

Northeast Ohio
Universities
Collaboration &
Innovation Study
Commission

Cleveland State University
Kent State University
Northeastern Ohio Universities
College of Medicine
The University of Akron
Youngstown State University

**Minutes from October 24, 2007 session of the
Northeast Ohio Universities Collaboration & Innovation Study Commission
Held at the Offices of the GAR Foundation, Akron, Ohio**

Attendees: Chairman, Ted Boyd, Dorothy Baunach, Bruce Beeghly, Dr. William Demas, Philip Kaufmann, Dr. Lester Lefton, Dr. Lois Nora, Richard Pogue, Dr. Luis Proenza, Dr. David Sweet, Jane Timken, Ronald Weinberg

Guests: Ann Womer Benjamin (NOCHE), Kimberly Chapple (OBOR), Tom Maraffa (Youngstown State University), Chand Midha (the University of Akron), Kathleen Ruff (NEOUCOM), Dr. Beth Stroble (the University of Akron), Dr. John Case (the University of Akron), Debbie Staats (NEOUCOM), Richard Lewis (NEOUCOM), Dr. Laura Davis (Kent State University), Roger Carroll (Office of the Attorney General), Jon Allison (University of Akron), Pat Myers (Kent State University), Dr. Char Reed (Kent State University), John West (Kent State University), David Creamer (Kent State University), Holly Jacobs (Youngstown State University), Ted Mallo (the University of Akron), Maria Schimer (NEOUCOM)

Unable to attend: James Hambrick, Bradley Whitehead, John Pogue, Jim Trakas

Staff: Monica Turoczy, Amy Sabath, Allen Proctor, Stephen Portch (via teleconference), Lynne Woodman

Opening Comments of Chairman Ted Boyd

- Mr. Boyd welcomed everyone.
- Minutes were approved from the previous meeting.
- Mr. Boyd noted the Study Commission had just received a \$50,000 grant from the Henry & Louise Timken Foundation.

Review of Workplan:

- Dr. Portch noted we have remained on schedule with the Workplan.

- Mr. Proctor noted the Administrative Workgroup has completed almost all tactical recommendations. Mercer Health and Benefits would be presented at the next Administrative Workgroup meeting.

Presentation by Dennis Jones and Aims McGuinness of the National Center for Higher Education Management Systems (NCHEMS):

Note: Copy of Power Point Presentation Attached.

- Mr. Jones noted the state policy objectives are to get students out of high school and into college without having to take remedial courses. It would be good to enroll more students in high cost programs. Success is best achieved through growth and achievement.
- Dr. Proenza asked how we can bring more market factors into this equation where the opportunities for Ohio to advance are. Mr. Jones noted the state needs to have a set of priorities and utilize pure market mechanisms. Productivity is also important and utilizing the resources. Mr. Jones suggested starting with efficiencies. The real money is in getting students out of high school and better prepared for college; this eliminates remediation.
- Dr. Nora asked what two or three recommendations Mr. Jones would give to the Commission based on the goal of the Commission and what he knows about it. Mr. Jones suggested looking at the clients (students after high school) and services (workforce training and education) available in higher education. Start by filling the matrix in Northeast Ohio to see where the gaps are that need to be filled and determine what is not being done to fill those gaps.
- Second, Mr. Jones noted to not expect institutions to do unnatural acts: for example; don't expect a teaching institution to become a research driver.
- Third, determine the policies that are unnecessary and eliminate barriers. The final suggestion is to look at the budgeting. A significant portion of the new money for the higher education budget may actually be in the workforce development budget, in economic development budget, K-12, teacher training, or in the services budget. The state needs to look at mechanisms to provide services that it is paying large dollars for in higher education.
- Mr. McGuinness suggested the Commission be explicit in the region about where you are and where you want to go. It's important to get more students successfully through college and grow the economy. He added changing an institution will take 10 – 15 years. Changes in the region cannot be short-term.

Administrative Workgroup Recommendations:

- Mr. Boyd called for a motion to pass consent agenda, excluding item number six pertaining to recommendations regarding the Attorney General. Motion was made by Mr. Kaufmann and the second was by Dr. Proenza.
- Mr. Kaufmann noted these are tactical issues only. These recommendations are in addition to the recommendations which were approved at the last meeting.

- Mr. Proctor noted the Administrative Workgroup met October 18 to review the recommendations presented for this meeting. John Sinclair of Mercer Health & Benefits will present his findings at the next workgroup meeting.
- Single electronic purchasing office: Mr. Pogue asked if there were any substantial investment needed. Dr. Creamer noted each institution would have to purchase the e-procurement software with a national vendor for \$200,000 per institution and there would be an ongoing cost of \$200,000. Mr. Briggs noted an annual savings of \$30 million overall.
- Eliminate Multiple Prime: Dr. Creamer noted this issue has been in discussion for over twenty years. Mr. Kaufmann noted the Commission has an obligation to discuss efficiencies and make recommendations. Mr. Proctor added that a focused effort could make a difference and active lobbying would be necessary.
- Dr. Demas noted that legislative action would be needed. Dr. Nora suggested savings be linked to something important and substantial.
- State restrictions that impair efficiency or service levels: Some of the efficiency savings did not indicate there would be substantial savings. Dr. Nora suggested removing the proposed change on research.
- Use of same common applications (email, anti-virus, help desk tracking) & Common specifications for new installations of administrative systems and email: Dr. Case noted this recommendation involves sharing software across all five institutions.
- Second report on joint contract for copiers: Dr. Staats noted there are savings with managing print volume. She also noted that usage patterns need to be tracked among the institutions in order to determine potential savings.
- Mr. Boyd called for a vote of adoption of recommendations 1 – 5, to be ratified at the next Study Commission meeting. The vote was unanimous.
- Attorney General advance pre-approval for outside for entire year; either for all 5 schools together or separately: Mr. Mallo noted there needs to be a mechanism to be more efficient and effective in subject matter assignments.
- Ms. Schimer noted we need to build on the system the Attorney General has in place. Mr. Proctor noted the report will mention specifics including endorsing performance reviews and pre-authorization on the topic related to efficiency.
- Mr. Kaufmann suggested this recommendation be referred back to the workgroup for further evaluation and consideration.

