Ohio Task Force on Affordability and Efficiency In Higher Education

2015 trustees conference – Nov. 5
Our Charge

Recommend solutions based on three key needs:

1. Be more efficient both in expense management and resource generation

2. Offer an education of equal or higher quality

3. Decreasing costs to students and their families

Report deadline: Oct. 1
Members

- **Chair:** Geoff Chatas, Senior VP and CFO, Ohio State University
- Patrick Auletta, president emeritus, KeyBank
- Rep. Mike Duffey, R-Worthington
- Senate President Keith Faber, R- Celina
- Pamela Morris, President and CEO, CareSource
- Rep. Dan Ramos, D-Lorain
- Mark T. Small, Senior VP and CFO, Cleveland Construction
- Sen. Sandra Williams, D-Cleveland
Where we started: Core principles

- Develop an action plan
- Build on strengths of Ohio’s colleges and universities
- Focus on the total cost of attendance, not just tuition
- Recognize diversity of institutions
Our Process

Statewide collaboration

Institutional councils
Each college and university asked to form group to generate ideas

Advisory panel
Associations (IUC/OACC) to coordinate work of leaders from Ohio public institutions
Meetings throughout the state

- **June 23 | Columbus**: Priority-setting and data review
- **July 21 | Cleveland**: Procurement and time to degree
- **Aug. 17 | Cincinnati**: Assets, academic efficiencies and productivity
- **Sept. 2 | Bowling Green**: Administrative efficiencies, IT, co-location
- **Sept. 23 | Columbus**: Draft recommendations

Speakers: Best practices and success cases

- 23 from colleges, universities, regional campuses, national experts
- Spotlight cases: proof of concept examples
Recommendations: An Overview
10 recommendation areas (plus implementation)

1. Use of savings
2. 5-year goals
3. Strategic procurement
4. Assets and operations
5. Administrative cost reforms
6. Textbook affordability
7. Time to degree
8. Duplicative programs
9. Co-located campuses
10. Policy reforms
Board responsibilities

State deadlines

- Efficiency plan to Department of Higher Education by July 1, 2016
- Implementation plan 30 days later

What the report says

- Most recommendations seek board oversight
- Opt-out also happens at the board level (e.g. procurement)
Key themes

- Practical action steps, with implementation plans
  - Boards of trustees apply ideas to their campuses
  - Department of Higher Education collect info and share data
  - IUC Purchasing Group to coordinate joint purchasing

- Collaboration is key

- Mandates where helpful, flexibility where appropriate

- Study other high-impact areas
Master 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.

**IMPLEMENTATION**: Boards of Trustees
Highlights from task force members

1. Use of savings
2. 5-year goals
3. Strategic procurement
4. Assets and operations
5. Administrative cost reforms
6. Textbook affordability
7. Time to degree
8. Duplicative programs
9. Co-located campuses
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Task Force on Affordability and Efficiency

Detailed recommendations

Materials are online at ohiohighered.org/ae
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 for:

- Copiers and printers
- Computers (standard office use)
- Travel services
- Outbound shipping
- Scientific lab equipment
- Office supplies

IMPLEMENTATION: Boards and IUC Purchasing Group
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.

**IMPLEMENTATION:** Boards
Administrative cost reforms

Recommendation 5A | **Cost diagnostic:** Institutions must produce a diagnostic to identify cost drivers, along with best efficiency opportunities.

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

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

Recommendation 5D | **Health-care costs:** 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 SOCC.

Recommendation 5F | **Space utilization:** Each Ohio institution must study utilization and employ a system that encourages optimization.

**IMPLEMENTATION:** Boards and Dept. of Higher Education (5B&D)
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.

**IMPLEMENTATION:** Institutions
Time to degree

Recommendation 7A | **Education campaign:** Develop a campaign to educate students about course loads needed to graduate on time.

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

Recommendation 7C | **Standardize credits for degree:** Streamline graduation requirements so most bachelor’s degrees can be completed within four years and most associate degree programs in two years.

Recommendation 7D | **Data-driven advising:** Provide both high-impact personalized consultations and data systems that identify risk factors.

Recommendation 7E | **Summer programs:** Develop plans to evaluate utilization rates for summer session and consider opportunities to increase activity.

Recommendation 7F | **Pathway agreements:** Continue to develop agreements that create seamless pathways for students.

Recommendation 7G | **Competency-based education:** Consider developing or expanding programs that measure based on demonstrated competencies.

**IMPLEMENTATION:** Institutions
Duplicative programs

**Recommendation 8 | Program review**

Institutions should consider consolidating programs that are duplicated at other colleges and universities in their geographic area.

**IMPLEMENTATION:** Department of Higher Education and institutions
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.

**IMPLEMENTATION:** State legislature
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:** Institutions, state DHE and legislature
Implementation

Recommendation

Make use of existing groups and resources for next steps

- Efficiency Advisory Committee as coordinator
- State efficiency survey incorporate recommendations
- Efficiency councils at each institution to provide input
Discussion

Materials are online at ohiohighered.org/ae