

**THE GOVERNOR'S TASK FORCE ON AFFORDABILITY AND EFFICIENCY  
IN  
HIGHER EDUCATION**

**GEOFF CHATAS  
CHAIR**

**TESTIMONY  
OF  
BRUCE JOHNSON  
PRESIDENT,  
INTER-UNIVERSITY COUNCIL OF OHIO**

**June 23, 2015**

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**The Public Universities of Ohio**

The University of Akron  
University of Cincinnati  
Miami University  
Ohio University  
Wright State University

Bowling Green State University  
Cleveland State University  
Northeast Ohio Medical University  
Shawnee State University  
Youngstown State University

Central State University  
Kent State University  
The Ohio State University  
The University of Toledo

Thank you, Mr. Chairman and members of the Ohio Task Force on Affordability and Efficiency in Higher Education. My name is Bruce Johnson and I am President and CEO of the Inter-University Council of Ohio.

The IUC was established in 1939 as a voluntary educational association of Ohio's public universities. Today, the association represents all of Ohio's fourteen public universities. The IUC values providing access to a high-quality, affordable education. It is committed to ensuring affordable opportunities for the more than 333,000 students attending our member institutions without sacrificing the quality of their education or experience.

The IUC is pleased to support this task force with its time and resources because we support the Governor's goal of reducing the cost of education for our students. We note that in the Governor's executive order he indicates that "Ohio's future economic growth depends upon a well-educated workforce and college graduates." To be blunt, Ohio needs more university graduates. Ohio faces a severe and well documented "talent gap" that threatens our continued economic growth and competitiveness. We have a substantial shortage of working-age adults in our state with the college-level credentials required to fill current, evolving, and future jobs. According to Georgetown University's Center for Economic Research, 64% of new jobs in Ohio in 2020 will require postsecondary education; however, only about 37% of working-age adults in Ohio currently have college credentials. At its current rate, Ohio is on track to reach about 44% by 2025 – and that's not enough.

The Governor's focus in the executive order establishing this task force is on efficiency. This is appropriate, as the Task Force is made up of legislators and persons with considerable business acumen. I also will note that the Governor's executive order specifically refers to quality. This is critically important since, clearly, we all reject the notion that our public universities should become diploma mills, focused exclusively on the production of a commodity degree without concern for the quality of the product or the return on investment for the student and the state.

When all of this is considered, it raises two questions:

1. What is the university's role in providing Ohioans with a quality education at an affordable price?
2. What is the state's role in providing a quality education at an affordable price?

I would characterize the university's role as the relentless pursuit of efficiency, while improving the quality of the education provided. Frequently however, this pursuit of efficiency is done in isolation, without regard to what other Ohio institutions of higher education are doing. So perhaps the role of this Task Force is to help standardize cost savings and to make suggestions for best practices.

It is clear that the leaders of Ohio's public universities do not want their students to pay more than is necessary for a quality education. That is why our state universities have been working hard to reduce costs, save money, and pass that savings on to students by operating more efficiently. In FY05 and FY06, for example, campuses reported a combined savings of \$322 million to the Board of Regents. Between FY08 and FY11, campuses reported another \$386 million in savings.

Allow me to share with you a few specific examples of how those cost-savings were and are being achieved:

- Course redesign – Wright State University redesigned engineering mathematics education by integrating relevant mathematics concepts into an applied engineering course, eliminating a traditional calculus sequence.
- Program elimination/reorganization – The University of Akron last year identified 56 programs to suspend and eventually eliminated 23 based on factors such as the level of demand, job placement rates, and relationship to the university’s core mission.
- Textbook savings – The University of Cincinnati implemented a comprehensive textbook savings program in 2010 to include textbook rentals, used book sales, and buyback programs. Estimated savings to students in 2013 was about \$2 million.
- Equipment purchases – Shawnee State University has partnered with Bowling Green State University, Ohio University, and Cisco Systems for a total savings of \$1.7 million, based on a 68% discount on equipment purchased and a 39% discount on Smartnet maintenance.
- Automated systems – Youngstown State University implemented an automated, self-service travel system that reduced labor costs and eliminated full-time staff positions in the procurement office.
- Collaborations with other sectors – OSU-Newark and the Central Ohio Technical College have partnered to maintain a cooperative arrangement for employee health care plans. These co-located campuses share staff, facilities, and joint purchasing agreements for supplies and services.
- The IUC administers 33 collaborative price agreements – ranging from office supplies to various types of healthcare insurance plans – that are available to all of Ohio’s 85 public and private colleges and universities. The IUC-PG collaborative spend on these goods and services has increased from \$171.7 million in 2008 to \$648.1 million in 2014. You will hear from leaders of this program later this afternoon.

The above examples provide just a snapshot. There are many more. As you can see, for some time, our state institutions have been very active in meeting the challenge to reduce costs and operate more efficiently as a way to improve affordability without sacrificing quality.

Not only have we successfully met the challenge to be more efficient, we have successfully held down tuition growth for our students. (*See Attachment 1*) The four-year public university sector in Ohio has the slowest rate of tuition growth than does any other sector in any other state in the nation. According to The College Board’s Annual Survey of Colleges, Ohio is the national leader in restraining growth of tuition and fees. We have had the slowest rate of increase over the last ten years – from 2004-2005 to 2014-2015 – and are the only state in the nation where tuition and fees are below the rate of 10 years ago when adjusted for inflation.

Between 2010 and 2014, the number of associate, bachelor’s, and master’s degrees awarded by Ohio’s public universities rose from 57,544 to 68,548, an increase of 19.1%. (*See Attachment 2*)

We are improving operations to be more efficient and reduce costs to students. We are holding down tuition growth. We are graduating more students as a result of the new funding formula. So the question remains – what more can we do to insure the Ohio students pay as little as possible for a high

quality education?

The Governor delineates a number of possibilities in his executive order. Specifically sub-paragraph number two outlines eleven concepts. I would suggest that we could further classify the Governor's concepts as human resource allocation, shared services and collaboration, revenue opportunities, and academic efficiency.

We look forward to working closely with this task force to identify opportunities that will enable students to achieve their dreams of a high quality education at an affordable price.