Academic Workgroup Recommendations:

- Mr. Boyd noted the removal of recommendation number 2 and 13 from the consent agenda. The motion to adopt these recommendations was passed to accept remaining recommendations on consent agenda.
- 1. Modification to statute 3345.19 – University Enrollment Limits: Ms. Timken noted each university should enroll the number of students they have capacity for.
- 2. Modification to statute 3345.06 – Entrance Requirements: Mr. Beeghly suggested the recommendation be changed to read “any university” rather than “any college or university.” A few members expressed concern over the wording of this recommendation. Dr. Portch noted he will reword and submit this again.
- 3. Degree Completion Programs at Two-Year Campuses: Ms. Timken noted this recommendation offers four-year degree completion programs from a two-year campus. Dr. Lefton added that Kent State University already does this.
- 4. Presidential Coordination of Various Regional Strategies: A correction was made to change “two-or four-year” to “two-and four-year.”
- 5. Academic Calendar for NEO Universities: Dr. Portch noted some calendars differ by a few days and having the same academic calendar would benefit students. Dr. Lefton noted this has to be negotiated among the institutions. Mr. Pogue added there has to be an implementation plan for this. Ms. Timken added it will be the responsibility of the faculty to implement this.
- Dr. Lefton added this is achievable, it won’t save money, but it’s a good thing to do.
- 6. Formation of Northeast Ohio Universities Cabinet: Dr. Lefton noted this is a reasonable recommendation but it needs a time limit. Dr. Portch noted the Cabinet is permanent, but should have a five year sunset on accountability.
- Mr. Pogue suggested making recommendation number 4 a sub-committee of NOCHE.
- 7. Elimination of Required “Seat Time”: The Commission was in agreement on this recommendation.
- 8. P-16 Network in Northeast Ohio: The Commission was in agreement on this recommendation. Dr. Portch noted the designated person to coordinate this effort would be cited on the final report.
- 9. Fine and Performing Arts Sharing: The Commission was in agreement on this recommendation.

- 10. Regional Retention Rate Target: Dr. Portch noted he wanted the concept of this recommendation adopted. There were data issues to resolve for the final recommendation. He would work with the Provosts on a reasonable target.
- Dr. Lefton noted the retention for a region-wide basis is very different than that of urban metropolitan institutions with a unique demographic compared to a more select institution that is residentially based. Dr. Portch noted that the targets would be determined by the institutional leadership on those differences. They will not be the same for each institution.
- Mr. Pogue noted he is unsure this can be done under law as each university has their Board of Trustees and it has economic ramifications. Dr. Portch noted that a target is necessary to compliment the goal of having retention rates improve.
- Mr. Boyd noted the issue of retention and graduation is critical to the region. He added the institutions provide plans to improve the graduation and retention rates to the Cabinet and address the issue. Dr. Schwartz added his support, but noted the issue is retaining students who wish to do the work and understanding the barriers.
- Dr. Lefton suggested this be deleted from the consent agenda.
- 11. Regional Six Year Graduation Rate Target: This recommendation pairs with the previous. It was suggested to combine these recommendations.
- Mr. Boyd suggested the goals are done by institution for strategies of retention and a monitoring program should be created.
- 12. Retention Improvement Initiatives: This recommendation requests the legislature to provide funding for retention programs.
- 13. Academic Program Review and Expansion: Dr. Portch noted changes to recommendations including adding targeted programs for commuter students to be more connected with campus life.
- Mr. Boyd called for a motion for consent recommendation items to be adopted, excluding numbers 2 and 13. The motion was made by Ms. Baunach and second by Ms. Timken. Motion was carried. For adoption.

