



# Action Steps to Reduce College Costs

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Ohio Task Force on Affordability and Efficiency

Oct. 1, 2015

## Contents

Our charge.....	1
Why action is needed .....	2

### RECOMMENDATIONS

Summary of recommendations.....	5
Master recommendations.....	9
Strategic procurement.....	12
Assets and operations.....	18
Administrative cost reforms.....	22
Textbook affordability .....	28
Time to degree .....	31
Duplicative programs.....	37
Co-located campuses.....	39
Policy reforms.....	41

### IMPLEMENTATION

How to move forward.....	44
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### OTHER

Other topics of interest.....	48
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### APPENDICES

A: Executive order.....	50
B: Our process .....	53
C: Acknowledgements.....	54
D: Sources .....	55

## Our charge

Gov. John R. Kasich called on this task force to recommend solutions for institutions of higher education based on three key simultaneous needs:

- to be more efficient both in expense management and revenue generation
- while offering an education of equal or higher quality
- and decreasing costs to students and their families

**Scope:** Both two-year and four-year public institutions

**Deadline:** Report due to the governor and General Assembly by Oct. 1, 2015.

[For the full language of the governor's executive order, see Appendix A]

## Members

### Governor Appointees:

- **Chair:** Geoff Chatas, senior vice president and CFO, The Ohio State University
- Pamela Morris, president and CEO, CareSource
- Mark T. Small, senior vice president and CFO, Cleveland Construction
- Patrick Auletta, president emeritus, KeyBank

### House of Representatives Appointees

- Rep. Mike Duffey, R-Worthington
- Rep. Dan Ramos, D-Lorain

### Senate Appointees

- Senate President Keith Faber, R-Celina
- Sen. Sandra Williams, D-Cleveland

## Other contributors

- Chancellor John Carey, Ohio Department of Higher Education
- Bruce Johnson, president of the Inter-University Council
- Jack Hershey, president and CEO of the Ohio Association of Community Colleges
- Sen. Chris Widener, R-Springfield
- See Appendix C for full list of contributors

## Why action is needed

Families are struggling to afford college across the nation, and this issue is becoming more urgent as student debt levels continue to rise.

The effects are troubling:

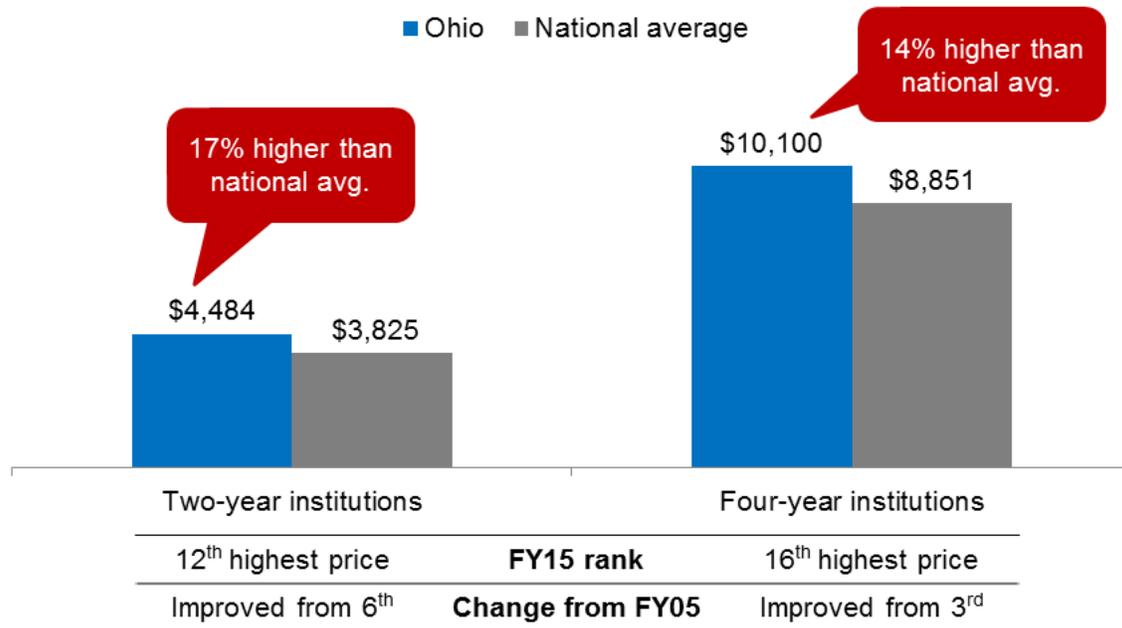
- Some students aren't able to pursue the education they need to reach their full potential.
- Debt is forcing some graduates to delay important milestones in their lives, including home ownership and marriage.
- And our economy is suffering because the workforce lacks the skills needed to meet employers' needs.

Ohio has seen the same trends and concerns as the rest of the nation, but our leaders — in government, higher education and the private sector — are determined to find solutions that address college affordability while enhancing the quality of education.

Ohio students who attend our public colleges and universities face tuition prices that are among the most costly in the country, despite a decade of aggressive controls.

## How Ohio ranks: In-state tuition and fees

Average tuition and mandatory fees 2014-15



Source: The College Board (<http://bit.ly/1TnzMTK>)

Ohio's four-year institutions have limited in-state tuition increases more than any other state since FY06, and our two-year schools have among the lowest increases.

Yet Ohio's universities have the 12<sup>th</sup>-highest average cost of in-state tuition and mandatory fees. And our community colleges have the 16<sup>th</sup>-highest prices.<sup>1</sup>

Tuition is only one piece of the cost equation for students, who also can face significant expenses for campus housing, dining, textbooks and fees that support academic programs or campus operations.

Together, these expenses encompass the total cost to attend. In ways direct and indirect, students and their families pay all of these costs.

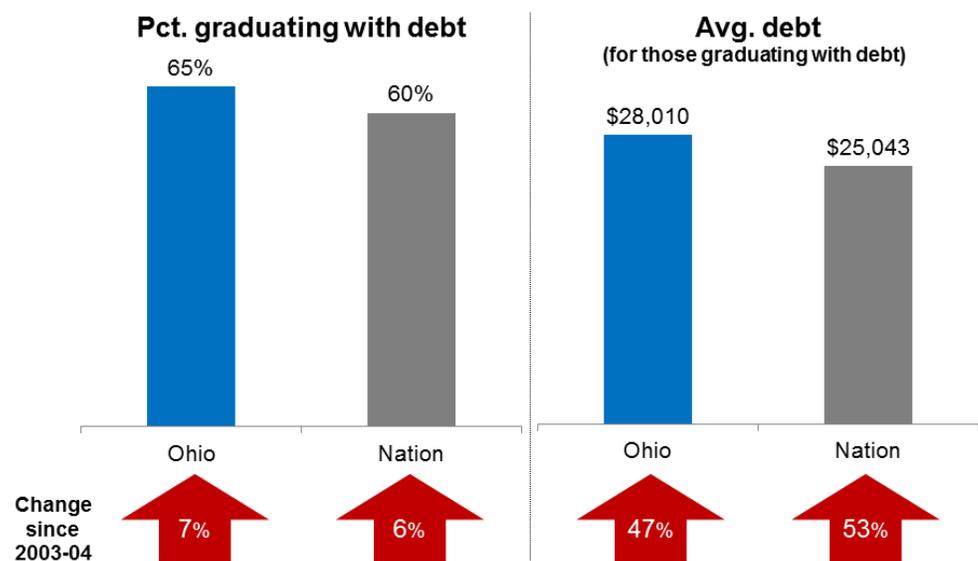
For some students, need- and merit-based financial aid offers relief. But many other students turn to loans to support their education.

The result?

Too many graduates leave Ohio universities with a heavy burden of student debt. Other students fail to complete their degrees.

More of our graduates carry student debt than is true nationally, and the average debt load is larger than for graduates nationwide.

More Ohio graduates have debt, and \$ is larger (FY13)



FY13 Data for four-year public institutions. Source: The Institute for College Access & Success ([www.college-insight.org](http://www.college-insight.org))

It's clear that tuition caps (whether imposed by institutions or by the state) are not doing enough to reduce the burden on Ohio's families. These measures provide short-term relief for families, but they do not address the financial dynamic at the root of the problem.

That's why this task force was created: to investigate the cost side of the equation.

In other words, how can Ohio's two- and four-year institutions find efficiencies, locate new

resources and otherwise innovate to lower costs and reduce the financial burden on students?

In recent years, Ohio's system of higher education has become a national model for collaborative solutions:

- The state developed a performance-based funding formula, devised by working with public colleges and universities, to distribute state support based on student progress.
- Institutions work together to prioritize capital construction projects.
- Ohio's institutions of higher education collaborate through a variety of technology resources, including OARnet, the Ohio Supercomputer Center and OhioLINK.
- Through the Inter-University Council of Ohio, Ohio's colleges and universities work together on joint purchasing and a variety of other cost-savings measures.

But more must be done.

In this report, the Task Force on Affordability and Efficiency recommends tangible action steps for Ohio's public colleges and universities to address these issues while maintaining high quality for students.

The task force believes strongly that affordability is always a function of price and quality. One determines what students pay, and the other determines the value they receive for their time and money.

To reflect the diverse nature of Ohio's public institutions, our recommendations include a range of approaches — some can be addressed with statewide action, while others will need to be reviewed at each institution.

Affordability is not merely an issue for the students of Ohio — the economic well-being of the state is at stake.

"The economy of Ohio is increasingly reliant on skills and knowledge that can only be obtained through postsecondary education," notes the Lumina Foundation. But among working-age Ohioans, 37.5 percent hold a two- or four-year degree, trailing the national average of 40 percent.<sup>2</sup>

This is why the task force is recommending mandates when possible. The goal is to encourage a faster pace of change among Ohio's colleges and universities.

There is no single solution that will solve the entire affordability riddle, but these recommendations will help our institutions reduce their costs — and, ultimately, relieve the financial pressure on families.

## Summary: The recommendations

**Master recommendation 1 | Students must benefit:** Savings and/or new dollars generated from these recommendations must be employed to reduce the cost of college for students. Any other uses must have tangible benefits for the quality of students' education.

**Master recommendation 2 | Five-year goals:** Each institution must set a goal for efficiency savings and new resources to be generated through fiscal 2021, along with a framework for investing those dollars in student affordability while maintaining or improving academic quality.

### STRATEGIC PROCUREMENT

**Recommendation 3A | Campus contracts:** Each institution must require that its employees use existing contracts for purchasing goods and services.

