

White Paper Series

Higher Education in Ohio:
Suggestions, Ideas, Concepts and Proposals

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Foreword

There is no question about the critical importance of higher education as a major driver of the State's economy. We are, therefore, pleased and honored to have the opportunity to share our ideas, concerns, suggestions and proposals on higher education in Ohio with Attorney General, Mike DeWine. We also appreciate the fact that he reached out and invited us to give him our best thoughts, based on our experience, on how the State of Ohio can improve higher education.

It is widely recognized by education policy makers in Ohio and elsewhere that higher education in Ohio has many challenges. Ohio lags behind most of the other states on all the important metrics related to education attainment, rankings of its universities, State support for higher education and affordable tuition. Strategic plans have been adopted in the past that were approved with the understanding and intent of improving the quality of higher education in Ohio only to see these plans gather dust on the shelves.

Former governors have taken steps with the best of intentions to improve the stature and quality of higher education in the State only to find that, in some instances, these steps had the opposite outcome. Many proposals to enhance higher education have been drafted in recent decades and some of these proposals have been accepted with little or no impact on the quality, efficiency or image of higher education in Ohio. It is not easy to turn this huge system and even more difficult to improve the quality of our universities. But it can and should be done.

What follows in this Briefing Paper seeks to give Attorney General Mike DeWine our candid views on higher education in Ohio without regard to the *politics* of the issues. It is our hope that he will find in this Briefing Paper some ideas and proposals that will influence his efforts to put in place a plan for the future of higher education in Ohio that elevates its standing among states, improves the quality and affordability of higher education and, in the end, increases the level of education attainment in Ohio. Success in these areas will serve as a formidable catalyst for economic development and the creation and retention of new jobs and greater prosperity for the citizens of our beloved State.

Jim Tuschman
Dan Johnson

Major Themes

The following are some of the Major Themes that became evident as Jim and Dan compared notes and ideas on higher education in Ohio.

Leadership

Obviously, we are not as well connected to the decision-making process as we were in the past and, consequently, may not be aware of the strengths in our education leaders. However, from our vantage point we have a sense that there is a need for much stronger leadership on higher education and related issues. **There are few, if any, state issues of greater importance than education: It determines the range of career and economic opportunities of the State's citizens as well as the competitiveness of the State for investment, innovation, and economic development.**

We believe there are significant opportunities for the next State administration and governor for improving the leadership on higher education and related issues. One of these involves rethinking the role and functions of the Ohio Board of Regents and the Office of the Chancellor. Few education leaders view the current structure and functioning of the OBOR and Chancellor as strong and effective. Quite the contrary, they are both generally thought of as weak, lacking in courage and effective leadership for the State.

This situation represents a genuine opportunity for the Governor to strengthen leadership on higher education by empowering these two entities and, perhaps, reversing the decision by Governor Strickland of making the Chancellor a member of the Governor's Cabinet. There should be—whether as a Cabinet member or not—a very strong “academic leader” filling the office of the Chancellor with powers and authority to actually lead in the strengthening of Ohio's higher education sector.

There is also a need and opportunity for the new Governor to play an important leadership role in higher education by taking a more active and visible role stressing the value and importance of higher education and working to make Ohio a true “education state.” Meeting and working with the Ohio Board of Regents, meeting and working with university presidents, and meeting and working with boards of trustees would send a strong signal of the importance you attach to higher education. A strong *academic* Chancellor would be of great assistance to the Governor in playing such an engaged role in the State's higher education sector.

Planning

The State of Ohio is ripe for a good strategic plan for higher education. Strategic plans are often launched with great fanfare and released to the legislature, public, and higher education community with great hopes and expectations. However, in most instances including Ohio, strategic plans migrate to

a bookshelf someplace and after a few years are forgotten. Few are actually implemented as planned.

This should be different. The next administration could and should launch a thoughtful, bold and well-publicized strategic planning process that would re-focus and guide the State and its leaders in addressing the very serious challenges that are limiting the full effectiveness and benefits of our higher education investments.