Adjourn

*Higher Education and the Future of
Ohio: Imperatives and Policy Alignment*

Presented to the

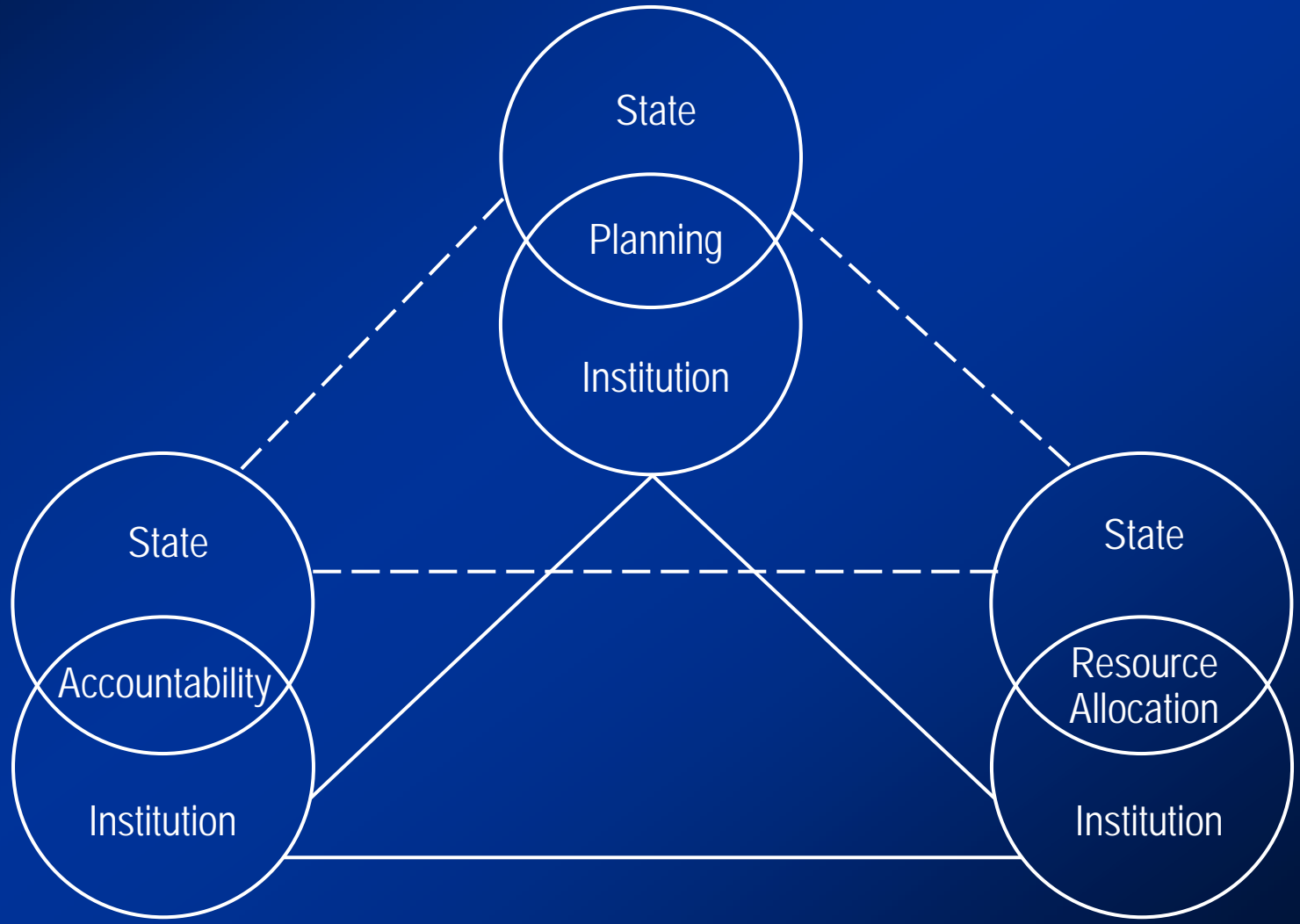
Northeast Ohio Commission
Akron, Ohio

October 24, 2007



National Center for Higher Education Management Systems
3035 Center Green Drive, Suite 150 Boulder, Colorado 80301-2251

The Management Cycle in a Public Institution



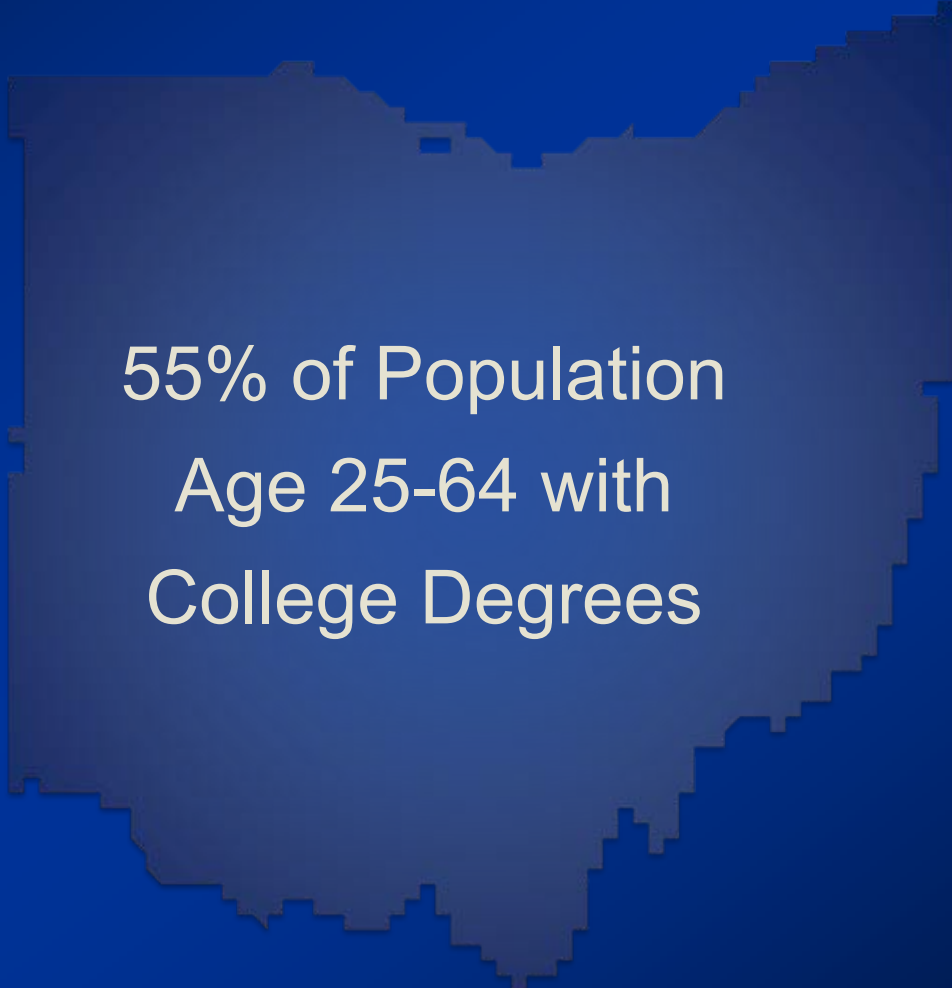
State Policy Objectives

- ▶ High Rates of High School Completion of Students Who Have Taken an Academically Rigorous Curriculum
- ▶ High Levels of College Participation of Both Recent High School Graduates and Adult Learners
- ▶ High Rates of College Degree Completion
- ▶ High Levels of Degree Production in Selected Fields
- ▶ An Economy That Employs a High Proportion of College Graduates