**Recommendation 3B | Collaborative contracts:** Ohio's colleges and universities must pursue new and/or strengthened joint purchasing agreements in copiers and printers, computers, travel services, outbound shipping, scientific lab equipment and office supplies.

### ASSETS AND OPERATIONS

**Recommendation 4A | Asset review:** Each institution must conduct an assessment of its non-core assets to determine their market value if sold, leased or otherwise repurposed.

**Recommendation 4B | Operations review:** Each institution must conduct an assessment of non-academic operations that might be run more efficiently by a regional cooperative, private operator or other entity. This review should include dining, housing, student health insurance, child care, IT help desk, janitorial, landscaping, facility maintenance, real-estate management and parking.

**Recommendation 4C | Affinity partnerships and sponsorships:** Institutions must, on determining assets and operations that are to be retained, evaluate opportunities for affinity relationships and sponsorships that can support students, faculty and staff.

### ADMINISTRATIVE COST REFORMS

**Recommendation 5A | Cost diagnostic:** Each institution must produce a diagnostic to identify its cost drivers, along with priority areas that offer the best opportunities for efficiencies.

**Recommendation 5B | Productivity measure:** The Department of Higher Education should develop a common measurement of administrative productivity that can be adopted across Ohio's public colleges and universities.

**Recommendation 5C | Organizational structure:** Each institution should review its organizational structure to identify opportunities to streamline and reduce costs.

**Recommendation 5D | Health-care costs:** To drive down costs and take advantage of economies of scale, a statewide working group should identify opportunities to collaborate on health-care costs.

**Recommendation 5E | Data centers:** Institutions must develop a plan to move their primary or disaster recovery data centers to the State of Ohio Computer Center.

**Recommendation 5F | Space utilization:** Each Ohio institution must study the utilization of its campus and employ a system that encourages optimization of physical spaces.

### TEXTBOOK AFFORDABILITY

**Recommendation 6A | Negotiate cost:** Professional negotiators must be assigned to help faculty obtain the best deals for textbooks and instructional materials, starting with high-volume, high-cost courses. Faculty must consider both cost and quality in selecting course materials.

**Recommendation 6B | Standardize materials for gateway courses:** Institutions must encourage departments to choose common materials, including digital elements, for gateway courses that serve large volumes of students.

**Recommendation 6C | Develop digital capabilities:** Institutions must be part of a consortium to develop digital tools and materials, including open educational resources, that provide students with high-quality, low-cost materials.

### TIME TO DEGREE

**Recommendation 7A | Education campaign:** Each institution must develop a campaign to educate its full-time undergraduates about the course loads needed to graduate on time.

**Recommendation 7B | Graduation incentive:** Institutions should consider establishing financial incentives that encourage full-time students to take at least 15 credit hours per semester.

**Recommendation 7C | Standardize credits for degree:** Institutions should streamline graduation requirements so that most bachelor's degree programs can be completed within four years or less and most associate degree programs can be completed in two years or less. Exceptions should be allowed because of accreditation or quality requirements.

**Recommendation 7D | Data-driven advising:** Institutions should enhance academic advising services so that students benefit from both high-impact, personalized consultations and data systems that proactively identify risk factors that hinder student success.

**Recommendation 7E | Summer programs:** Each campus must develop plans to evaluate utilization rates for summer session and consider opportunities to increase productive activity.

**Recommendation 7F | Pathway agreements:** Ohio institutions should continue to develop agreements that create seamless pathways for students who begin their educations at community or technical colleges and complete them at universities. \

**Recommendation 7G | Competency-based education:** Institutions should consider developing or expanding programs that measure student success based on demonstrated competencies instead of through the amount of time students spend studying a subject.

### DUPLICATIVE PROGRAMS

**Recommendation 8 | Program review:** Institutions should consider consolidating programs that are duplicated at other colleges and universities in their geographic area.

### CO-LOCATED CAMPUSES

**Recommendation 9 | Joint oversight boards:** The state should establish joint oversight boards between co-located community colleges and regional campuses of universities with a mandate to improve efficiencies and coordination while maintaining the differentiated mission of each.

### POLICY REFORMS

**Recommendation 10A | Financial advising:** Ohio's colleges and universities should make financial literacy a standard part of students' education.

**Recommendation 10B | Obstacles:** The Department of Higher Education and/or state legislature should seek to remove any roadblocks in policy, rule or statute that inhibit the efficiencies envisioned in these recommendations.

**Recommendation 10C | Real estate sales:** State law should be updated to streamline the process for how public institutions sell, convey, lease or enter into easements of real estate.

**Recommendation 10D | Insurance pools:** State law should be clarified related to the IUC Insurance Consortium, which buys property and casualty insurance on a group basis for most institutions.

### IMPLEMENTATION

**Recommendation | Implementation:** The chancellor of the Ohio Department of Higher Education and the state's public colleges and universities should make use of existing groups (including the state's Efficiency Advisory Committee and institutional efficiency councils) and resources to coordinate next steps from these recommendations.

## How to read this report

The task force recognizes that solutions in higher education cannot be one size fits all.

But what works at one institution may work at others, and many solutions should be applied to groups of institutions that are similar because of geography, mission or other factors.

This report is designed to be a practical plan that will empower Ohio's public institutions of higher education and state leaders to move smoothly from the report to action steps. To that end, the task force has identified an action grid that spells out for each recommendation:

- **Scope:** Statewide, regional or institutional
- **Type of institution:** 4-year, 2-year or both
- **Time frame:** Immediate, 1-3 years or 3-5 years
- **Type of action:** Collaboration vs. individual institution vs. state/statutory

## Master recommendations

**Background:** Over the past decade, efficiency and affordability efforts at Ohio colleges and universities have restrained increases in tuition costs, but too many other costs have continued to rise. These include fees for housing and dining, student life, and other academic costs.

The task force strongly believes that institutions need to redouble their efforts and ensure that the benefits of cost savings or new revenue generation strategies directly benefit students through lower costs or improved services. Moreover, the focus on affordability should extend beyond the specific recommendations of this report to produce a new culture of cost consciousness in higher education.

**Master recommendation 1 | Students must benefit:** Savings and/or new dollars generated from these recommendations must be employed to reduce the cost of college for students. Any other uses must have tangible benefits for the quality of students' education.

The task force is allowing some flexibility in the use of these dollars, but the intent of this recommendation should be unmistakable: Savings should be redirected to have a clear and direct benefit for students, and primarily in the form of making college more affordable.

To ensure accountability, institutions must track both the savings and how they are redeployed, including for these uses:

- Reductions to the total cost of attendance (tuition, fees, room and board, books and materials, or related costs — such as technology)
- Student financial aid
- Student success services, particularly with regard to completion and time to degree
- Investments in tools related to affordability and efficiency
- Improvements to high-demand/high-value student programs

**Master recommendation 2 | Five-year goals:** Each institution must set a goal for efficiency savings and new resources to be generated through fiscal 2021, along with a framework for investing those dollars into student affordability while maintaining or improving academic quality.

Ohio's colleges and universities are diverse, but each should be making affordability and efficiency key priorities. By developing five-year plans to invest new and redirected dollars toward lowering the cost of college, our institutions can accelerate their efforts on this front.

## TASK FORCE ON AFFORDABILITY AND EFFICIENCY

**Implementation:** The new state budget already calls on the board of trustees of each public college and university in Ohio to complete an efficiency review based on this report by July 1, 2016, and an implementation plan within 30 days of completing the review.<sup>3</sup>

The task force echoes that responsibility in its master recommendations and throughout this report: Boards are ultimately responsible for the success of their institutions.

For these master recommendations, each board must:

- Direct its institution to track redeployable dollars on an annual basis and report how those efficiency savings and new revenues are being used to lower student costs while maintaining or improving educational quality. Boards must report annually to the Ohio Department of Higher Education, based on a template that the department should develop.
- Set five-year goals for efficiency savings and new resource generation, and track progress toward those goals on an annual basis. These data, including the use of these funds, should be part of the annual reports to the Department of Higher Education.

The Department of Higher Education should produce an annual report for the public to detail the progress of the state’s colleges and universities to redirect savings toward student affordability.

The task force believes in avoiding duplication, including in our efficiency recommendations. Therefore, we recommend that the Department of Higher Education incorporates its annual efficiency reports as part of the existing process to survey institutions on efficiency measures.

Master recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	State/Statutory
Savings benefit students	✓			✓				✓			✓	✓
Five-year goals	✓			✓				✓			✓	

### Case studies:

- The Ohio State University's president set a five-year goal of \$400 million in savings and new revenues to support affordability and excellence. This 2020 Vision plan calls for expanding need-based aid by at least \$100 million over that span, including a \$15 million increase for fiscal 2016.
- Bowling Green State University has been able to expand a high-demand academic area by outsourcing its flight program. The private operator, which took over in 2014, provided about \$3.5 million for a new flight training center, new simulation equipment and a new hangar as well as to acquire plans previously owned by the university. These and other investments have doubled student enrollment in BGSU's aviation studies program in less than two years.
- Ohio University plans to use proceeds from the sale of seven surplus properties to expand the amount of student financial aid. The university plans to invest the proceeds to support OHIO Match, a fundraising campaign in which Ohio University provides 50 cents for every dollar donated to support certain scholarship endowments.

## Recommendations | **Strategic procurement**

**Background:** Ohio colleges and universities already collaborate to lower costs and increase efficiencies. The purchasing group at the Inter-University Council of Ohio, which includes representatives of the Ohio Association of Community Colleges, has generated a number of achievements over the years:

- 34 current joint contracts and price agreements
- \$648 million in reported annual joint purchasing activity
- \$138 million purchased through State of Ohio contracts

Likewise, Ohio is a member of the Midwestern Higher Education Compact, and many institutions are part of other consortia that can lower the cost of goods and services. But Ohio's colleges and universities would generate more savings through greater collaboration — statewide, regionally and among institutions with shared interests.

Individual campuses could increase their savings simply by requiring employees to use existing contracts. In too many cases, the decentralized nature of higher education leads to different buying patterns among campus units. Ultimately, that increases costs and weakens the institution's negotiating power because purchasing managers cannot guarantee the size of spend with their contracted vendors.

By consolidating the spend — both on individual campuses and among multiple institutions — and focusing on fewer vendors, Ohio's colleges and universities can reduce cost while maintaining or improving service levels.

**Recommendation 3A | Campus contracts:** Each institution must require that its employees use existing contracts for purchasing goods and services, starting with the areas with the largest opportunities for savings. To ensure transparency about these decisions, institutions must report the utilization rates of existing contracts annually to their boards of trustees.

