

CHEE REPORT SUMMARY

BACKGROUND

Higher Education (HE) and the Economy in Ohio

- Profile of educational institutions
 - 75 four year institutions
 - 13 public universities + two free standing medical schools
 - 58 private colleges and universities
 - 2 national proprietary universities
 - 49 two year institutions
 - 24 public community and technical schools
 - 23 regional campuses of other institutions
 - 2 private institutions
 - 41 adult workforce education centers that provide training
 - 40 associate degree-granting proprietary institutions

- Only 11 states have a smaller portion of their populations with earned baccalaureate degrees – Ohio ranks 39th nationally and 36th in the number of people between the ages of 18-34 who are enrolled in some type of postsecondary education
- Ohio's per capita income lags the nation
- Ohio is average and average is not competitive
 - not a leader in new business development or in new product innovation
 - not a pacesetter in entrepreneurship or in commercialization of university research
 - does not provide sufficient employment for advanced degree recipients
 - does not produce enough science, technology, engineering and math graduates needed for the technology and manufacturing-based industries that are the economic engines of today's world
- But there are opportunities for:
 - manufacturing modernization

- faster business growth and higher wages
 - development of a globally competitive economy
 - innovation, through basic and applied research, can create new business enterprises and transform core agricultural and manufacturing sectors.
- Expanding university research capacity is necessary to play a role in economic development (this is land grant strategy)
- Ohio is 10th in the nation in R&D funding for doctoral institutions (\$558.7M federally funded research in 2001) and 9th for industry supported research (\$86M) -- but Ohio is the 7th most populous state
 - Universities received 2040 invention disclosures, filed 1095 patent applications, executed 393 license and option agreements and secured 569 patents and formed 59 new start-up companies over the last six years
 - Ohio is not attracting enough college graduates from other states
 - The Third Frontier is the roadmap
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- To turn around the “average” there must be a culture of change incentivized by rewards for performance and accountability for results

 - The impact of HE, return on every dollar invested, has been measured only by:
 - medical schools
 - OARDC
 - Independent schools and colleges and Columbus State community college
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REPORT

Vision: HE plays a role in creating more and better jobs, increasing economic competitiveness and fueling economic growth

Core challenge: to leverage fully and strategically the universities and colleges to position Ohio to compete more effectively in the new knowledge- and innovation-based economy

- will require leadership and involvement from state business leaders and links between universities, business and marketplace opportunities
- Georgia and North Carolina are cited as examples

The Governor asked the Commissioners to consider three issues related to the purpose and value of HE:

- (1) Make Ohio competitive in the Knowledge Economy – by magnifying the benefits of research and becoming accountable for student performance
- (2) Promote Access and Create opportunities for all students, especially those who have not had opportunity to participate in the past (low income and minorities) – work to assure P12 students will be successful in HE
- (3) Deliver maximum return on the public investment in higher education – revisit structure, governance and financing of HE; promote collaboration over competition among the institutions; better integrate services of 2 year and 4 year colleges and universities and adult workforce education centers

From these topics stemmed two major goals:

Goal 1 – Provide more Ohioans with the knowledge and skills they need to succeed in a knowledge - and innovation-based economy

- learning beyond high school is not an option but essential
- adult learners and those re-tooling must be considered

Goal 2 - Create more jobs and economic growth by strengthening higher education's research base and ability to develop and bring to the market new ideas and innovations

Four core elements of the report:

1. Energize business leadership to work with higher education and government – a third party with a stake in the process and the outcome
2. Provide more Ohioans with college/university knowledge and skills by
 - a. increasing their awareness of HE and raising their aspirations beyond high school
 - b. improving academic preparation – increase math and science knowledge and skills – high school students in Ohio are staying away from upper level math and science courses
 - c. enhancing P-16 alignment – seamless P through adult learning without the high rates of attrition today
 - d. reducing real and perceived financial barriers
 - e. improving transferability
3. Strengthen higher education's research base and capacity with emphasis on Third Frontier areas – turn university-based research into technology-driven products, processes and services that will compete successfully in the marketplace
4. Strengthen accountability through a compact with government and business under a set of mutual expectations for further efficiencies, lower tuition increases and increased state funding for core needs

Recommendation 1: The Governor will establish, in consultation with the Business Roundtable, the Business Alliance for HE to provide leadership for the future of higher education and to serve as catalyst, mediator, advocate for colleges and universities in their role to fuel the economy. The Alliance will consider:

- what is done in the classroom
- what is done in research and in campus-based programs that spur entrepreneurship and promote strong local and regional economies

The Alliance will also:

- work with the Workforce Policy Board
- monitor the progress of the recommendations in this report – i.e., effectively take the place of CHEE in the implementation phase

The Business Alliance is considered the Centerpiece of the recommendations.