The Policy Tools

- ▶ Clear Direction—A “Public Agenda”
- ▶ Funding/Resource Allocation
- ▶ Accountability
- ▶ Regulation
- ▶ Policy Leadership/Allocation of Decision Authority

*The Goal: Ohio Reaching International
Competitiveness by 2025*



55% of Population
Age 25-64 with
College Degrees

Reaching Top Performance by 2025 (55%)— Ohio

3,158,104	Number of Individuals to Match Best-Performing Countries (55%)
1,098,912	Number of Individuals (Age 25-44) Who Already Have Degrees
2,059,192	Additional Production Needed (2005 to 2025)
1,592,860	Degrees Produced at Current Annual Rate of Production
-31,115	Additional Residents with College Degrees from Net Migration
497,447	Additional Degrees Needed
24,872	Additional Degrees Needed per Year (Currently Produce 79,643 in All Sectors)
45.9%	Increase in Annual Associate and Bachelor's Degree Production Needed (in Public Sector Only)

Collective Cost to Ohio, Assuming Tuition Stays the Same

\$ 838 Million = Annual Costs of Additional Students
at Current \$ per Student

\$ 2.46 Billion = Current State Contribution

34.0% = Percent Increase in Annual State
Support Needed

Average Cost to Students, Assuming No Additional State Investment

\$ 1,808 = Additional Annual Costs to Students at
Public Four-Year Institutions

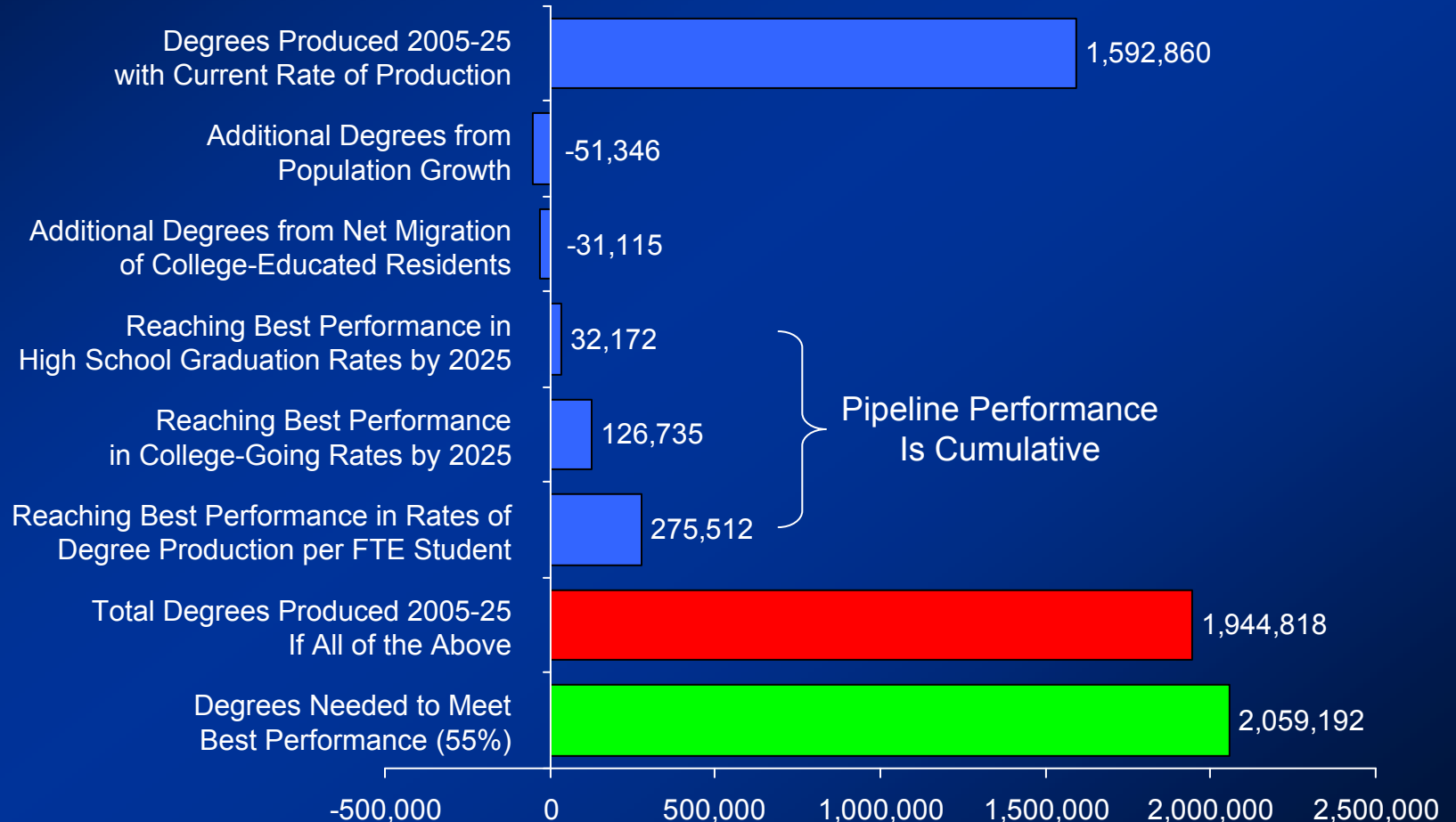
24% Increase in Tuition and Fees
(Currently \$ 7,647)

\$ 1,606 = Additional Annual Costs to Students at
Public Two-Year Institutions

61% Increase in Tuition and Fees
(Currently \$ 2,636)

How Can Ohio Reach International Competitiveness?

