

Meeting materials are online at ohiohighered.org/ae

Ohio Task Force
on **Affordability** and **Efficiency**
In Higher Education

Sept. 23, 2015

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



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.

Areas to review (from executive order)

- Administrative staffing, bureaucracy and related costs
- Teaching loads (non-research faculty)
- Organization of departments
- Space utilization, including space for commercializing innovations
- Shared services/procurement
- Low-enrollment and low-performing programs
- Asset utilization and opportunities for monetization
- Other new revenue sources
- Standard course requirements
- Technology
- Best practices for community colleges co-located with regional campuses

Agenda – Sept. 23, 2015

1. Welcome
2. Progress report and goals for today
3. Review and discussion: draft ideas
4. Next steps

Meeting schedule

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

23 speakers: colleges, universities, regional campuses
and national experts

Our Process

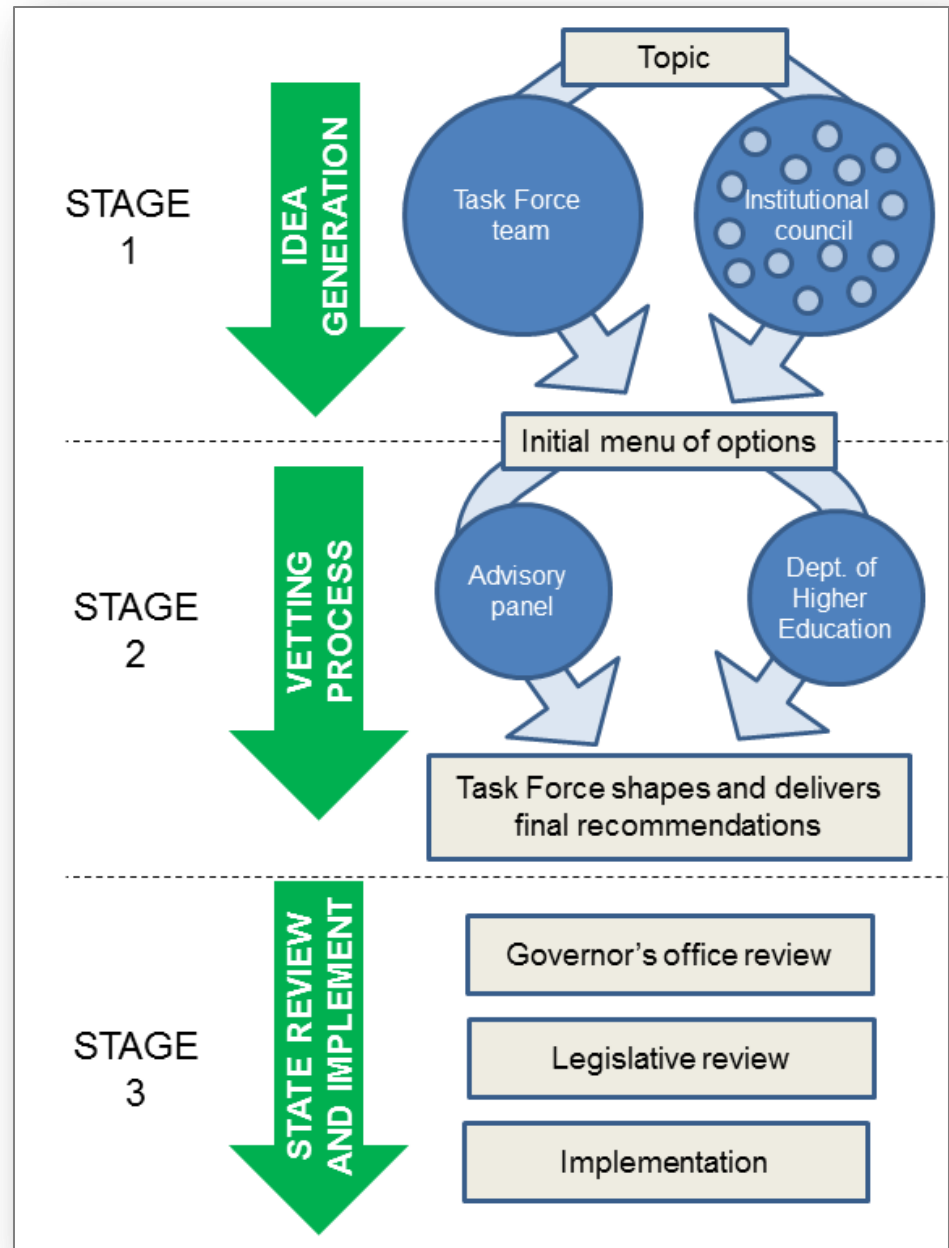
Statewide collaboration

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



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

Discussion: Draft recommendations

Topics under consideration

1. Use of savings
2. Institutional goals for savings and revenue generation
3. Joint 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

Implementation:

- Three main implementers:
 - Institutions: Board of trustees
 - Department of Higher Education
 - IUC Purchasing Group
- **Rec.:** Make use of existing resources for next steps
 - Re-envision the state Efficiency Advisory Committee as action group to coordinate
 - Integrate reporting with state efficiency survey
 - Continue to utilize efficiency councils at each institution to provide input

Recommendations 1&2: Foundational concepts

- How do we ensure savings benefit students: cost and quality?
 - **Rec. 1:** Require that savings be used to reduce student costs and enhance the quality of their education

- Re-setting institutional priorities on affordability & efficiency?
 - **Rec. 2B:** Each school sets 5-year targets for expense reduction and revenue generation, with dollars to be used to reduce cost and increase quality.
 - **Rec. 2B:** Responsibility lies with board of trustees
 - **Rec. 2C:** Annual reports required.