Recommendation 2: Increase the number and proportion of Ohioans who participate and succeed in higher education

- increase enrollment by 180,000 (30% or twice the national average over the next 10 years) – **first bold goal**
 - o solid financial resources will be needed
 - o the cost per student will need to be reduced through productivity
 - o more strategic use of all HE resources will need to be involved – increase use of two year institutions
- increase awareness of HE and raise aspirations of young students beyond high school and the understanding that for life-long learning is essential
 - o develop a research-based, decade-long marketing campaign to be funded with public and private dollars
 - o coordinate with OCAN and ODE's career development program and increase funding for OCAN from state and regional matches initially; state funding phased out over 10 years
 - o make OCIS (Ohio Career Information System) available to all middle and high school student
- improve academic preparation
 - o continue to implement P12 standards-based reforms that emphasize rigorous academic content standards
 - o give authority to the BOR to define what students should know in order to enter college – without remediation – connect with the Articulation and Transfer Advisory Authority – i.e., create remediation-free standards

- increase math and science knowledge and skills – high school students in Ohio are staying away from upper level math and science courses
- re-invent the present Joint Council as the P-16 advisory Council to promote an integrated system of seamless P through adult learning without the high rates of attrition today. Broaden membership and promote the development of regional P-16 Advisory Councils
 - disseminate best practices that have been created to promote seamlessness, early entry, etc.
- reduce financial barriers to HE
 - increased productivity and cost cutting by colleges and universities in combination with increased state support is needed
 - seek volunteer schools may volunteer to test a “tuition certainty” pilot where rates of tuition are held constant 4 or 5 years
 - eliminate ambiguous language that limits flexibility in establishing different tuition policies for courses offered at different times of day, or year for high priority or high need subject areas
 - develop an integrated financial aid policy that consolidates and simplifies federal, state and institutions financial aid policies and practices. Assure no net shift away from need-based resources.
 - adopt Ohio College Opportunities grants (dev. by AICUO) as an alternative to the Ohio Instructional Grants program
 - adopt the Learn and Earn program. New or reallocated funding for these scholarships is needed.

Recommendation 3: Increase the number and proportion of Ohioans with mathematics and science knowledge, skills and degrees

- strengthen partnerships between HE and P-12 (re: academic programs)
 - obtain new private and federal funding to enhance achievement
 - o state should provide matching funds
 - encourage an ample supply of well prepared teachers
 - require all high school students to take 4 units of math or demonstrate a mastery of state standards
 - assign the P16 Council the responsibility to review all high school science requirements and competency requirements for college entry, taking into account the situation of returning students, two year entry schools and community-based access institutions
- consider tuition increases (in state and out of state) above the caps if the revenue is to be used for specific purposes such as technology, or if funding is dedicated to increasing production of science, engineering, or mathematics graduates.
 - evaluate effectiveness of Third Frontier internships for increasing the number of graduates in critical fields
 - modify the state funding system to include incentives for colleges and universities to product science, technology, engineering and mathematics graduates

Recommendation 4: Create a more user-friendly system of postsecondary institutions to make it easier for student to apply to and transfer among them

- develop a course applicability system with info about course transferability
- make the PSE system more student-centered and eliminate barriers to access
 - o develop a single common electronic application form – allow institution-specific sections to be added

- encourage partnerships among two-year and four-year institutions
- continue the development of transfer assurance guides
- facilitate articulation agreements between and among adult workforce education centers and colleges and universities. Involve the P16 Council along with Regent's Articulation and Transfer Council
- engage the BOR to coordinate an institution-driven process to transition from a system that is based on number of courses to one that grants credentials and degrees on the basis of demonstrated skills and knowledge

Recommendation 5: Require 2 year public colleges, branch campuses, adult workforce education centers, local workforce policy boards and one stop regional workforce advisory councils to work together to improve the skills of Ohioans already in the workforce. These diverse groups could become aligned via the efforts of the Worker Quality Committee

Recommendation 6: Attract more pre-eminent researchers to maximize world-class research, innovation, and technology-commercialization capacities of HE to drive economic growth and create jobs

- increase the state's share of federal and industrial research funding to 10% above the national per capita average in ten years (currently 21% below national per capita average) – **second bold goal**

- governor and state legislators should develop an integrated state wide R&D strategy and budget that:
 - builds on competitive strengths for world class stature and results
 - encourages new and emerging discoveries
- continues funding for all components of the Third Frontier project

- creates new funding for R&D through the **Economic Growth Challenge**:
 - **Research Challenge** - rename as the **Research Incentive**
 - Increase state funding for public and private institutions to enhance competitive world-class research in math, engineering and the sciences
 - **Innovation Incentive**
 - Fund through institutional reallocation (15% over 6 years- 2.5%/yr- from state funding for doctoral programs) plus new matching state dollars (same schedule) to support the areas of research with the greatest potential to attract pre-eminent researchers, create products and services to be commercialized and lead to job growth and economic benefit and complement programs in the Third Frontier. State would be awarded on a competitive basis.
 - **Technology Commercialization Incentive**
 - reward successful technology transfer leading to commercialization
 - motivate universities to work with industries to develop technologies for the Third Frontier
 - engage in more U-I joint venture research
- enhance the quality of research and graduate education:
 - The OBOR will have the authority to remove the right to offer a degree following a review that includes analysis of quality and value of the program to the institution and the economic impact on the community or region.
 - Institutions that comply with requirements of the Innovation Incentive – resource reallocation, external review of that action and success in securing an innovation incentive reward will be exempt from the BOR expanded program review authority