Current Degree Production Combined with Population Growth and Migration, and Best Performance* on the Student Transition and Completion Measures

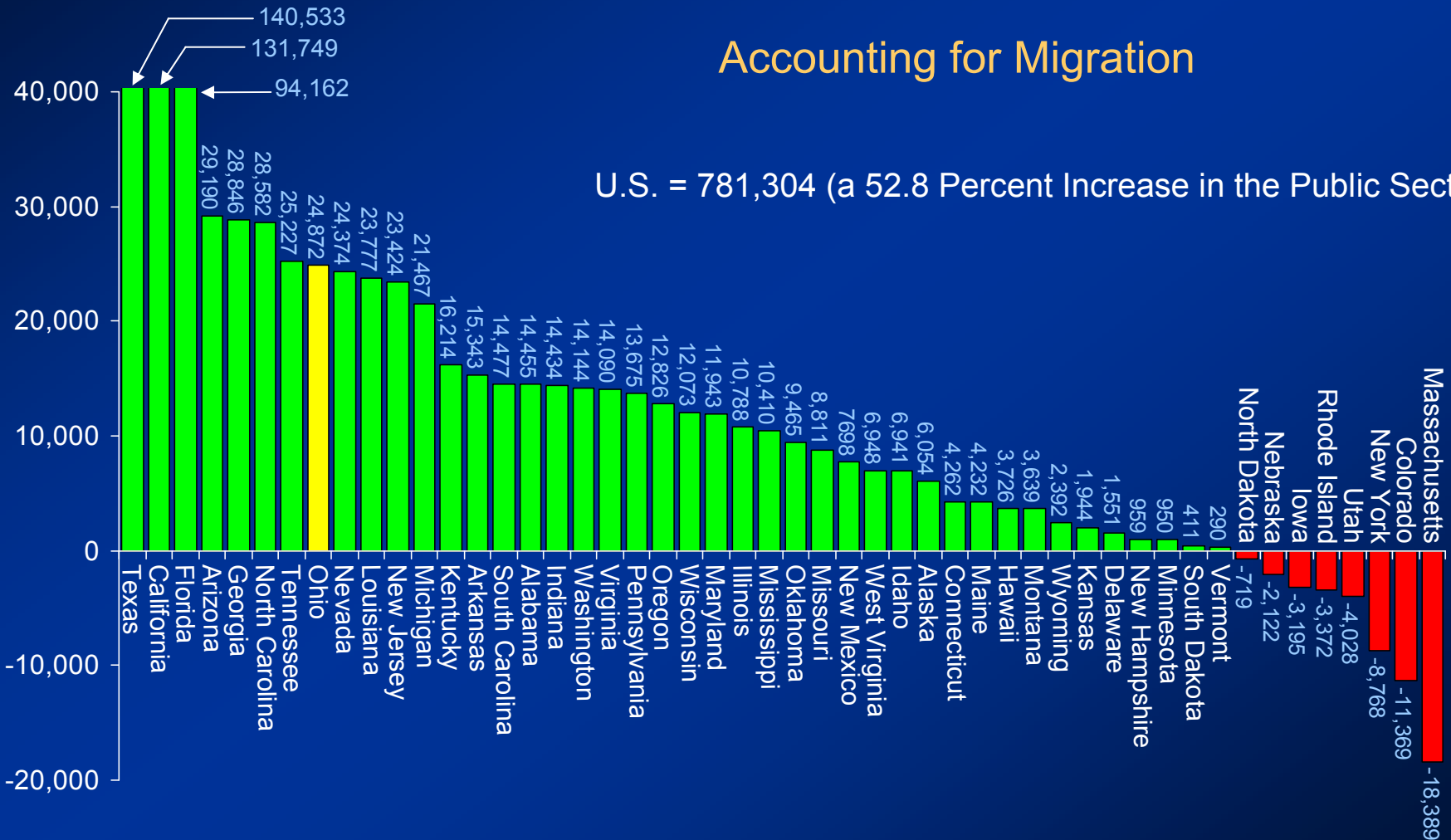


*Best performance = average of top three states

The “Gap” — Difference in Annual Degrees Currently Produced and Annual Degrees Needed to Meet Benchmark

