



# Action Steps to Reduce College Costs

---

Ohio Task Force on Affordability and Efficiency

## EXECUTIVE SUMMARY

Oct. 1, 2015

## Contents

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

### RECOMMENDATIONS

Summary of recommendations.....5

Read the entire report at [www.ohiohighered.org/ae](http://www.ohiohighered.org/ae)

## 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:

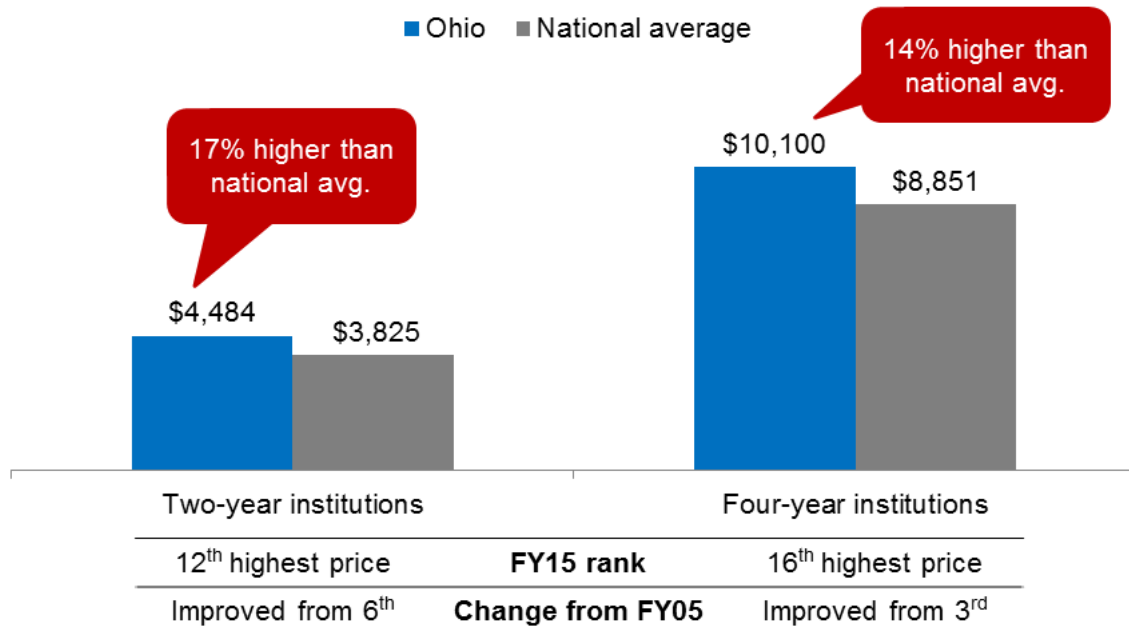
- Some students aren't able to pursue the education they need to reach their full potential.
- Debt is forcing some graduates to delay important milestones in their lives, including home ownership and marriage.
- And our economy is suffering because the workforce lacks the skills needed to meet employers'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

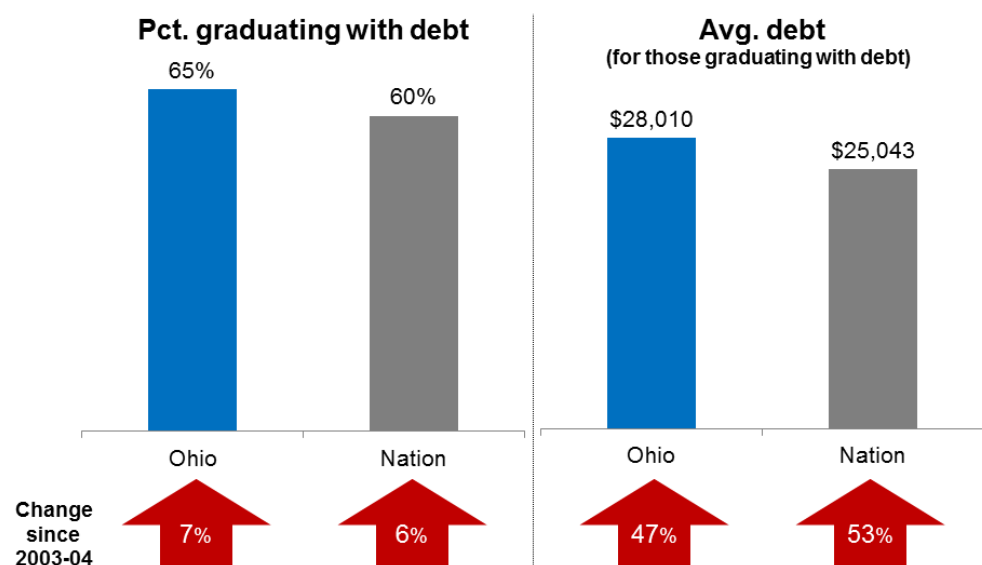
For some students, need- and merit-based financial aid offers relief. But many other students turn to loans to support their education.

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.

Read the entire report at  
[www.ohiohighered.org/ae](http://www.ohiohighered.org/ae)

---

<sup>1</sup> The College Board, Tuition and Fees by Sector and State over Time, <http://trends.collegeboard.org/college-pricing/figures-tables/tuition-fees-sector-state-time>

<sup>2</sup> Lumina, “A Stronger Nation through Higher Education,” [http://www.luminafoundation.org/stronger\\_nation](http://www.luminafoundation.org/stronger_nation)