**Recommendation 3B | Collaborative contracts:** Ohio's colleges and universities, working collaboratively through the IUC Purchasing Group, must pursue new and/or strengthened joint purchasing agreements in the following categories:

- **Copier/printer services:** A joint contract for copier/printer services across the state institutions could dramatically reduce costs. The bundled scale would do more than provide volume discounts on new multifunction devices — an operator would provide increased reporting on usage patterns, providing analytics that can be used to manage demand and enhance sustainability efforts.

- **Opportunity description:** Ohio's colleges and universities can generate savings by consolidating their spend, standardizing replacement cycles and better managing demand. In some cases, desktop printers may be replaced by multifunction devices that are more efficient.
  - **Nature of recommendation:** Statewide collaboration, with possible expansion to regional or national contracts. Every public college and university should move to a single provider of copier/printer supply and services.
- **Computer hardware (standard office use):** Ohio institutions spent \$1.8 million on PCs in fiscal 2014 through the IUC joint contract, but that's a fraction of the projected \$79 million spend statewide on computer hardware. For standard (non-Apple) configurations of office computers, the opportunity to focus spending on a few makes and models would offer substantial opportunities for savings.
- **Opportunity description:** Ohio institutions should work together to identify a common set of computing packages that will meet most office needs, with the goal of creating a short list of standard setups that can be put out to bid with a guaranteed spend (such as at least 80 percent of applicable purchases) with a single vendor. This consolidation should yield stronger competitive bids while also providing for cost savings on maintenance and other factors.
  - **Nature of recommendation:** Statewide collaboration, with possible expansion to regional or national contracts. Every public college and university should participate in a single bid for standard computer equipment. Each institution should also establish parameters for identifying legitimate exceptions to this contract, such as computers needed for research and scientific purposes.
- **Travel services:** Ohio institutions use a variety of agencies to provide travel services, adding unnecessary cost to a category that would benefit from guaranteed volume.
- **Opportunity description:** An existing IUC Purchasing Group contract offers strong savings for vehicle rentals, but travel agency services remain an untapped area for a statewide consolidation of spend. This category was identified by several institutional councils as a top action step on procurement. Other related categories, such as relationships with airlines and hotel chains, could also provide opportunities down the line, but there are more regional issues to consider with these categories.
  - **Nature of recommendation:** Statewide collaboration, with possible expansion to regional or national contracts. Every public college and university that uses a travel management agency should move to a single agency with the capability to customize services based on each campus's policies and needs. Campuses should collaborate to simplify and standardize travel policies to reduce costs.

- **Outbound shipping:** Most of the outbound shipping service among Ohio institutions is divided among two national vendors. By consolidating to a single vendor — and adding mandates at individual campuses to use this contract across campuses — Ohio colleges and universities could better leverage their spend.
  - **Opportunity description:** Most Ohio institutions either use the state contract or a consortium arrangement for outbound shipping among one of the major national competitors in this sector. But few mandate use of the approved vendor, dividing the spend and limiting opportunities to better manage demand. A secondary opportunity may exist in inbound shipping, particularly if the same vendor is used for both inbound and outbound freight. Any contract should ensure quality requirements needed for scientific/lab shipments.
  - **Nature of recommendation:** Statewide collaboration, with possible expansion to regional or national contracts. Every public college and university should be on a single statewide contract for outbound shipping, particularly with regard to nonscientific packages.
  
- **Scientific Supplies and Equipment:** Ohio institutions use at least 114 vendors for scientific and lab equipment, suggesting strong opportunities to consolidate this spending.
  - **Opportunity description:** The largest vendors in our study capture about 16 percent to 20 percent of the spend, with nearly half the total divided among smaller providers. But experts say larger vendors dominate most categories of scientific supplies and equipment.
  - **Nature of recommendation:** Statewide collaboration, with possible expansion to regional or national contracts. This contract is most likely to be used predominantly by research institutions. Every public college and university should use a limited number of statewide contracts for scientific equipment.
  
- **Office Supplies and Equipment:** A small number of national vendors account for most of the spending on office supplies at Ohio institutions, reflecting a significant opportunity to consolidate contracts to yield savings.
  - **Opportunity description:** Experts suggest that a joint contract on office supplies could generate savings of up to 14 percent for Ohio institutions.
  - **Nature of recommendation:** Statewide collaboration, with possible expansion to regional or national contracts. Every public college and university should be on a single statewide contract for office supplies.

**Benefits:** In these six categories, Ohio's public colleges and universities could collectively save tens of millions of dollars a year based on current spending — which doesn't account for the

effect of increasing utilization within each campus. Increased buying power would also give institutions better leverage on service quality.

**Other considerations:** The value of combined purchasing power always has to be weighed against potential tradeoffs, including service quality and specialized needs. Consolidating vendors may also have the effect of de-coupling some procurement categories from other priorities, including regional economic development considerations.

We have focused our recommendations on areas where we believe the benefits are likely to outweigh these considerations. When possible, these joint contracts also should be opened to private colleges and universities in Ohio, which rarely would have the volume of spend to obtain optimal pricing.

**Implementation plan:** Each institution should immediately mandate that employees use the institution's current contracted vendor(s) unless there are tangible financial or operational reasons that consolidation would be harmful. This is an opportunity to save money simply by consolidating the spend at individual institutions into existing negotiated contracts. Furthermore, this exercise will set the stage for effective negotiation of cross-campus agreements that fully leverage the size and scope of Ohio's colleges and universities.

For collaboration among campuses, the IUC Purchasing Group should determine the best strategy for joint contracts in the recommended target areas. The task force recognizes that the Purchasing Group has a successful history, but the group could reap larger savings if more institutions participated in joint contracts.

The Purchasing Group should use its resources to identify the best process — including how to best tap specialized expertise — for expanded joint contracts on a timeline that corresponds to current contract cycles and needs of the institutions. The Purchasing Group may consider whether statewide or regional contracts make the most sense. Among the options that may be considered are:

- Negotiating new contracts in these areas
- Signing on to the best contract held by an Ohio institution
- Using state of Ohio contracts
- Utilizing regional or national consortia to obtain the best deals

The Purchasing Group already strives to allow private institutions to participate in joint contracts, and that philosophy should continue so that members of the Association of Independent Colleges & Universities of Ohio can hold down costs for their students.

If the Purchasing Group determines that the parameters for any of the expanded joint contracts described in this report would not serve the best interest of Ohio institutions, it should recommend an alternative approach.

To preserve local control and allow for legitimate cases where joint purchasing may not make sense for a particular college or university, institutions should be given the opportunity to opt out. We recommend the following conditions:

- The power to opt out rests with the institution's board of trustees. A board should provide a written explanation, including its reasons for choosing not to participate, to the IUC Purchasing Group and the chancellor of the Ohio Department of Higher Education.

## TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Strategic procurement recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	Statutory
Institutional mandates to use current contracts	✓			✓			✓				✓	
Copier/printer services	✓			✓				✓		✓		
Computer hardware	✓			✓				✓		✓		
Travel services	✓			✓				✓		✓		
Outbound shipping	✓			✓				✓		✓		
Scientific equipment/supply	✓			✓				✓		✓		
Office supplies	✓			✓				✓		✓		

### Case study:

- Mandated use:** Ohio State required that employees purchase office supplies through its contracted vendor in 2010, when the utilization rate was about 50 percent. By 2015, utilization had increased to more than 95 percent. That improvement saved the university \$2.5 million over four years and enabled the university to negotiate an even better contract when it was rebid in 2015. The new contract offers \$5 million in savings over seven years, including \$1 million that was distributed as student financial aid.

## Recommendations | **Assets and operations**

**Background:** Ohio's institutions have accumulated assets and developed operations over time based on a variety of circumstances. The question now is whether all of these reflect their institution's needs and mission.

Some assets may serve a long-term purpose but are underutilized. Others could be sold or leased to provide new resources for the institution's primary mission.

Nonacademic operations that were originally developed to serve student or campus needs may not be the most efficient way of delivering those services. In some cases, collaboration among institutions would reduce operating costs and provide better scale for purchasing. In others, private operators may be able to offer better service at a lower cost.

Finally, some assets or operations that are funded by institutions could be better supported through sponsorships, affinity relationships or other kinds of partnerships.

**Recommendation 4A | Asset review:** Each institution must conduct an assessment of its non-core assets to determine their market value if sold, leased or otherwise repurposed. Where opportunities exist, colleges and universities must consider coordinating these efforts with other Ohio institutions to reap larger benefits of scale.

- **Benefits:** Colleges and universities can reduce maintenance, energy and other costs related to unneeded assets, and produce dollars that can be reinvested in the core mission by monetizing them. Depending on the type of asset and its role on a campus, institutions can consider a variety of options for disposal, including a sale, lease, demolition and others.

For non-core assets that should be retained, institutions should evaluate whether private partnerships would enhance the value and/or provide additional financial support. In some cases, institutions may find partners where a sponsorship or affinity relationship would generate student scholarships, internships, research grants or other opportunities for students, faculty and staff.

- **Nature of recommendation:** Initially institutional, with opportunities for collaboration
- **Other considerations:** Institutions should take a long-term approach to monetizing assets and be wary of short-term considerations. That philosophy should be reflected both in the decision to monetize and the use of the proceeds. Institutions should carefully evaluate the pros and cons of monetizing, including whether an asset will be needed in the future. Where opportunities can be realized, institutions should carefully evaluate the best use of those dollars for long-term gain. For instance, a targeted investment in an

institution's endowment (funding scholarships or core academic needs) would provide a recurring benefit instead of using one-time funds to fulfill an immediate need.

**Recommendation 4B | Operations review:** Each institution must conduct an assessment of non-academic operations that might be run more efficiently by a regional cooperative, private operator or other entity. These opportunities must then be evaluated to determine whether collaboration across institutions would increase efficiencies, improve service or otherwise add value. This review must encompass these nonacademic areas and any others identified by an institution:

- Dining
  - Housing
  - Student health insurance
  - Child care
  - IT help desk
  - Janitorial
  - Landscaping
  - Facility maintenance
  - Real-estate management
  - Parking
- **Benefits:** Beyond the academic mission of each institution, Ohio's colleges and universities have taken on important but non-core operations to serve their students and communities. However these services evolved, they represent an area of duplication that is costly to institutions and, ultimately, students. Other operators, whether they are private or public collaborators, who specialize in those fields, may be able to provide them more efficiently. Colleges and universities should consider opportunities to outsource these operations if service levels can be maintained at an appropriate standard.
- **Nature of recommendation:** Institutional, with opportunities for regional or statewide collaboration
- **Other considerations:** Any transition to a private vendor should be carefully evaluated by experts to ensure the correct checks and balances exist on service levels, financial obligations and incentives.