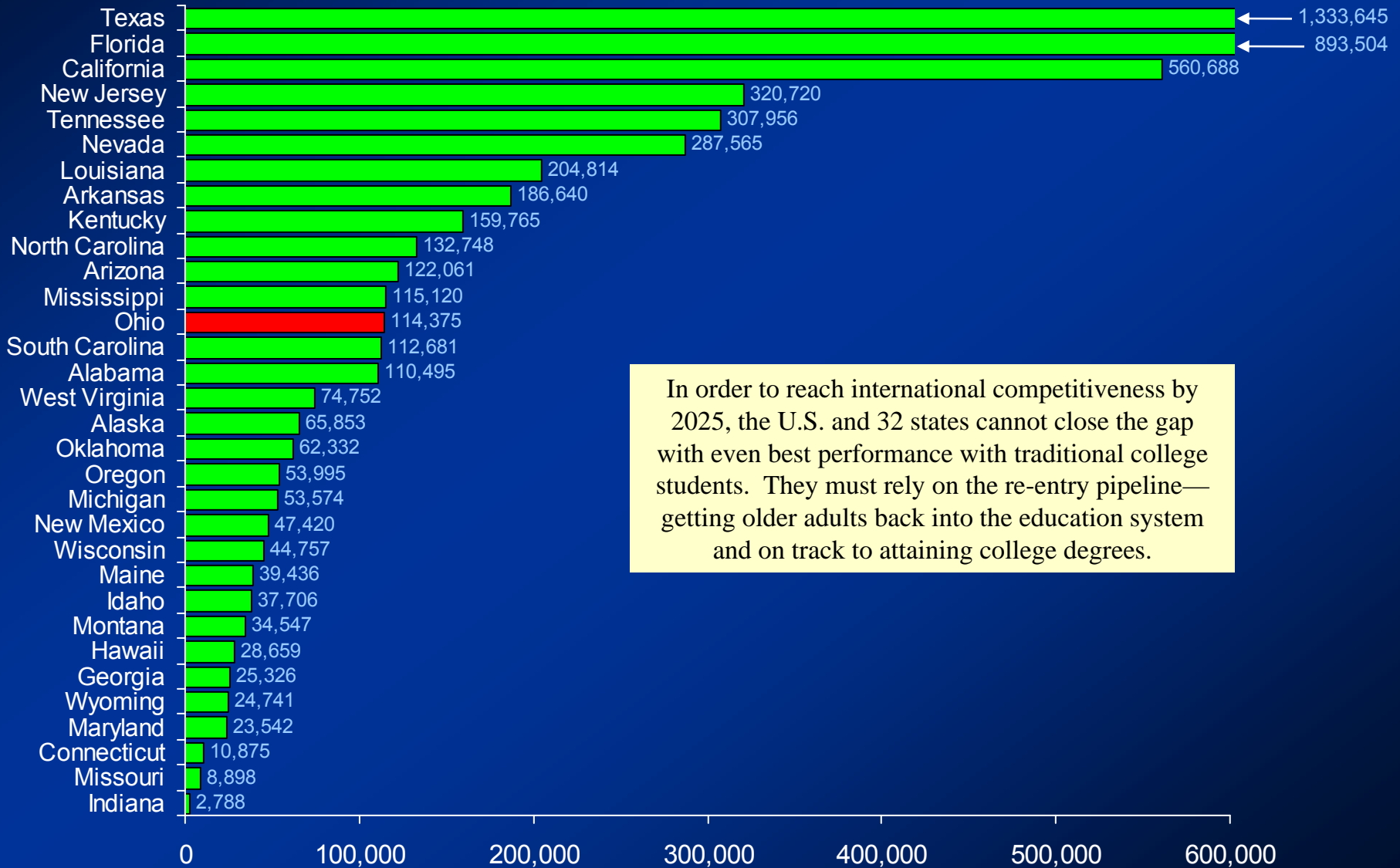
Accounting for Migration

U.S. = 781,304 (a 52.8 Percent Increase in the Public Sector)



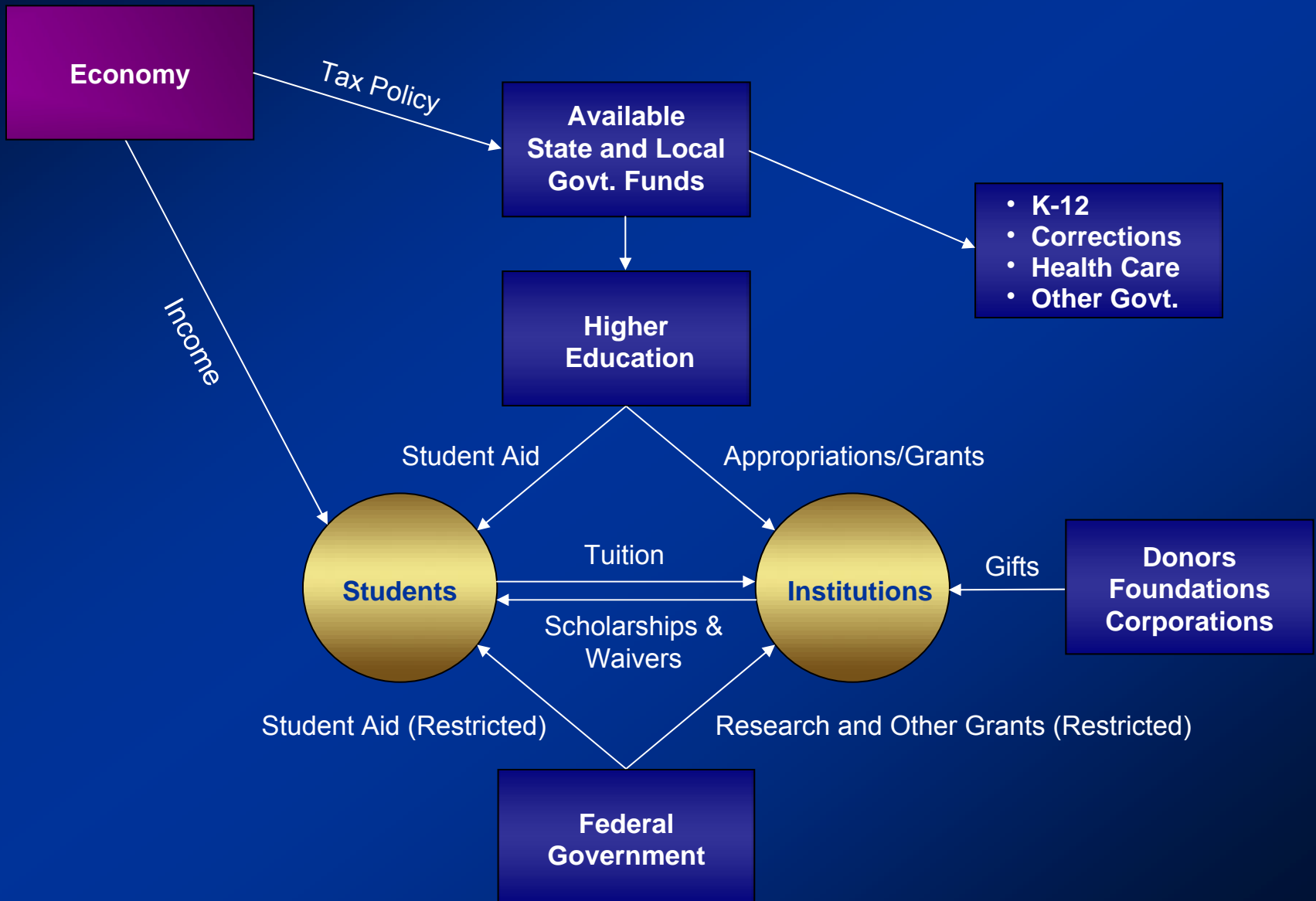
Source: U.S. Census Bureau, PUMS and Population Projections, IPEDS Completions Survey 2004-05