IMPLEMENTATION: Boards of Trustees

Recommendation 3: Procurement

- **Rec. 3A:** Each institution should require that their employees use existing contracts/preferred vendors
- **Rec. 3B:** New or expanded joint contracts:
 - Natural gas
 - Copier/printers
 - Computer hardware (standard office use)
 - Travel agency services
 - Outbound shipping
 - Scientific lab equipment
 - Office supplies

IMPLEMENTATION: Boards and IUC Purchasing Group

Recommendation 4: Assets and operations

- **Rec. 4A:** Assess non-core assets to determine whether to sell, lease or otherwise repurpose.
- **Rec. 4B:** Assess non-academic operations that might be run more efficiently by a regional cooperative, private operator or other entity.
 - Dining
 - Facility maintenance
 - Housing
 - IT help desk
 - Child care
 - Janitorial
 - Landscaping
 - Parking
 - Real-estate management
 - Student health insurance

Recommendation 4: Assets and operations

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- **Rec. 4B:** Assess non-academic operations that might be run more efficiently by a regional cooperative, private operator or other entity.
- **Rec. 4C:** Evaluate opportunities for affinity relationships and sponsorships that can support students, faculty and staff.

IMPLEMENTATION: Boards of Trustees

Collaboration encouraged

Recommendation 5: Administrative cost reforms

- **Rec. 5A:** Undertake a cost diagnostic
- **Rec. 5B:** Develop a standard productivity measure
- **Rec. 5C:** Review organizational structure to identify opportunities to streamline and reduce costs
- **Rec. 5D:** Study opportunities for healthcare costs (Statewide working group)
- **Rec. 5E:** Co-locate data centers
- **Rec. 5F:** Optimize building utilization

IMPLEMENTATION: Dept. of Higher Education (5B&D)
Board of Trustees

Recommendation 6: Textbook affordability

- **Rec. 6A:** Professional negotiators should help faculty work out deals for textbooks and instructional materials. Cost should be a factor.
- **Rec. 6B:** Institutions should encourage departments to choose common materials for gateway courses
- **Rec. 6C:** Institutions should be part of a consortium to develop digital tools and materials, including open educational resources

IMPLEMENTATION: Institutions

Recommendation 7: Time to degree

- **Rec. 7A:** Campaign to educate full-time students: Take 15 credits per semester to graduate on time
- **Rec. 7B:** Consider graduation incentive program, if appropriate, to encourage on-time graduation
- **Rec. 7C:** Encourage programs to streamline credit hours for a degree, with exceptions for accreditation
- **Rec. 7D:** Implement data-driven analytic systems and proactive advising to keep students on track
- **Rec. 7E:** Develop plans to evaluate summer utilization rates and increase productive activity

IMPLEMENTATION: Institutions

Recommendation 8: Duplicative programs

- **Rec. 8:** Evaluate duplicative programs, particularly at nearby or co-located campuses, for possible consolidation

Budget provision

- Review of all courses and programs based on enrollment and student performance
- Jan. 2016, repeating every five years
- Consider collaboration with nearby institutions

IMPLEMENTATION: Department of Higher Education

Recommendation 9: Co-located campuses

- **Rec. 9:** Establish joint oversight boards with a mandate to improve efficiencies and coordination between co-located community colleges and regional campuses.
 - Advisory but with focused mandate
 - Members from each institution
 - Possible independent members

IMPLEMENTATION: State legislature

Recommendation 10: Policy reforms

- **Rec. 10A:** Streamline the process for how public colleges and universities sell, convey, lease or enter into easements of real property.
- **Rec. 10B:** Clarify statute to enhance group purchasing of property and casualty insurance.

IMPLEMENTATION: State DHE recommends to legislature

Next steps

Next steps

- Incorporate feedback from today
- Deliver to governor/General Assembly by Oct. 1

What happens then

- Board of trustees complete efficiency review by July 1, and an implementation plan within 30 days

Thank you

- Task force members
- Chancellor John Carey and the Dept. of Higher Education
- Bruce Johnson and the Inter-University Council
- Jack Hershey and the Ohio Assn. of Community Colleges
- Meeting hosts:
 - Cuyahoga Community College
 - University of Cincinnati
 - Bowling Green State University
 - Columbus State Community College
- 23 presenters from 14 institutions/organizations
- The Task Force team

Thank you