Institutions also need to consider the implications for employees. In some cases, they may be retained by a private operator who takes over a university operation, but staff members often value their connection to a public employer. Likewise, there may be implications for compensation and benefit packages. Some institutions have responded to these concerns by providing employees affected by privatization an opportunity to remain in different roles.

This review should be coordinated with the cost diagnostic (Recommendation 5A) and organizational structure (Recommendation 5C) reviews to identify opportunities to consolidate operations *within* a campus. At some schools, there are similar operations run by different units that could be combined in shared service models.

**Recommendation 4C | Affinity partnerships and sponsorships:** Institutions must, on determining assets and operations that are to be retained, evaluate opportunities for affinity relationships and sponsorships that can support students, faculty and staff. Colleges and universities can use these types of partnerships to generate new resources by identifying “win-win” opportunities with private entities that are interested in connecting with students, faculty, staff, alumni or other members of their communities.

- **Benefits:** Affinity and sponsor relationships, which may be amplified across institutions, can create new resources, internships, career opportunities, research grants or other benefits to students, faculty and staff. Often, alumni can participate in these relationships in a way that is mutually beneficial — for instance, companies may guarantee resources for an institution in exchange for the ability to market to alumni, who in turn are offered special discounts if they opt in for services.
- **Nature of recommendation:** Institutional, with opportunities for regional or statewide collaboration
- **Other considerations:** Institutions need to retain a careful balance between seeking support for their students, faculty and staff while protecting their interests. Campuses should not be commercialized to the degree that they are blanketed in corporate logos and advertising, nor should students, faculty and staff be barraged by advertising as they pursue their academic careers. Put simply, institutions will need to ensure that any and all supportive partnerships are properly scoped.

**Implementation plan:** Each institution should complete an initial review of assets and the listed operations to consider whether they should be retained, run differently or subject to disposal. The review should be presented to each institution’s board of trustees for review and direction.

We encourage institutions to work collaboratively to simplify the evaluation process, perhaps by using the Inter-University Council Purchasing Group to negotiate a statewide contract with consultants. This would provide consistency in the approach and lower the per-institution cost.

For affinity and sponsorship opportunities, institutions should seek out possible collaborations across campuses and share best practices.

Assets and operations recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	Statutory
Asset review	✓			✓				✓		✓	✓	
Operations review	✓			✓				✓		✓	✓	
Affinity and sponsorships	✓			✓				✓		✓	✓	

**Case studies:**

- **IT help desk:** Cuyahoga Community College outsourced help desk calls (excluding faculty-based classroom technology issues) in 2010. This work included self-service improvements that have cut the annual volume of calls in half by 2015. Those efficiencies have generated \$250,000 a year in annual cost savings by reducing the need for IT Help Desk equipment and staff.
- **Dining services:** Bowling Green State University outsourced its dining services to a private operator in 2008, when students bought fewer than 10,000 meal plans. That partnership has increased use of its dining services — more than 12,000 meal plans were purchased in 2015, despite a 3.5 percent decline in undergraduate enrollment since 2008. Students also benefitted from a cost standpoint: For three of the past six years, there were no increases to dining plan rates.
- **Parking:** The Ohio State University outsourced its parking operation in 2013, receiving a \$483 million up-front payment for a 50-year concession with a private operator. The payment was invested in the university’s endowment, which through fiscal 2016 has provided \$83 million in distributions for student scholarships, faculty recruitment in priority fields, capital investments and campus transportation options.
- **Copier/printer service:** Since 2010, Cuyahoga Community College has outsourced copier/printer service with a private vendor that also helps to better manage demand. The contract initially provided savings of \$300,000 annually. Since a contract extension in October 2014, Tri-C is reaping savings of \$426,000 a year.

## Recommendations | **Administrative cost reforms**

**Background:** Not surprisingly, more than 60 percent of the expenses at Ohio's public colleges and universities are devoted to employee salaries and benefits.

At universities, 38 percent are devoted to noninstructional staff. At community colleges, staff costs account for 29 percent of expenses.<sup>4</sup>

Many of these staff members are providing functions that directly benefit students — including academic advising, health counseling, enrollment, financial aid, veterans services and the like. But any opportunities to increase administrative productivity or reduce staff costs can free funding to lower costs for students or bolster academic quality.

**Recommendation 5A | Cost diagnostic:** Each institution must produce a diagnostic to identify its cost drivers, along with priority areas that offer the best opportunities for efficiencies. This diagnostic must identify, over at least a 10-year period:

- Key drivers of costs and revenue by administrative function and academic program;
  - Distribution of employee costs — both among types of compensation and among units;
  - Revenue sources connected to cost increases — whether students are paying for these through tuition and fees, or whether they are externally funded;
  - Span of control for managers across the institution — how many employees managers typically oversee, by the manager's function; and
  - Priority steps that would reduce overhead while maintaining quality — which recommendations would have the most benefit?
- **Benefits:** Colleges and universities cannot effectively control their costs without a detailed look at their finances. This analysis should provide a starting point for improving operational efficiencies.
  - **Nature of recommendation:** Institutional
  - **Other considerations:** The financial systems at many institutions may not easily yield the data for this analysis, which amplifies the need for standardization on the analysis and outcomes. Therefore, institutions should consider using the Inter-University Council Purchasing Group to seek a joint contract for the analytical work that this diagnostic would require. This could reduce the cost per institution and standardize findings.

Institutions will need to prioritize areas of possible efficiencies on a variety of factors. These should include funding sources — for instance, to distinguish areas such as sponsored research, where growth would reflect success in attracting funding, and other areas that might be cost centers. Also, some areas might be growing because of legal requirements or other obligations outside of an institution’s control.

- **Implementation plan:** Each institution must review and develop an action plan from the findings, although institutions may collaborate to reduce the cost. For instance, a group of institutions could identify a representative example that could be used to generate findings that would be applied across the group. For each institution, the board of trustees must approve the action plan stemming from the review.

**Recommendation 5B | Productivity measure:** The Department of Higher Education should develop a common measurement of administrative productivity that can be adopted across Ohio’s public colleges and universities. While the measure should be consistent, each institution should have latitude to develop its own standards for the proper level of productivity in its units. This will allow, for instance, for appropriate differences between productivity in high-volume environments vs. high-touch ones.

- **Benefits:** A common measurement will empower better analytics of productivity and cost-savings opportunities within and across campuses. Ohio has the opportunity to be a national leader on this front — our administrative productivity metric could become the national standard in higher education.
- **Nature of recommendation:** Statewide, with application by institutions
- **Other considerations:** Institutions will need to analyze administrative productivity rates within their colleges and units to establish baseline data before new standards could be put in place. Over time, this data could provide better comparison data across institutions, but variations across Ohio’s colleges and universities are to be expected.
- **Implementation plan:** The Department of Higher Education must develop an administrative productivity metric that can be applied across Ohio’s public institutions. Each institution must develop a plan to apply the agreed-upon measure across its campus.

**Recommendation 5C | Organizational structure:** Each institution should, as part or as a consequence of its cost diagnostic, review its organizational structure in line with best practices to identify opportunities to streamline and reduce costs. The institutional reviews also should consider shared business services — among units or between institutions, when appropriate — for fiscal services, human resources and information technology.

## TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- **Benefits:** When institutions can flatten their organizational structures while maintaining a focus on quality, they improve their cost structure and enhance operational efficiency. In other words, institutions should look for opportunities to scale back bureaucracy that does not add value.
- **Nature of recommendation:** Institutional
- **Other considerations:** The task force recognizes that there may not be a one-size-fits-all solution to organizational structure, but the cost diagnostic and standard productivity measures recommended in this report should aid in benchmarking that will demonstrate when institutions have opportunities to streamline. When an institution is out of line with benchmarks, leaders should understand whether they are receiving additional value for the additional cost.
- **Implementation plan:** Each institution should produce an organizational review that is ultimately approved by its board of trustees. This may be conducted as a second phase of the cost diagnostic and productivity measure work, or in conjunction with those initiatives. Institutions may benefit from a national best-practice review as a precursor of this work.

The operations review (recommendation 4B) should also be a useful element of this work, as it may identify operations *within* an institution that could be centralized to add efficiencies.

**Recommendation 5D | Health-care costs:** Like other employers, colleges and universities have experienced rapid growth in health-care costs. To drive down costs and take advantage of economies of scale, the Department of Higher Education should convene a working group to identify opportunities to collaborate.

- **Benefits:** Ohio's colleges and universities repeatedly cited health-care benefits and related administrative services as key opportunities for efficiencies. Suggestions from institutional efficiency councils ranged from collaborating on statewide or regional health-care benefits for higher-ed employees to working together on administrative aspects of these benefits. A study group of experts in health-care, human resources and finance could identify achievable opportunities to reduce costs and/or restrain the growth rate.
- **Nature of recommendation:** Statewide, with recommendations that could be targeted to regions or types of institutions
- **Other considerations:** Collaboration on health-care benefits will need to consider regional differences in provider networks, the existence of academic medical centers, and competitive considerations in compensation packages, among other issues.

- **Implementation plan:** The Department of Higher Education should convene a working group to study opportunities for streamlining and cost-savings in health care. The department should consult with the Department of Insurance on this work, and this working group should consider possible connections with the state of Ohio that would be mutually beneficial.

**Recommendation 5E | Data centers:** Institutions must develop a plan to move their primary or disaster recovery data centers to the State of Ohio Computer Center.

- **Benefits:** The State of Ohio Computer Center provides a high-quality, secure environment at a lower cost than standalone data centers at each campus. This facility can offer better economies of scale and is better positioned to employ people with the specialized skills needed to efficiently operate it. Increased volume from higher-education institutions also could produce additional savings on service and power.
- **Nature of recommendation:** Institutional, with statewide collaboration
- **Other considerations:** Each institution will need to determine the best timing and manner for this move, based on its IT needs and capital investments. Institutions will need to consider disaster requirements and operational capabilities as part of their move planning, with the goal that all institutions share a common disaster-recovery site. Institutions should also explore best practices for sharing of common infrastructure elements and the potential to use cloud technology.
- **Implementation plan:** Each institution will need to make its own plan, but collaboration among the chief information officers of Ohio institutions could assist in coordination.

