Sec. 3333.051 **Bachelor's degrees at community colleges.**

- i. Executive Proposal:
 - a. Requires the chancellor of higher education to establish a program under which a community college established under Chapter 3354., technical college established under Chapter 3357., or state community college established under Chapter 3358. of the Revised Code may apply to the chancellor for authorization to offer applied bachelor's degree programs.
 - b. Requires the chancellor to consult with the governor's office of workforce transformation, the inter-university council of Ohio, the Ohio association of community colleges, and the association of independent colleges and universities of Ohio, or any successor to those organizations.
 - c. Requires the chancellor to define "Applied bachelor's degree."
- ii. House Passed: Amended.
 - a. Removes the 30-mile radius provision (that is, permits the Chancellor to approve only programs that are not offered by any state university or private college).
 - b. Creates a second pathway for program approval, under which the Chancellor may approve a program that does not meet the bill's prescribed conditions, if the program clearly demonstrates a unique approach, as determined by the Chancellor, to benefit Ohio's higher education system or the state.
 - c. Replaces the Executive provision with a provision defining "applied bachelor's degree" as a bachelor's degree that is specifically designed for individuals who have an associate of applied science degree and is based on curriculum that incorporates both theoretical and applied knowledge and skills in a specific field.
- iii. IUC Position: Concern and Amend.

b. Sec. 381.570 **3+1 model agreements.**

- i. Executive Proposal:

- a. Requires, by not later than June 30, 2018, the chancellor, in consultation with representatives from the Inter-University Council of Ohio and the Ohio Association of Community Colleges, to develop a model for "3+1" baccalaureate degree programs for state universities and state community colleges, community colleges, and technical colleges.
 - b. Requires the model to outline how a student may complete the equivalent of three academic years, or ninety semester credit hours, at a state community college, community college, or technical college and then transfer to a state university to complete the final academic year, or thirty semester credit hours, or the remainder of the student's baccalaureate degree program.
 - ii. House Passed: No change.
 - iii. IUC Position: Concern.
 - c. ORC Sec. 3345.58 **Awarding college credit for comparable courses.**
 - i. Executive Proposal: No Provision.
 - ii. House Passed: Amended.
 - a. Prohibits state institutions of higher education from refusing to accept college credit earned in Ohio in the past five years as a substitute for comparable coursework, including credit that was earned in advanced or upper level coursework, which must be accepted as a substitute for comparable core or lower level coursework.
 - b. Requires state institutions, for college credit earned in Ohio more than five years ago, to:
 - 1. Permit the student to take a competency-based assessment in the relevant subject area, and
 - 2. If the student passes the assessment, to excuse the student from completing the course and grant the student credit for that course.
 - iii. IUC Position: Oppose and Amend to reflect existing TAG policy.
9. ORC Sec. 3333.45 **Western governor's university; competency based education.**
- a. Executive Proposal:
 - i. Permits the chancellor to enter into a partnership with an "eligible institution of higher education" for the purpose of providing competency-based education programs.
 - ii. Defines "eligible institution of higher education" as an institution of higher education that is created by the governors of several states and where at least one of the governors of these states is also a member of the institution's board of trustees.
 - iii. Establishes terms for the partnership.
 - iv. Designates an eligible institution as a state institution of higher education for the purpose of providing competency-based education programs.
 - v. Prohibits the eligible institution from receiving any state share of instruction funds appropriated to the department of higher education by the general assembly.
 - b. House Passed: Amended.
 - i. Authorizes the Chancellor to recognize or endorse, instead of entering into a partnership with, an eligible institution of higher education.
 - ii. Adds state and private institutions of higher education to list of eligible institutions that can be recognized by the chancellor to develop competency-based education programs.
 - iii. Authorizes the Chancellor, in recognizing or endorsing an eligible institution under the program, to: (1) recognize competency-based education as an important component of this state's higher education system; (2) eliminate any unnecessary barriers to the delivery of competency-based education; (3) facilitate opportunities to share best practices on the delivery of competency-based education with any eligible institution; and, (4) establish any other requirements that the Chancellor determines are in the best interest of this state.

- iv. Replaces the Executive proposal with a proposal that prohibits the Chancellor from providing any public operating or capital assistance to an institution that is created by the governors of several states for the purpose of providing competency-based education in this state.
- c. IUC Position: Support.