Even Best Performance with Traditional College-Age Students at Each Stage of the Educational Pipeline Will Leave Gaps in More than 30 States

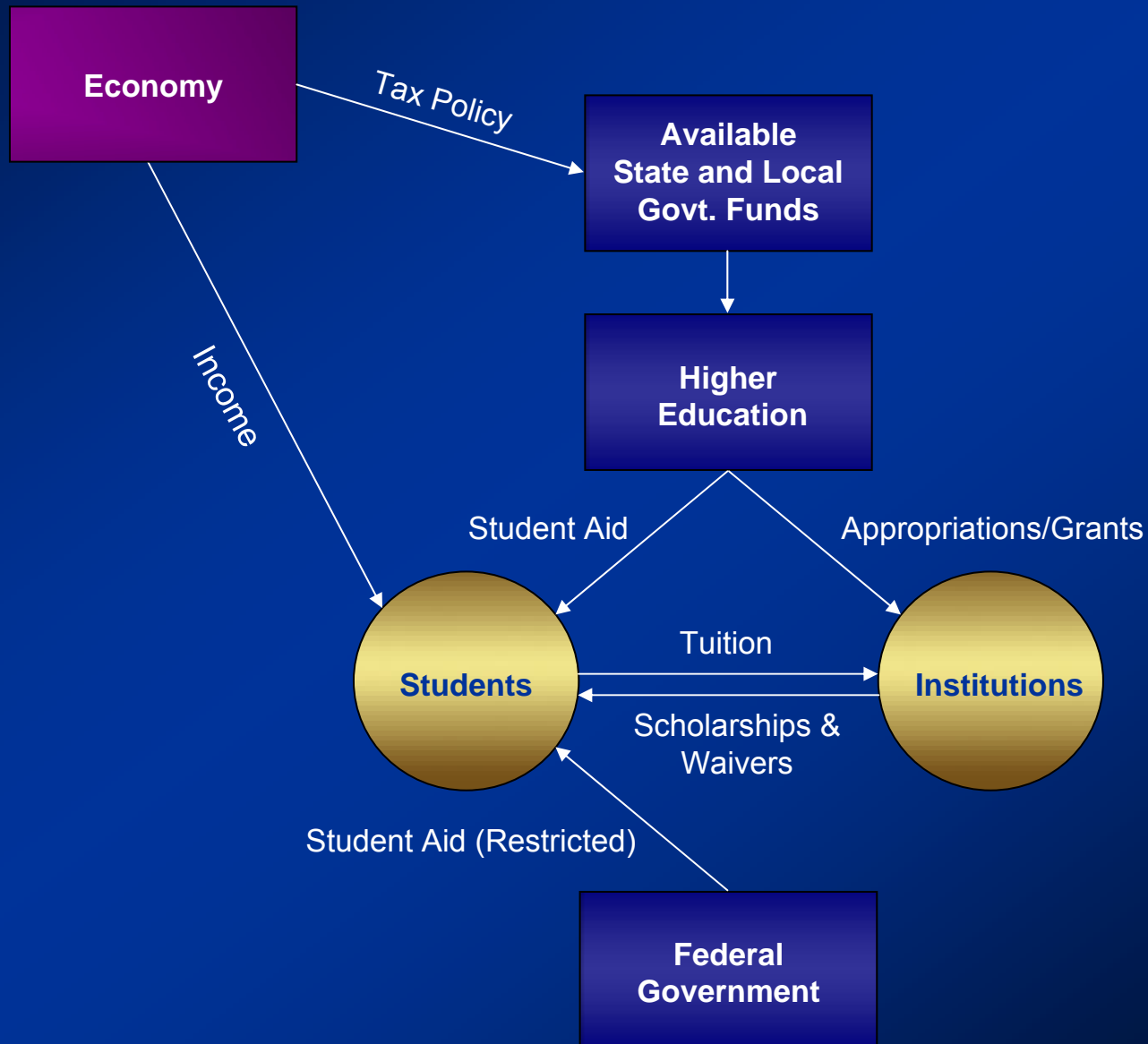


In order to reach international competitiveness by 2025, the U.S. and 32 states cannot close the gap with even best performance with traditional college students. They must rely on the re-entry pipeline—getting older adults back into the education system and on track to attaining college degrees.