Future plans—while somewhat political in nature—should recognize that the future economies of states will be largely “knowledge economies” and **a strong, effective higher education system is absolutely necessary for a state to be competitive. This is very serious business and Ohio is lagging farther and farther behind. This is now a great opportunity for the next governor to put the state on the right track: This calls for an outstanding, bold strategic plan for advancing higher education in Ohio with a corresponding commitment to implementation.**

Here again, a strong *academic* Chancellor with a knowledgeable, independent Board of Regents would be very helpful to the Governor and a powerful force for realizing this important objective.

Perhaps a good starting place for the development of a statewide strategic plan would be the strategic plans of the individual universities. Imagine a retreat of university presidents and boards of trustees in which each university had the opportunity to present to this audience its strategic plan. This could be the launching of a statewide “Meta Plan” for higher education, i.e., one that reflects the coordinated aspirations of the individual universities. In all likelihood, these plans will impact the local and regional economies of the State and could be integrated into the planning for economic development as well the strategic plan for higher education.

Governance

Governance of our public universities is, in every sense of the word, a trust. The Governor plays a central role in identifying and appointing our college and university trustees and through them directs the policies, programs, financial and public responsiveness of our state’s institutions of higher education.

Our view of this is simple: We believe the Governor can play a more active role in working to improve the governance of our colleges and universities. This could be accomplished first by reforming the Board of Regents and the Office of the Chancellor. Secondly, by launching a strong orientation program for new college and university trustees. It could be furthered by the Governor hosting an annual retreat for college and university trustees where he and the program can remind the trustees of where we want to take higher education in Ohio. To meet with trustees and mingle for a day would go a long way toward more informed, responsive and collaborative boards of trustees.

We also believe college and university trustees should be encouraged to become active in the Association of University Governing Boards, AGB. Their annual meetings and breakout sessions really do help lay board members to better understand the implications of their policy, program and personnel decisions on a whole range of important issues.

There is considerable room for improved governance of our colleges and universities. This is also an opportunity for the new governor to help better shape the State's higher education sector through stronger, more informed governing boards and decision-making. More could be added to this theme.

Tuition

One of the biggest issues in higher education—here in Ohio and in most other states—is the cost of tuition and the associated fees, room and board. Ohio, while not in the “10 most costly” states for public higher education tuition, is considered high, particularly in the context of the State's wages and incomes. It is the general view that these high tuitions are due to the increasing costs but, more importantly, due to the decreasing funding from the state and state subsidy.

The cost of tuition in Ohio universities will soon become a major public policy issue as states, one by one, begin addressing this. New York has begun to take the lead by eliminating tuition in one of its systems. Other states will follow suit as competition for students and the favor of donors becomes more intense. The next governor of Ohio will have an opportunity to move the State into a national leadership position by addressing the “the tuition problem.”

Several years ago (2005-6), Dan Johnson promoted the concept of a 1 cent sales tax (1%) dedicated to underwriting the cost undergraduate tuition of In-state students. He testified before legislative committees and met with individual legislators; he was interviewed on several radio and tv programs about this innovative approach to lowering the cost of tuition. Many legislators liked his idea but no one would support a 1% sales tax for this

purpose. Had they done so, it would have made undergraduate, in-state tuition virtually free. This is still a good idea and should be studied.

The problem manifests itself in the heavy student debt burden carried by a large percentage of college graduates. Massive amounts of research has been carried out on this issue and it has been well publicized.

We believe the new governor should form a special task force or advisory group to advise him on strategies for addressing this major problem.

Solutions have been proposed and tried that have made the problem even worse. One such solution is tuition caps: Tuition caps have an adverse impact on the institutions and can easily reduce the quality of programs at universities that use them and will gradually degrade the quality of the institutions.

The states that effectively address the problem and challenge posed by high tuition will attract students and talent. Companies and organizations looking for talent will find them in these progressive states.

Education Attainment for Ohio and its Cities

Education attainment for Ohio is below the national average; some of Ohio's cities are among the lowest in the nation. Ohio has a significant challenge in raising the level of education attainment across the State as well as providing leadership for the States major cities in raising their level of education attainment.

Dan Johnson has spent several years reading, research and writing about this important issue. The research is very clear on this: Higher education attainment brings with it the following:

- Higher employment, less joblessness
- Higher income and savings
- Better health
- Longer life expectancy
- Lower crime and incarceration rates
- Lower smoking rates
- Higher voting rates
- Greater civic engagement
- And numerous other positive social and economic associations.