**Recommendation 5F | Space utilization:** Each Ohio institution must study the utilization of its campus and employ a system that encourages optimization of physical spaces.

- **Benefits:** Under-utilized buildings and other spaces require energy, maintenance and other services that are inefficient. A system that tracks space utilization empowers an institution to find solutions to these problems, whether by adjusting class schedules, seeking out alternative uses of these spaces, or reducing the physical imprint of an institution.
- **Nature of recommendation:** Institutional
- **Implementation plan:** Institutions, working through the Inter-University Council Purchasing Group, should seek a joint contract for space utilization systems that can reduce the cost for institutions that currently do not employ these.

Administrative cost reforms recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	State/Statutory
Cost diagnostic			✓	✓			✓				✓	
Productivity measure	✓		✓	✓			✓				✓	✓
Organizational structure			✓	✓				✓			✓	
Health-care working group	✓			✓				✓				✓
Data center	✓		✓	✓					✓		✓	
Space utilization			✓	✓				✓			✓	

**Case studies:**

- Productivity:** Miami University has an active Lean program focused on operational efficiencies that has completed 510 projects since 2010 valued at \$30 million. These projects have allowed the university to maintain and enhance service to its students while reducing headcount by 9.9 percent from fall 2008 through fall 2014. When accounting for enrollment changes during this period, that reflects a 19 percent decrease in staff members per student.
- Space utilization:** Stark State College has employed a space utilization system since 2014 that has allowed the institution to improve course schedules and building utilization. This investment of less than \$50,000 a year resulted in an 11 percent improvement in lecture-room utilization from spring 2014 to spring 2015. The system also is used to evaluate course offerings each term to ensure that an optimal number of sections are offered to meet student demand.
- Reduced footprint:** After completing a master plan study of its space needs, Bowling Green State University plans to reduce its campus footprint by 300,000 square feet by 2017. The university expects to be able to reduce another 100,000 square feet by 2020 to optimize building usage and reduce operational costs. This is expected to generate utility, maintenance and daily operational savings of \$5.50 per square foot, or \$1.65 million in fiscal 2014 numbers.

- **Joint administrative group:** In July 2015, Northwest State Community College and Terra State Community College created a joint administrative group to reduce cost and devote more resources to academic programming and student success. Northwest State and Terra State are community colleges that are 75 miles apart, so this arrangement represents an example of how institutions can find creative solutions to lower costs while maintaining their individual missions. Administrative functions will be handled from a third site with shared officials and services, but Northwest State and Terra State will continue to provide education and workforce development in their distinct service areas.<sup>5</sup>
- **Data center:** The Ohio State University avoided \$40 million in capital costs and is saving \$1 million a year in operational costs by moving to the State of Ohio Computer Center.

## Recommendation | **Textbook affordability**

**Background:** Textbooks can cost the average university student \$1,225 a year and a full-time community college student \$1,328 a year.<sup>6</sup>

These costs have risen dramatically.

From 1996 to 2004, the cost of new textbooks increased an average of 6 percent a year. That was more than twice the pace of inflation.<sup>7</sup> The trend has continued unabated in recent years, with new textbook prices climbing 6 percent a year between 2002 and 2013 while general household prices increased at an average of 2 percent annually.<sup>8</sup>

Textbook rental programs and digital options offer some opportunities for relief, but these alternatives are still emerging as solutions for many students.

Because textbooks are a reflection of an individual student's field of study, and the choices made by the faculty in those courses, students may not know the true cost of their education until they have enrolled in classes.

Clearly, improving the affordability of textbooks and other course materials offers a direct way to lower the cost of education for students.

**Recommendation 6A | Negotiate cost:** Professional negotiators must be assigned to help faculty obtain the best deals for students on textbooks and instructional materials, starting with high-volume, high-cost courses. Faculty must consider both cost and quality in the selection of course materials.

- **Benefits:** Institutions often employ professional negotiators in their business units, but they are not always connected to the process of purchasing academic materials. By working collaboratively, faculty and negotiators can employ business practices — such as seeking competitive presentations by publishers to department faculty — to drive down costs and improve offerings for students.
- **Nature of recommendation:** Institutional
- **Other considerations:** Faculty must use their subject matter expertise to judge the quality of materials, but business officials can add value to the negotiation over price and other terms. Institutions must ensure that negotiators have a clear mission to provide faculty with support while representing students' need for affordable materials. Faculty should continue to focus on academic quality, but they also should be asked to consider cost as part of their selection of course materials.

- **Implementation plan:** Institutions must assign professional negotiators — such as members of their business operations — to assist faculty in their dealings with publishers. Academic leaders should prioritize the use of these negotiators to courses with high volumes of students and/or high cost of materials.

**Recommendation 6B | Standardize materials for gateway courses:** Institutions must encourage departments to choose common materials, including digital elements, for gateway courses that serve large volumes of students.

- **Benefits:** Many students take the same common courses in the early stages of their degrees, so institutions can effectively reduce costs for large numbers of students by targeting these gateway courses. Standardizing materials, including using digital options, for these courses would improve the availability of used materials and allow institutions to negotiate better prices on behalf of their students.
- **Nature of recommendation:** Institutional
- **Other considerations:** Coordination between institutions would amplify the effects of standardization here, and raise the possibility of enhanced joint purchasing of course materials to reduce their cost to students. Common materials would also enhance articulation and transfer among institutions statewide. Institutions should always aim to maintain the highest quality materials and respect academic freedom.
- **Implementation plan:** Academic leaders at each institution should home in on high volume courses and work with faculty who teach those courses to come to common agreement on materials. When possible, faculty should consider the development or selection of digital materials that can reduce costs.

**Recommendation 6C | Develop digital capabilities:** Institutions must be part of a consortium to develop digital tools and materials, including open educational resources, that provide students with high-quality, low-cost materials.

- **Benefits:** Institutions should seek to harness their own intellectual property to create and adapt learning materials for their students. This can reduce the cost to students and may provide revenue opportunities by offering tools and materials to other institutions.
- **Nature of recommendation:** Institutional, with opportunity for statewide collaboration
- **Other considerations:** If all Ohio institutions were part of the same collaborative, our public colleges and universities could more easily share materials and tools. The task force recognizes that institutions may have already made a variety of choices on this front, but it encourages collaboration across the state's colleges and universities.

## TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- **Implementation plan:** Institutions should tap the expertise of chief information officers at Ohio institutions to determine whether a single consortium offers a cost-effective solution. Each institution must then consider whether to participate or use an alternative system and report its decision to its board of trustees.

Textbook affordability recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	Statutory
Negotiate cost			✓	✓			✓				✓	
Standardize materials			✓	✓			✓				✓	
Develop digital capabilities	✓		✓	✓			✓			✓	✓	

### Case studies:

- **Negotiate cost:** The University of Cincinnati employs negotiators from its Division for Administration and Finance as well as experts from its bookstore to support faculty in negotiating textbook prices. These tactics have paid off in savings to students that average \$100 per course. For fall semester of 2015, UC students are expected to save \$400,000 to \$500,000 compared to list prices for electronic materials in certain high-enrollment courses. The cost is included in students' tuition and fees, so students automatically have access to these materials. Professors report a significant educational benefit because this structure means no students skip or delay buying materials.
- **Consider cost:** Columbus State Community College students have saved \$2.3 million since July 2013 through a variety of measures, including learning seminars to educate faculty about options to make course materials more affordable. Other strategies include the development of digital content, price negotiations, textbook rentals and expanded availability of used materials.
- **Develop digital capabilities:** The Ohio State University is a member of Unizin, a nonprofit consortium owned by universities that develops digital resources and tools for higher education. By virtue of Ohio State's membership in Unizin, other colleges and universities in Ohio can join for an annual fee. Members can make use of shared tools and materials that Unizin develops or acquires based on level of entry into the consortium.

## Recommendation | Time to degree

**Background:** One of the most effective ways that colleges and universities can lower costs for students is to ensure that students complete their degrees in an efficient manner. While students can use college to investigate possible career paths and interests, that intellectual exploration must be balanced against the cost.

Students can save thousands of dollars by completing their degrees on time — the result of taking the appropriate number of credit hours per term, with smart scheduling to ensure they are on track to meet their program requirements. Avoiding costs associated with an extra term or two is a powerful way to avoid student debt.

**Recommendation 7A | Education campaign:** Each institution must develop a coordinated campaign to educate its full-time undergraduates about the course loads needed to graduate on time (two years for most associate degrees and four years for most bachelor's degrees).

- **Benefits:** Undergraduates who take 12 credit hours in a semester are considered full time based on federal financial aid rules, but they would need to take an average of 15 credit hours per semester to graduate on time in most programs. Nearly half the full-time students at Ohio's community colleges, regional campuses and university main campuses took fewer than 15 credit hours in the fall semesters of 2011-13.<sup>9</sup>
- **Nature of recommendation:** Institutional, with opportunity for statewide collaboration
- **Other considerations:** This campaign would be explicitly aimed at full-time undergraduates. Working adults and other part-time students may not be able to accelerate their studies because of job, family or other pressures, so advising and other strategies will be needed to encourage their progress toward a degree. Also, some full-time programs require more than 15 credit hours per semester to stay on track.
- **Implementation plan:** Each institution must implement a campaign with its students by incorporating messages during the advising process and at regular touch points throughout their college careers. Institutions should consider working together to develop a standard "tool kit" that each institution could customize to its needs. This collaboration could save time and money — and provide a standard message across the state.

**Recommendation 7B | Graduation incentive:** Institutions should consider establishing financial incentives to encourage full-time students to take at least 15 credits per semester.

- **Benefits:** Ohio institutions that have implemented incentive programs report that their students have increased progress toward degree completion. Increased success rates may also benefit institutions because Ohio's success-based funding formula awards State Share of Instruction dollars as a result of their students' progress to degree.

- **Nature of recommendation:** Institutional
- **Other considerations:** Incentive programs are less likely to have a big impact on student choice at institutions with high on-time graduation rates and instead may be rewarding existing behavior. Therefore, each institution should evaluate the potential benefit of these programs to improving time to degree for students.

The upfront costs of these programs may be balanced by increased state support through the subsidy model, but the actual cost/benefit will vary by institution. Therefore, a broad expansion of these programs may not be sustainable without state support.

- **Implementation plan:** The leadership of each institution should consider the applicability to its campus.