- the success of the Economic Growth Challenge depends on the ability to:
 - o focus research doctoral programs and tech transfer programs on strengthening Ohio's economy
 - o assemble funding from the General Assembly
 - o obtain support and guidance from the business community and the General Assembly
- develop a coordinated lobbying strategy in Washington, D.C. among state universities and colleges, companies and government to promote more federal research dollars

Recommendation 7: Assist Ohio businesses and entrepreneurs by turning university-based research into technology-driven products, processes and services that reach the marketplace and expand employment opportunities

- identify barriers to commercialization of university-based research and develop strategies to eliminate them

Recommendation 8: enhance the Governor's higher education leadership role and support the role of trustees to advance the role of education in the economy

- It is recommended that:

- the Governor appoint an Advisor for Higher Education and the Economy
- the Governor appoint one new regent each year. Beginning in 2007, the Governor would appoint the chair, after consulting with members of the Board, from among members who have served 3 years
- the BOR would conduct an orientation for new trustees re: the role of HE and the economy. Other state agencies related to education would also be involved in the orientation
- once a year the BOR and the Governor's Advisor, planning with the Business Alliance, would convene a meeting of BOT members and the BOR members to discuss HE policy, state-level priorities and progress toward meeting goals

Recommendation 9: Forge a compact between HE, the business community and state government to strengthen accountability for increasing college participation and expanding research and commercialization

- the Compact is an interdependent agreement that will be re-established each two years

- colleges are expected to commit to restraining tuition increases and to increase productivity while reducing real costs

- the General Assembly is committed to a basic HE subsidy and financial aid by a percentage per FTE as cost reductions (above) are realized – e.g., the institution reduces 2% and the subsidy increases 3%

- business will provide leadership to keep focused on goals of participation and research and commercialization

- The General Assembly should charge the OBOR, with input from the Business Alliance, to develop a publicly reported framework for accountability

- performance measures are to be determined by Ohio Workforce Policy Board and ODE

- The OBOR will submit to the Governor over the next 5 budget cycles a “Results through Productivity” report – to be designed by the BOR with input from universities and colleges. Some of the measures will be:

- dollar and percentage changes in spending per institution for two years of instruction, administration, academic support and all other costs

- summaries will be produced to document:

- each institution’s priority academic programs, underproductive, inactive, duplicative programs within the same geographic regions with analysis of costs to continue such programs as well as initiatives to eliminate them
 - summary of cost savings over two years of administrative services and functions with the amount of cost savings

- summary of how saved costs have been reallocated to increase participation in higher education – including the accommodation of unexpected growth in student populations and the real decline in cost per FTE
- The General Assembly is urged to fund:
 - academic and administrative productivity and efficiency pilot projects
 - academic pilot projects:
 - regional alliances; collaborative doctoral programs in areas of critical need spanning public and private institutions
 - administrative pilot projects
 - shared services – back office operations –IT, security payroll, academic records, course management, HR, admissions and financial aid
 - potential partnerships with P-12 school districts or adult workforce centers
 - institutions would keep dollars saved by eliminating underproductive or duplicative academic programs and dollars saved through pilot programs
 - a plan should be developed to phase out the hold harmless guarantees
 - the General Assembly should eliminate the requirement for campuses to use multiple prime contractors in construction projects.

Commentary: Basically, these are many of the goals of the Land Grant enabling legislation. Conversations held 140 years ago on the roles and responsibilities of Land-Grant universities, conversations led by our own president of Ohio State between 1899 and 1925 William Oxley Thompson, outlined the following as their purview:

- The content of the curriculum
- The university's role in K-12 education
- Access, admission standards and completion rates for students
- Service to the nation,
- A responsibility to help students develop character and civic responsibility, and
- A role in economic development

This suggests that Ohio State is remarkably well positioned to demonstrate leadership in providing results toward many of the recommendations of the report.

The CHEE report is one that I believe will become embedded in decisions for higher education of the future and for direction of education overall.

- It is not a cookie cutter report. It is comprehensive and inclusive, data-driven and informed
- It is citizen-oriented – demonstrates goals that provide a public good yet also an individual value; broadly population based to include learners of all ages
- It provides opportunities for many forms of collaboration
 - U-G-B interactions ---- a compact
 - University-university; public and private included
 - P16
- It connects to what exists and builds, rather than starting from scratch – OCAN, OCIS, Third Frontier, Joint Commission, P16 Education Council

- It emphasizes productivity and accountability and new ways of doing old things – change is a goal
- It provides focus – all things aren't the point...
- It has some bold goals – 30% more in higher education (180,000) over the current number of 600,000; 10% increase above national per capita average in research dollars coming into the state
- It is business enabled and emphasized
- It depends upon partnerships - between science education and mathematics education in the public schools with the institutions of higher education