This issue is one that should be tackled by the new governor. It is closely tied to economic development as well as the quality of life of the state's citizens.

With the heavy investment being made by the state and its citizens in higher education, there is no good reason for the State of Ohio to be below the national average! Like so many of these issues, we believe this is largely a leadership issue. This can change. We just need a good plan and leader to implement the plan.

Quality and Efficiencies: “Doing More with Less”

A close look at the academic programs and colleges of our State’s universities will show a tremendous amount of costly duplication. In our own region, for example, UT and BG both have major investments in colleges of business, colleges of education as well as the liberal arts and several other fields. And these two campuses are only minutes apart, approximately 20-25 minutes.

Literally scores of people, informed citizens and business leaders, have talked to us over the years about this as costly duplication...unnecessary costly duplication. And, because universities are spreading their resources across so many colleges and academic programs, many programs are underfunded leading to lower quality. Could there not be incentives to the universities to eliminate this costly duplication and structure the academic programs offered by publicly funded universities in a way to avoid such duplication.

Several other states—Texas, Massachusetts, and others—are forming alliances and federations where colleges and universities work together to reduce and eliminate unnecessary duplication. And, working together, the participating institutions are able to offer programs that none would be able to offer on their own. Collaboration. Some of our colleges and universities do this in small ways but we believe it is time to elevate this as a major statewide strategy for increasing efficiency.

Likewise, backroom operations, purchasing and numerous other areas offer promise for reducing cost, increasing efficiencies and improving quality. We believe this is an area that the new governor and administration could make genuine progress for the state’s institutions and, in the process, give the tax paying citizens more for their tax dollars. In the universities, we call it “doing more for less.”

Urban Affairs

For many years, Ohio had a line item in the State budget to fund 5 or 6 urban affairs centers based in the urban/metropolitan universities. One of these was located at the Univer-

sity of Toledo with others at Cleveland State, Wright State, and 2 or 3 others. This line item funding for these urban affairs centers made Ohio a leader in providing much needed support for applied research and other university projects geared to assisting their host cities and improving the quality of life. This was one area in which Ohio was a clear national leader among urban and metropolitan universities. Sadly, this line item was taken away several years ago...the one area in which Ohio was a leader.

Ohio very much needs areas where it can exert its leadership in higher education and this was one such area. The amount of the line item was quite small in relation to other public projects. Reversing this decision to de-fund the urban affairs centers would be a fiscally small, but smart move that would bring an extraordinary impact to the host cities of our urban/metropolitan universities and provide much needed support for research, student research assistants and equipment.

With a very small amount of funding, the State could provide in one line item significant and much needed support for assistance to students, their research centers, the urban universities and, most importantly, their host cities. It truly is a very powerful, low-cost way to help provide support for a leadership role for our urban universities that was, unfortunately, taken away not long ago.

We believe the new governor should look at this carefully and consider restoring the Urban Affairs line item in the State budget. Likewise, in the same vein, it would be very helpful to our urban universities and our urban regions in Ohio if the State became engaged in the Coalition of Urban and Metropolitan Universities. This would be a small cost item with a significant payoff in recognized leadership in an important area.

Final Thoughts

We have tried to bring together our thoughts and suggestions for the next governor that reflect our knowledge and experience with higher education in Ohio. We have emphasized some Major Themes and listed many other “issues” that could and should be matters of policy discussions for the next governor.

Before closing off this Briefing paper, we want to add two “final thoughts.”

First, much of what we have focussed on deals directly with the public four-year universities; we have not commented much on the State’s community colleges. These deserve a great deal of attention; they are a great asset and may be the key to helping raise the education attainment of the State and provide the best way of fully developing and maintaining the workforce Ohio needs to prosper. If requested, we will provide a special Briefing paper that focusses on our community colleges.

We do make one important point regarding community colleges: they should not be authorized to offer 4-year degrees. This would bring chaos to the higher education community, create the image and reputation that Ohio is bringing cheaper and weaker degrees to the marketplace, and cause conflict among the institutions of higher education, their faculties and leadership. This would not be a wise move.