**Recommendation 7C | Standardize credits for degree:** Institutions should streamline graduation requirements so that most bachelor's degree programs can be completed within four years or less and most associate degree programs can be completed in two years or less. Exceptions should be allowed because of accreditation or quality requirements.

- **Benefits:** The requirements of academic programs obviously affect the amount of time that students spend earning a degree. Streamlining the requirements — when permitted both on the academic needs of the program and accreditation rules — would allow students to more quickly move from school to work.
- **Nature of recommendation:** Institutional
- **Other considerations:** The benefits of streamlining course requirements must always be measured against the legitimate academic needs of each program.

The Ohio Department of Higher Education recently updated its program review manual, which includes mandatory reviews when bachelor's degree programs exceed 126 hours and associate degree programs exceed 65 hours. Institutions are already recalibrating credit requirements to these rules, and that work should continue.

- **Implementation plan:** Academic leaders at each institution should continue to review the graduation requirements of programs that exceed the standard levels established by the state Department of Higher Education.

**Recommendation 7D | Data-driven advising:** Institutions should enhance academic advising services so that students benefit from both high-impact, personalized consultations and data systems that proactively identify risk factors that hinder student success.

- **Benefits:** Predictive analytics have the potential to prevent problems before they occur, by identifying early signals of problems or opportunities to course-correct during a

student's academic career. When combined with proactive advising — sometimes called “intrusive advising” to reflect that advisors take the initiative to interact with students — this process can help guide students through their academic careers.

- **Nature of recommendation:** Institutional, with opportunity for statewide collaboration
- **Other considerations:** The cost of implementation and training for academic advisers will create a significant upfront investment of time and money. Also, proactive advising will need to be carefully applied to show students the best path forward in their chosen academic careers — not to create roadblocks to a challenging field.
- **Implementation plan:** Each institution must implement a data-driven analytics system, as well as training for advisers on how to use the data to provide high-impact interventions. A statewide contract, perhaps in conjunction with OARnet and/or financial support from the state, could lower the cost to make this kind of system accessible across Ohio's public colleges and universities. Institutions should consider working collaboratively through a group of chief information officers and Inter-University Council Purchasing Group to negotiate a statewide contract.

**Recommendation 7E | Summer programs:** Each campus must develop plans to evaluate utilization rates for summer session and consider opportunities to increase productive activity. In particular, institutions should consider adding summer-session options for high-demand classes and bottleneck courses that are required for degree completion.

- **Benefits:** Too many campus resources are lightly used during the summer, and too many in-demand courses are unavailable during the standard fall-spring academic year. Increasing summer activity could address both issues.
- **Nature of recommendation:** Institutional
- **Other considerations:** Even with more summer availability, some students will not be able to take advantage because of their need to work or gain professional experience. Others may see adverse consequences to financial aid packages. Faculty schedules will also need to be addressed, since many focus on research during the summer.

Last, any increase in academic offerings will need to consider the impact on capital improvement plans for student housing and other facilities. This work often takes place during the summer session, when it is less disruptive to students.

- **Implementation plan:** The board of trustees of each institution should identify opportunities to expand the number of high-demand and core courses available during summer session.

**Recommendation 7F | Pathway agreements:** Ohio institutions should continue to develop agreements that create seamless pathways for students who begin their educations at community or technical colleges and complete them at universities.

- **Benefits:** Programs that have articulation agreements help students succeed by providing them with an academic roadmap that spells out the appropriate coursework they should take at a college that will fulfill requirements needed to complete their bachelor's degree at a university. In these agreements, the institutions ensure that their academic requirements are aligned. Students benefit from a clear pathway to a degree as well as cost savings by starting at a less-expensive institution.
- **Nature of recommendation:** Institutional collaborations
- **Other considerations:** In developing articulation agreements, colleges and universities must ensure that they have aligned quality and content issues to enhance student success.
- **Implementation plan:** Institutions should work collaboratively to increase the number of articulation agreements, such as 2+2 arrangements, among Ohio colleges and universities.

**Recommendation 7G | Competency-based education:** Institutions should consider developing or expanding programs that measure student success based on demonstrated competencies instead of through the amount of time students spend studying a subject.

- **Benefits:** Competency-based programs can help students, particularly working adults or other nontraditional students, complete degrees more efficiently by allowing them to work at their own pace instead of on a classroom schedule. These programs are typically more affordable for students because they use technology, including online modules, in the educational process.
- **Nature of recommendation:** Institutional
- **Other considerations:** Institutions will need to ensure that the quality of competency-based programs meets their standards. Competency-based programs also tend to be more prevalent in certain kinds of fields.

As part of the state budget bill for fiscal years 2016 and 2017, institutions are encouraged to work with the chancellor of the Department of Higher Education to consider offering competency-based programs and present plans by July 1, 2016.

- **Implementation plan:** Each institution should evaluate opportunities to develop or expand competency-based programs, in consultation with the Department of Higher Education.

## TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Time to degree recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	State/Statutory
Education campaign	✓		✓	✓			✓				✓	
Graduation incentive			✓	✓			✓				✓	
Standardize credits			✓	✓				✓			✓	
Data-driven advising	✓			✓				✓		✓	✓	
Summer programs			✓	✓				✓			✓	
Pathway agreements			✓	✓			✓			✓	✓	
Competency-based education			✓	✓			✓				✓	

### Case studies:

- Graduation incentive:** Since fall 2013, Cleveland State University has offered a 2 percent tuition rebate and \$200 textbook credit to students who take at least 30 credit hours over three semesters and meet success and enrollment requirements. In the first two years of the program, an average of 2,865 undergraduate students qualified, and the program cost \$1.14 million annually, funded through Cleveland State's operating budget. This program will continue through the conclusion of students' fourth year of enrollment. Freshmen who entered in the fall of 2015 are the last eligible class for the program.

Starting in fall 2015, Cuyahoga Community College began offering a graduation incentive to students taking at least 15 credit hours in fall or spring semesters. The incentive equates to a 50 percent discount on any credit hours over 12 in these semesters, so a student taking 15 credit hours would receive \$156.81 per semester. To redeem the incentive, students must enroll in the subsequent semester for at least 12 credit hours and maintain at least a 2.0 grade point average.

- **Competency-based education:** Sinclair Community College received federal funds from the Department of Labor to launch Accelerate IT, an online program that allows information-technology students to earn certificates and degrees by working at their own pace. Sinclair and partner institutions that received the grant expect that the program will allow them to serve more students in these fields.<sup>10</sup>

## Recommendations | **Duplicative programs**

**Background:** Low-enrollment and duplicative programs have long been a concern in Ohio because these academic programs are considered costly to maintain.

Most recently, the state legislature directed institutions to study low-enrollment programs by January 2016 and every five years thereafter to identify opportunities for collaboration with other institutions that are geographically nearby.

That provision in the state budget for fiscal years 2016 and 2017 focuses on low-enrollment programs but does not address duplicative programs.

**Recommendation 8 | Program review:** Institutions should consider consolidating programs that are duplicated at other colleges and universities in their geographic area.

- **Benefits:** Colleges and universities could reduce administrative costs while honing their academic focus by consolidating duplicative programs that do not create a distinct advantage for their institutions. On co-located campuses, reducing duplication could particularly provide benefits for students.
- **Nature of recommendation:** Institutional collaborations
- **Other considerations:** Where there are high-demand programs across the state, duplication may make sense as a way of serving Ohio students and the state economy. However, there may be other areas where duplication is not serving the distinct missions of each school. There, consolidation would allow each institution to focus on what it does best while still providing an option for students in the region.
- **Implementation plan:** The Department of Higher Education should identify duplicative programs within each region of the state, with particular attention to co-located campuses. Institutions should then review any programs not covered by the current low-enrollment review ordered by the legislature to identify opportunities to consolidate.

## TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Duplicative programs recommendation												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	Statutory
Review duplication			✓	✓				✓		✓	✓	

## Recommendations | **Co-located campuses**

**Background:** On seven campuses throughout Ohio, two- and four-year schools are co-located. In each instance, a community or technical college shares a campus with a regional campus of a university.

As of the fall semester of 2014, these campuses served 45,070 students, with two-thirds of the enrollment at community colleges.<sup>11</sup>

Over the years, groups have repeatedly called on these institutions to work better together. For instance, the Co-located Campuses Review Project Report said in 2004 that operations should be “reviewed regularly to identify unnecessary duplication, better control expenses and identify new opportunities to share infrastructure and resources.”

Yet, state higher education leaders agree that co-located campuses demonstrate an uneven record of success in working together. While campuses across the state should be working more closely together to reduce costs and improve the educational offerings to their students, there is a special onus on institutions that share a campus.

**Recommendation 9 | Joint oversight boards:** The state should establish joint oversight boards for co-located community colleges and regional campuses of universities. This advisory board’s mandate should focus on improving efficiencies and coordination among the institutions.

- **Benefits:** A formalized oversight group that represents both institutions allows each to maintain its distinct mission but can collectively identify areas for streamlining, consolidation, shared services and positions, or other efficiencies. The net effect should be lowered costs for students or improved offerings.
- **Nature of recommendation:** Statutory
- **Other considerations:** Joint coordinating boards should also be encouraged among institutions with similar missions in a geographic region. These groups could identify and recommend shared services and other efficiency measures that could reduce costs for campuses.
- **Implementation plan:** The legislature, working with the state Department of Higher Education, should develop language to identify how these joint oversight boards should work — including the possibility that the state appoints independent members to the oversight board who are not aligned with either institution. Each institution must follow the direction of the Department in naming members to the oversight boards.

## TASK FORCE ON AFFORDABILITY AND EFFICIENCY

Co-located recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	Statutory
Joint oversight boards	✓			✓			✓					✓

## Recommendations | **Policy reforms**

**Background:** The task force recognizes that there are debates, both at the state and federal level, about the appropriate role and level of government support for higher education. Those are valid and important discussions.

Instead of wading into that debate, the task force has focused on where it could best add value to the discussion of affordability and efficiency among Ohio's colleges and universities. Our mission was to recommend practical action steps to help Ohio's public colleges and universities better serve their students from a cost and effectiveness perspective.

The task force believes strongly that federal reforms are needed to address a variety of issues related to student loans and debt.

We encourage state leaders and Ohio's congressional delegation to advocate for reforms that support student success — including ensuring that institutions that benefit from federal dollars help students complete credentials that improve their prospects in life. In addition, Congress and the administration should provide more oversight over student loans to ensure responsible borrowing and to ensure the appropriate level of student responsibility.