10. Tenure and Human Resources – Various Provisions.

- a. ORC Sec. 124.38 **Standardize sick leave.**
 - i. Executive Proposal: No Provision.
 - ii. House Passed: Amended.
 - 1. Reduces the amount of sick leave employees of a state college or university are entitled to receive for each 80 hours of service from 4.6 hours under current law to 3.1 hours (the amount non-exempt state employees are entitled to receive under continuing law).
 - 2. Prohibits a state college or university from doing either of the following: (1) Providing sick leave in an amount greater than the sick leave required by statute; (2) Agreeing to a provision in a collective bargaining agreement after the effective date of the amendment that provides sick leave in an amount greater than the sick leave required by statute.
 - iii. IUC Position: Neutral.
- b. ORC Sec. 3345.45 **Faculty tenure policy and commercialization track.**
 - i. Executive Proposal:
 - a. Requires the board of trustees of each state institution of higher education to review the institution's policy on faculty tenure and update that policy to promote excellence in instruction, research, service, and commercialization.
 - b. Requires the chancellor, beginning on January 1, 2018, to require each state institution of higher education to include a commercialization pathway for faculty tenure in its policy as a condition for an institution to receive any state funds for research that are allocated to the department of higher education under the appropriation line items referred to as either "research incentive third frontier fund" or "research incentive third frontier-tax."
 - ii. House Passed: Amended.
 - a. Applies the review requirement only to the board of trustees of each state university and specifies that the policy may promote excellence in any combination of those areas.
 - b. Applies the commercialization pathway requirement to the board of trustees of each state university and requires that the university include multiple pathways for tenure in its policy, ONE of which may be a commercialization pathway.
 - iii. IUC Position: Support.
- c. ORC Sec. 3345.451 **Post tenure review.**
 - i. Executive Proposal: No Provision.
 - ii. House Passed: Amended.
 - a. Requires each state institution of higher education to adopt a policy for post-tenure review.
 - b. Requires each state institution of higher education to conduct a post-tenure review of each tenured faculty member at least once every five years that indicates whether the faculty member "exceeds expectations," "meets expectations," or "does not meet expectations."
 - c. Require any faculty member who "does not meet expectations" to submit a professional performance improvement plan and make significant improvement

to avoid discipline, including a reduction in academic rank and dismissal, if appropriate.

iii. IUC Position: Neutral.

d. ORC Secs. 102.023, 102.05, 102.06, 102.09, 102.99 **Faculty textbook reporting.**

i. Executive Proposal: No Provision.

ii. House Passed: Amended.

- a. Requires a faculty member of a state institution of higher education that assigns textbooks for a course taught by the faculty member to file a financial disclosure statement.
- b. Requires the faculty member to file the statement not later than May 15th each year and pay a \$35 filing fee.
- c. Prohibits a faculty member required to file a financial disclosure statement under R.C. 102.023 from serving as a member on the Ohio Ethics Commission.
- d. Requires a state institution of higher education to provide a financial disclosure statement to any faculty member it employs or promotes that is required to file a financial disclosure statement under R.C. 102.023.
- e. Expands existing Ethics Law criminal penalties to apply to faculty members failing to file or that knowingly file a false financial disclosure statement.
- f. Requires the financial statement to include all of the following:
 1. Name of the faculty member filing the statement and each member of the faculty member's immediate family and all names under which the faculty member or members of the faculty member's immediate family do business;
 2. Source of each gift over \$25 received from any person that represents or has an interest in supplying or making available textbooks for purchase;
 3. Identification of the source of payment of expenses incurred for travel that is received by the faculty member in connection with the faculty member's official duties, except for travel to meetings or conventions of a national or state organization to which any state institution of higher education pays membership dues;
 4. Identification of the source of payment of expenses for meals and other beverages, other than for meals and other food and beverages provided at a meeting where the faculty member participated in a panel, seminar, or speaking engagement.

iii. IUC Position: Concern and Amend.

11. ORC Permanent and Temporary Law – Various Sections. **Mandate Relief.**

a. Executive Proposal:

- i. Includes a number of new (and in many cases, duplicative) requirements and mandates, placed on state institutions of higher education, creating new and adding to existing administrative costs.

b. House Passed:

- i. Maintains most of those requirements and mandates.

c. IUC Position: Oppose and Amend to remove unnecessary mandates.

1. State Share of Instruction
2. General Tuition Flexibility
 - a. Tuition guarantee program
 - b. Traditional tuition cap
 - c. Freeze extension exemptions
 - d. Chancellor's authority to investigate and prohibit fees
3. Ohio College Opportunity Grant
 - a. Overall funding
 - b. Short-term certificate program
4. Clinical teaching consolidation and funding
5. Academic and degree items
 - a. Bachelor's degrees at community colleges
 - b. 3+1 agreement model
 - c. Awarding college credit for comparable courses
6. State Micromanagement of public institutions
 - a. Faculty textbook purchase disclosure
 - b. Mandate relief
7. College Credit Plus
 - a. Assessment fee
 - b. Textbook cost sharing
8. Other Issues
 - a. Standardize sick leave
 - b. Faculty tenure policy and commercialization track
 - c. Post tenure review
 - d. Western Governors' University
 - e. Textbook affordability