The second final thought is that Ohio could reasonably become a national leader in attracting bright, highly motivated international students to our State's public institutions. The Governor could make this happen by becoming personally involved in this effort. Not only would it bring tuition paying students to Ohio, it would also bring an enormous economic impact. And, it would give employers and businesses an opportunity to recruit them to stay in Ohio where they would continue to make contributions to our State.

We believe Ohio is very well positioned to make some major moves in the future that would elevate the State's institutions of higher education and, by extension, the whole State. Education is the most powerful tool for economic development and we are not presently leveraging or using these tools wisely. The new governor could change all that.

We are pleased and honored to have this opportunity to provide you with our thoughts, suggestions, and even some specific proposals for your consideration.

We will be glad to help you in any way we can as you consider your options for improving the State of Ohio through higher education.

Appendices

Jim's List: Higher Education Issues

1. The declining state share of instruction.
2. The tuition freeze and its impact.
3. The increasing cost of health care and technology on the university campus.
4. The issue of educational attainment in Ohio.
5. The state of the Community College System.
6. The performance-based formula for SSI as opposed to the enrollment-based formula.
7. Workforce development initiatives.
8. Responding to the workforce needs of business, etc.
9. The high cost of medical education.
10. The UT/MUO Merger, 2006.
11. Commercializing university research, technology transfer.
12. The former Ohio Board of Regents and the Chancellor...advisory.
13. The need for an "academic" Chancellor.

14. The issue of deferred maintenance at our universities.
15. The vanishing capital budgets for higher education.
16. The subsidies for Central State and Shawnee State.
17. The redundancies in educational content with region (Centers of Excellence).
18. Public service corporation for backroom operations—shared services model.
19. Retention of Ohio educated students.
20. Prioritization of programs and services by internally created criteria to measure what is contributing to and what is not contributing positively to the institutions' finances.
21. The University Boards of Trustees: The importance of a strong leadership component.
22. Where does Ohio stand in providing higher education services needed to be competitive in today's world?
23. What areas should be emphasized and improved—10 areas to improve performance.
24. Improve quality.
25. Increase mission differentiation.
26. Increase collaboration.
27. Increase the contribution of the institutions to the regional and state economy.
28. Decrease competition among institutions.
29. Colleges need flexibility to get tuition—but need federal, state and institutional aid for students with financial need.
30. More sharing of program content.
31. Articulation and transfer update and guidelines.
32. Adult career centers and apprenticeship programs should be included in articulation and transfer process.
33. Expand adult education through stackable certificates.
34. Improve relationship with K-12 programs.
35. Establish clear standards for college readiness.
36. Continuous improvement system should be created to identify spending efficiencies and productivity improvements that can be implemented statewide.
37. Improve the functions and physical qualities of state-owned educational facilities.
38. Expand relationships with business community to increase internships and experiential learning.
39. Survey business satisfaction with higher education.
40. System-wide tracking of graduates.
41. Stress best practice model for faculty and student outcomes assessment.
42. Strengthen program approval process.
43. Is Ohio's competition in the knowledge economy? Are institutions accountable for meeting the State's expectations regarding higher education?

Dan's List of Higher Education Issues

1. U.S. Standing in Higher Education: Rise of China A new university nearly every week. Overtaking U.S. and Europe in STEM education
2. Ohio's ranking among states in higher education
3. Strategies for raising Ohio's ranking among states
4. Education attainment in state and our cities: Toledo 17%
5. Duplication of programs: costly and unnecessary—e.g. UT and BGSU
6. Potential of Federations and enhanced collaboration
7. Board of Regents and Chancellor: Their role in improving H.Ed.
8. Costs: Rising tuition and barriers to higher education
9. International students: More is better
10. On-line education: Future?
11. Where do we want to be in 2025? Need Goals, Strategy and leaders
12. Listen: Meet with University Presidents regularly—public and private
13. Listen: Meet with public university trustees at least annually
14. Ohio's research needs and agenda for higher education
15. Metropolitan Universities: Ohio a candidate for a perfect model
16. Universities and Lake Erie...and Great Lakes generally
17. Universities and economic development: Leading Econ Development
18. Cost of higher education and incentives for efficiencies
20. Stress Leadership in Addressing Higher Education Needs of Ohio