**Recommendation 10A | Financial advising:** Students ultimately determine how much to borrow, but the task force calls on Ohio's colleges and universities to help educate students about those choices by providing financial literacy services.

- **Benefits:** The task force heard stories throughout its work about students who took on debt for reasons other than their education because they don't understand the consequences that debt can take after graduation. Financial advising services can help students recognize how debt would affect their lives after college.
- **Nature of recommendation:** Institutional, with opportunities for statewide collaboration
- **Other considerations:** This program could be built into existing academic advising, financial aid, career services or be part of a broader financial literacy program that goes beyond the question of student debt.
- **Implementation plan:** Institutions should develop financial literacy programs aimed at helping students understand the possible consequences of student debt, particularly in light of the earning potential of their chosen field of study. This area is particularly ripe for a collaborative approach to develop a statewide program, including the possibility of offering a basic online service that can be reinforced during in-person sessions with advisors.

Beyond this, we are recommending changes to state laws that inhibit the efficient operations of state institutions of higher education.

**Recommendation 10B | Obstacles:** The state Department of Higher Education and/or state legislature should seek to remove any obstacles in policy, rule or statute that inhibit the efficiencies envisioned in these recommendations.

- **Benefits:** By carefully removing roadblocks to streamlining and other efficiency measures, the state can support institutions in their efforts to reduce costs and improve the quality of students' education.
- **Nature of recommendation:** Statutory
- **Implementation:** The chancellor of the Ohio Department of Higher Education should review any areas that might prohibit the implementation of recommendations in this report and make recommendations for appropriate remedies. Institutions should take the initiative to highlight any potential reforms.

**Recommendation 10C | Real estate sales:** State law should be updated to streamline the process for how public colleges and universities sell, convey, lease or enter into easements of real estate. Institutions should be able to transfer property with the approval of their board of trustees and the chancellor of the Ohio Department of Higher Education, while still ensuring legislative oversight/approval by requiring certain transactions be approved by the state Controlling Board.

- **Benefits:** Current state law surrounding real-estate sales and easements is cumbersome and can limit opportunities to negotiate the most advantageous deals for colleges and universities. Under current state law, Ohio's public colleges and universities cannot enter into easements or sell, convey or lease real estate without having legislation passed by the Ohio General Assembly, which can hinder effective negotiations and/or discourage potential buyers who are unwilling to wait for a bill.

Updating this process would provide significant administrative efficiencies while improving institutions' ability to maximize our assets.

- **Nature of recommendation:** Statutory
- **Other considerations:** Parameters could allow more flexibility for smaller transactions while maintaining executive and legislative oversight on larger ones — for instance, a dollar threshold below which boards and the chancellor's office could approve real-estate transactions.

## TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- **Implementation plan:** The Department of Higher Education should propose recommendations to the state legislature to streamline the process of disposing of real estate and/or easements.

**Recommendation 10D | Insurance pools:** Most state universities buy their property and casualty insurance on a group basis through the IUC Insurance Consortium, which in FY15 saved members more than \$5 million. This function could be handled more effectively through a different legal framework. Therefore, existing statute should be modified to more closely resemble the authority granted to political subdivisions (in ORC 2744.081).

- **Benefits:** Updating ORC 3345.202 would confirm that: The IUC-IC is an insurance pool and not an insurance company; the IUC-UC is exempt from all state and local taxes; and each member institution is not liable under a joint self-insurance pool for any amount in excess of amounts payable pursuant to the written pooling agreement.
- **Nature of recommendation:** Statutory
- **Implementation:** The chancellor of the Ohio Department of Higher Education and the General Assembly should review proposed legislation to facilitate the work of the IUC Insurance Consortium. In addition, the IUC-IC should form a not-for-profit entity to protect member institutions from legal entanglements.

Policy recommendations												
Focus areas	Scope			Type of institution			Time frame			Type of action		
	Statewide	Regional	Institutional	All	4-year	2-year	Immediate	1-3 years	3-5 years	Collaboration	Institution	State/Statutory
Financial education			✓	✓				✓		✓	✓	
Obstacles	✓			✓			✓					✓
Real estate	✓			✓			✓					✓
Insurance pools	✓			✓			✓					✓

## Implementation | **How to move forward**

As this report indicates, there is no simple panacea that would improve the affordability and efficiency of higher education in Ohio.

Instead, it will take creativity and drive among our public colleges and universities to provide high-quality education at a cost that doesn't drive students into crippling debt. The state will need to support these efforts, both through legislative relief and other means.

Collaboration among all the stakeholders will become increasingly important to share information, resources and best practices that can spread among Ohio's public colleges and universities.

To ensure that our recommendations can be translated into action, the task force has worked to distribute responsibility to the appropriate parties. We have purposely avoided spelling out all the details for our recommendations under the belief that goals are more effective than strict mandates which can hamper creative approaches.

We see three main actors in carrying out our recommendations:

- **Boards of trustees:** For work to be done at the institution level, we are asking boards of trustees to direct and/or review the progress of these endeavors.
- **The Department of Higher Education:** The Department can use its statewide reach and cross-institutional impact to share best practices, connect colleges and universities to one another, and provide resources to support our institutions.
- **The Inter-University Council Purchasing Group (including members of the Ohio Association of Community Colleges):** These groups already have developed an infrastructure for our higher education leaders to work together on effective solutions, such as joint procurement, that can lower costs. To that end, we view the IUC and OACC as vital partners who can implement recommendations in a collaborative fashion.

Beyond these organizations, the task force believes that there needs to be a central hub to track recommendations of this report and oversee the areas for which more study is needed.

**Recommendation | Implementation:** The chancellor of the Ohio Department of Higher Education and the state's public colleges and universities should make use of existing groups and resources to coordinate next steps from these recommendations. In particular:

- The chancellor should utilize the existing Efficiency Advisory Committee<sup>12</sup> (Section 369.540 of Am. Sub. H.B. No. 64) to coordinate next steps.

- Where results should be reported statewide, information gathering should be incorporated into the existing efficiency survey conducted by the Department of Higher Education.
  - Efficiency councils at each college and university should continue to provide input on the progress of these steps and identify others going forward.
- **Benefits:** This report calls for further study or work in several areas, and the advisory committee already encompasses representatives of all public institutions in Ohio and works with the Department of Higher Education. The Efficiency Advisory Committee could be utilized to coordinate areas that need further study or coordination to ease implementation, such as:
- Standard productivity measure (recommendation 5B)
  - Health-care costs (recommendation 5D)
  - Develop digital capabilities (recommendation 6C)

In addition, the Efficiency Advisory Committee could work with the Inter-University Council Purchasing Group to simplify, standardize and reduce the cost of implementation of the following recommendations:

- Assets and operations reviews (recommendations 4A-C)
- Cost diagnostic (recommendation 5A)
- Space utilization (recommendation 5F)

Each institution, as part of the task force's work process, was asked to either form or assign an existing efficiency council to provide input on topics of interest. These groups were invaluable in providing insights on the most pressing issues facing Ohio institutions and the areas of most potential.

To that end, we recommend that these institutional councils continue to act as sounding boards for statewide collaboration and coordination. Similarly, we recommend that each institution rely on its council to advise and/or implement recommendations for its campuses.

**Timeline:** The biennial state budget for fiscal years 2016 and 2017 requires the board of trustees for each institution to complete an efficiency review based on this report by July 1, 2016, and an implementation plan within 30 days of submitting that review.

Some work can clearly begin in advance of that July 1 deadline, while other recommendations would take more time to implement.

## TASK FORCE ON AFFORDABILITY AND EFFICIENCY

The chart below provides a summary of the implementation responsibilities for each recommendation. Where more time is needed to implement, that is reflected.

Implementation matrix			
Recommendation (Deadline if not July 1, 2016)	Boards of Trustees	Dept. of Higher Ed.	IUC Purchasing Group
1: Savings to students <b>(July 1, 2017)</b>	Redeploy new dollars to affordability and quality  Report annually to DHE	Develop template, collect data and produce annual reports	
2: Five-year goals	Develop goals through FY2021 for efficiencies and new resources	Develop template, collect data and produce annual reports	
3: Procurement	Mandate on-campus utilization, and participate (or not) in joint purchasing agreements		Joint contracts
4: Assets and operations <b>(Dec. 31, 2016)</b>	Review assets, operations and opportunities for affinity/sponsor relationships		Joint contract?
5A: Cost diagnostic <b>(Dec. 31, 2016)</b>	Produce cost diagnostic		Joint contract?
5B: Productivity measure	Apply measure	Develop measure	
5C: Organizational structure	Order review		
5D: Health care		Convene working group	
5E: Data centers	Develop plan to move		Joint contract?
5F: Space utilization <b>(Dec. 31, 2016)</b>	Order review		Joint contract?
Recommendation (Deadline if not July 1, 2016)	Boards of Trustees	Dept. of Higher Ed./ State legislature	IUC Purchasing Group
6A: Negotiate textbook cost	Assign negotiators		
6B: Standardize materials	Direct academic leaders to develop plan		

## TASK FORCE ON AFFORDABILITY AND EFFICIENCY

6C: Develop digital capabilities	Join consortium		
7A: Education campaign	Develop and implement campaign (15 credits)		
7B: Graduation incentive	Study options		
7C: Standardize credits	Order review		
7D: Data-driven advising	Implement		Statewide contract?
7E: Summer programs <b>(Dec. 31, 2016)</b>	Develop plan		
7F: Pathway agreements	Develop agreements		
7G: Competency-based education	Consider programs		
8: Duplicative programs <b>(Dec. 31, 2016)</b>	Consider consolidation	Identify programs	
9: Co-located campuses		Develop legislation	
10: Policy reforms	Financial education	Develop legislation Remove obstacles	

## Other topics of interest

Individual members of the task force and other stakeholders expressed interest in other topics that could not be explored in the time frame available.

These are among the areas that were identified:

- **Alumni support:** In framing affordability and efficiency goals, institutions should consider the role that alumni could play in enhancing those efforts. Institutions that demonstrate strong participation from alumni in this regard could leverage those results to obtain additional support.
- **Benefits:** Beyond the health-care benefits to be addressed by a work group (Recommendation 5D), Ohio institutions should consider a broader study of other non-pension benefits where coordination may lead to efficiencies.
- **College Credit Plus:** Expansion and refinement of this program, so that more students can earn college credits while in high school, would reduce the cost of higher education and enhance students' ability to complete their degrees on time.
- **Construction reform:** In 2011, the state enacted construction reforms that benefitted higher education. The new methodologies allowed for greater efficiencies and ease of completion, thereby saving time and money. But many other opportunities exist to reduce the cost of capital projects and allow for greater efficiencies.
- **Differentiated tuition:** Currently, institutions are required to set a single tuition rate for all students, without the ability to differentiate by class rank. More flexibility on this front might allow institutions to lower costs for underclassmen (but might increase costs for upperclassmen).
- **Energy efficiencies:** Institutions could drive down energy costs and become more sustainable through conservation efforts. The task force was impressed by many of the efforts at the University of Cincinnati to creatively attack this problem, including finding opportunities during unrelated capital projects to improve building sustainability.
- **Enterprise resource planning (ERP) systems:** Institutions would benefit from economies of scale and operational efficiencies if more operated on the same ERP systems. Given the complexity and scale of these systems, a statewide approach would be a daunting project across Ohio's colleges and universities. But there may be opportunities to begin coordination among similar institutions as they update their systems.

- **Optimizing building assets:** Colleges and universities may be able to better leverage their physical space through partnerships with other institutions of higher education as well as government, civic organizations and other groups.
- **Part-time students:** Ohio's colleges serve a variety of students, not just "traditional" students who attend full-time and begin their degree directly after graduating from high school. Some of the recommendations in this report will benefit all students, but a special focus is needed to support the success of part-time students, including working adults.
- **Remediation:** Students enrolled in remedial courses graduate in far fewer numbers and spend more time in school, driving up student debt. Colleges should continue exploring ways to reform current remediation practices and policies so that there are differentiated options for students based upon their needs, including co-requisite and parallel remediation. A program in Tennessee has had promising results by allowing high-school seniors who earn low ACT scores on the math section to receive math mediation while still in high school. <sup>13</sup>
- **3+1 Programs:** Some institutions have developed articulation agreements that allow students to spend three years at a community college and a fourth year at a university to complete a bachelor's degree. As part of the emphasis on multiple pathways to a degree, this concept deserves further study.

## Appendix A | Executive order



JOHN R. KASICH  
GOVERNOR  
STATE OF OHIO

### Executive Order 2015-01K

#### Establishing the Ohio Task Force on Affordability and Efficiency in Higher Education

**WHEREAS**, Ohio’s future economic growth depends upon a well-educated workforce and college graduates; and

**WHEREAS**, national figures show that the costs to students and their parents associated with higher education have increased substantially over the last 35 years, rising several times higher than the general rate of inflation over the same period of time; and

**WHEREAS**, the substantial rise in higher education tuition prices has led to a similar rise in student loan debt. In 2013, outstanding student loan debt nationally was well over \$1 trillion, surpassing—for the first time ever—the amount of outstanding credit card debt (then \$857 billion); and

**WHEREAS**, increasing operational efficiency in our state-sponsored institutions of higher education can lower their costs of providing post-secondary instruction, which in turn should help them provide an even higher quality of education at a more affordable cost to Ohioans;

**NOW THEREFORE**, I, John R. Kasich, Governor of the State of Ohio, by virtue of the authority vested in me by the Constitution and the laws of the State of Ohio, do hereby order and direct that:

1. The Ohio Task Force on Affordability and Efficiency in Higher Education (the “Task Force”) is hereby established to review and recommend ways in which state-sponsored institutions of higher education, including four-year universities and two-year community colleges, can be more efficient, offering an education of equal or higher quality while at the same time decreasing their costs. This can be done only if institutions of higher education become more efficient and productive in the use of their assets, personnel and resources. The Task Force shall provide me with a report with recommendations regarding how our state institutions of higher education can operate more productively and efficiently, so that, over the long term, tuition prices remain affordable.

## TASK FORCE ON AFFORDABILITY AND EFFICIENCY

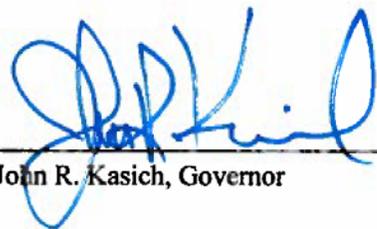
2. In conducting its review and developing its report with recommendations, the Task Force shall examine the following areas:
    - a. Administrative staffing levels, bureaucracy and related costs;
    - b. Teaching loads for professors not significantly involved in research;
    - c. Organization of departments, with a view toward ways to reduce overhead;
    - d. Space utilization, including space for commercializing innovations that derive from research;
    - e. Opportunities for shared services, energy savings, shared procurement opportunities and other cost-saving efficiencies;
    - f. Low-enrollment and low-performing programs and courses at the graduate and undergraduate levels;
    - g. Asset utilization and opportunities for monetization;
    - h. Other potential sources of revenue that do not result in increased cost for students, such as affinity agreements, commercialization opportunities and intellectual property auctions;
    - i. Standard course requirements for degree completion;
    - j. Use of technology to reduce cost for students; and
    - k. Best practices for Ohio's community colleges that are located within the same regional campus as a university.
  3. The Task Force shall be comprised of nine members, five members to be appointed by the Governor, two to be appointed by the Speaker of the Ohio House of Representatives, one representative from each party, and two to be appointed by the President of the Ohio Senate, one senator from each party. The Governor shall designate the Chairperson of the Task Force from among the appointed members.
  4. Staff support and resources necessary for the Task Force to fulfill its obligations as outlined in this Executive Order shall be provided through the Ohio Board of Regents (Ohio Department of Higher Education). This shall include space to gather and consider information necessary for developing the recommendations and report called for in this Order. The Chairperson and members of the Task Force shall serve without compensation for their work on the Task Force, but may be reimbursed for their reasonable and necessary travel expenses in the conduct of Task Force business.
  5. In gathering information to prepare its report, the Task Force shall engage presidents and members of boards of trustees of state-sponsored institutions of higher education for their perspectives on the topics listed above, and may seek advice and input from such other persons or entities as the Task Force finds helpful to its work as outlined in this Order.
-

## TASK FORCE ON AFFORDABILITY AND EFFICIENCY

- The Task Force shall assemble as often as its members deem necessary to facilitate timely completion of the report with recommendations in the areas specified by this Order. The Task Force shall submit its report to the Governor and the General Assembly by October 1, 2015. The report with recommendations shall be shared with presidents and boards of trustees of state-sponsored institutions of higher education.

I signed this Executive Order on February 10, 2015, in Columbus, Ohio, and it will expire upon the submission of the Task Force's report and recommendations pursuant to this order.



  
John R. Kasich, Governor

## Appendix B | Our process

To develop our recommendations, the task force sought insights and experiences of higher education leaders throughout the state as well as national experts.

- **Meetings:**
  - June 23 (in Columbus): Priority-setting and data review
  - July 21 (at Cuyahoga Community College): Procurement and time to degree
  - Aug. 17 (at the University of Cincinnati): Assets, academic efficiencies and productivity
  - Sept. 2 (at Bowling Green State University): Administrative efficiencies, IT, co-location
  - Sept. 23 (at Columbus State Community College): Finalize recommendations
- **Speakers:** 23 people offered their insights. They represented universities, community colleges, regional campuses as well as national experts.
- **Data:** Analyzed savings opportunities, particularly with regard to procurement
- **Insights:** Coordinated with the Department of Higher Education to collect data and insights
- **Institutional surveys:** Asked institutional efficiency councils to provide suggestions for possible action steps throughout the task force process.
- **Feedback:** Consulted with a statewide Advisory Panel, representing public colleges and universities, to obtain feedback throughout the process.

Information about all task force meetings was published online at [www.ohiohighered.org/ae](http://www.ohiohighered.org/ae).

## Appendix C | Acknowledgements

This report would not be possible without the work of a team of people who supported the task force:

### Inter-University Council of Ohio

- President Bruce Johnson
- Cindy McQuade

### Ohio Association of Community Colleges

- President Jack Hershey
- Tom Walsh

### Ohio Department of Higher Education

- Chancellor John Carey
- Eli Faes
- Joel Husenits
- John Magill
- Charles See
- Matt Whatley

### Ohio Governor's Office

### The Ohio State University

- Brian Perera
- Kelly Des Roches
- Rob Messinger

### Presenters

- Brandon Carrus, McKinsey & Co.
- David Creamer, Miami University
- Jenifer Cushman, Ohio University Zanesville
- John Ellinger, Bowling Green State University

- Gigi Escoe, University of Cincinnati
- Adam Fennel, Huron Education
- Scott Friedman, Huron Education
- Andy Grant, IUC Purchasing Group and Bowling Green State University
- Steve Golding, Ohio University
- Joe Harrell, University of Cincinnati
- David Harrison, Columbus State Community College
- President Alex Johnson, Cuyahoga Community College
- Para Jones, Stark State College
- Cynthia Leitson, IUC Purchasing Group and Cuyahoga Community College
- John Lin, McKinsey & Co.
- Tim Long, Cleveland State University
- Mary Ellen Mazey, Bowling Green State University
- Santa Ono, University of Cincinnati
- Gregory Rose, The Ohio State University at Marion
- Jennifer Spielvogel, Cuyahoga Community College
- Sherideen Stoll, Bowling Green State University
- Laura Yaeger, Huron Education

## Appendix D | Sources

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- <sup>2</sup> Lumina, “A Stronger Nation through Higher Education,” [http://www.luminafoundation.org/stronger\\_nation](http://www.luminafoundation.org/stronger_nation)
- <sup>3</sup> Section 369.560 of Am. Sub. H.B. No. 64: “Upon submission of the Ohio task force on affordability and efficiency in higher education report as established by governor’s executive order, all boards of trustees for state institutions of higher education as defined in section 3345.011 of the Revised Code, shall complete, by July 1, 2016, an efficiency review based on the report and recommendations of the task force, and provide a report to the Director of Higher Education within 30 days of the completion of the efficiency review that includes how each institution will implement the recommendations and any other cost savings measures.” <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA131-HB-64>
- <sup>4</sup> Huron Consulting Group analysis, [https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/affordability-efficiency/Huron-OhioSystemOpportunities\\_072115.pdf](https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/affordability-efficiency/Huron-OhioSystemOpportunities_072115.pdf)
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- <sup>11</sup> Ohio Department of Higher Education, Higher Education Information System
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- <sup>13</sup> Pearson, “Tennessee Community Colleges Take Innovative Approach to Remediate High School Math Students,” [www.pearsoned.com/education-blog/tennessee-community-colleges-take-innovative-approach-to-remediate-high-school-math-students/](http://www.pearsoned.com/education-blog/tennessee-community-colleges-take-innovative-approach-to-remediate-high-school-math-students/)