The Flow of Funds



The Flow of Funds



Alignment of Policies

Regarding:

- ▶ Appropriations to Institutions
- ▶ Tuition and Fees
- ▶ State Student Financial Aid
- ▶ Institutional Student Financial Aid

Criteria for Effective Higher Education Finance Policy

- ▶ Create and Maintain Necessary Institutional Capacity
- ▶ Reinforce Utilization of Capacity to Achieve State Goals
- ▶ Contributions Required Are Affordable—
To Both State and Students
- ▶ Viewed as Being Fair
- ▶ Transparent

Criteria from Perspective of Different Stakeholders

State

- Maintains Institutional Capacity
- Promotes Achievement of Priority Outcomes
- Affordable

Students

- Affordability
- Value

Institutions

- Adequacy
- Equity
- Stability

The Two Purposes of State Funding Policy

- ▶ Build Core Capacity—General Purpose Funding
- ▶ Promote Capacity Utilization Around State Priorities—Special Purpose Funding

Finance Policy—The Options

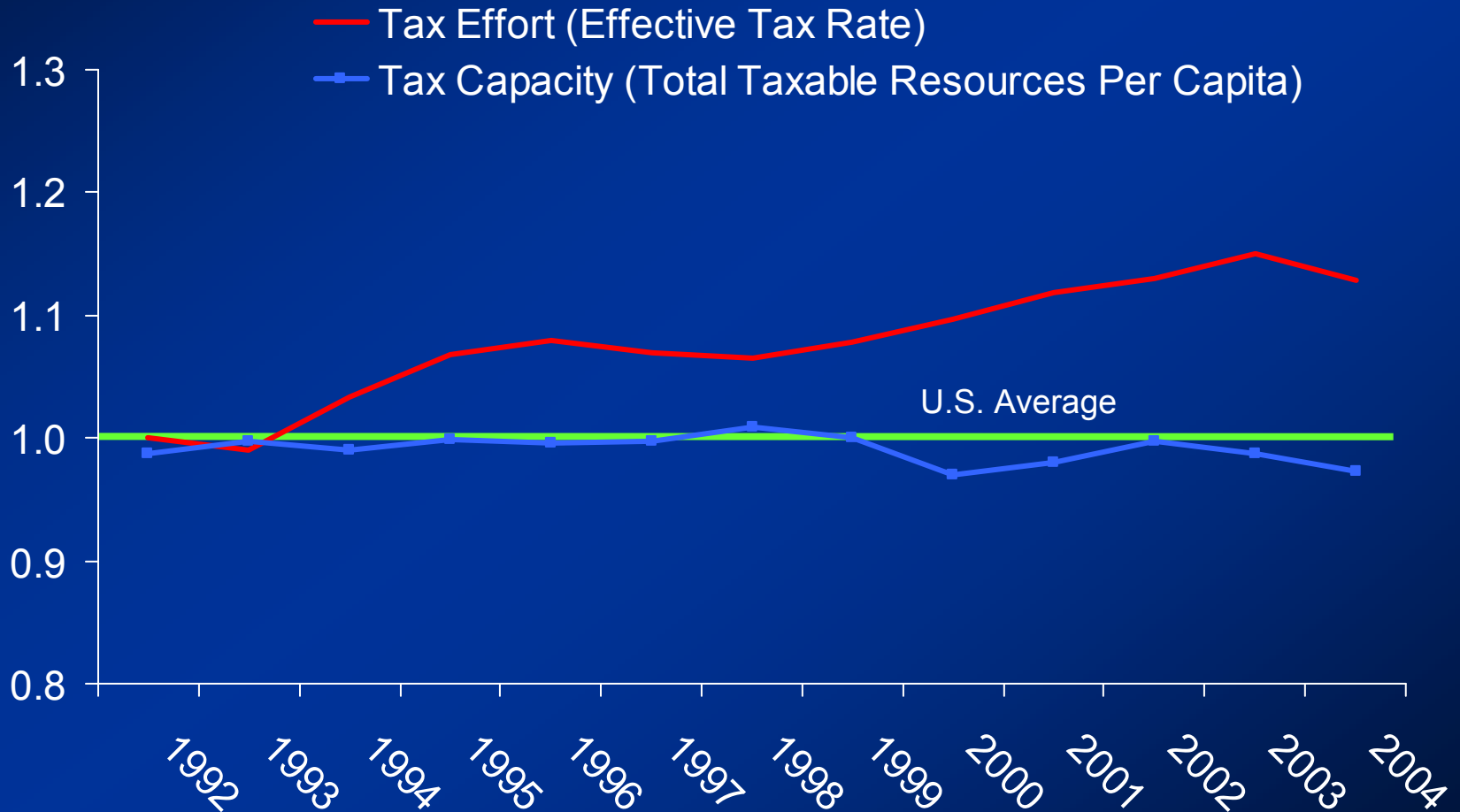
	Institution Focused	Student Focused
Core Capacity	<ul style="list-style-type: none">■ Base-Plus■ Formulas■ Investment Funds	Tuition and Aid Policy Focused on Revenue Generation
Capacity Utilization/ Public Agenda	Performance Funding	Tuition and Aid Policy Focused on Attainment of Specified Outcomes

Basic Questions at State Level

- ▶ How Much to Allocate
- ▶ To Which Recipients—Students or Institutions
- ▶ Using Which Mechanisms

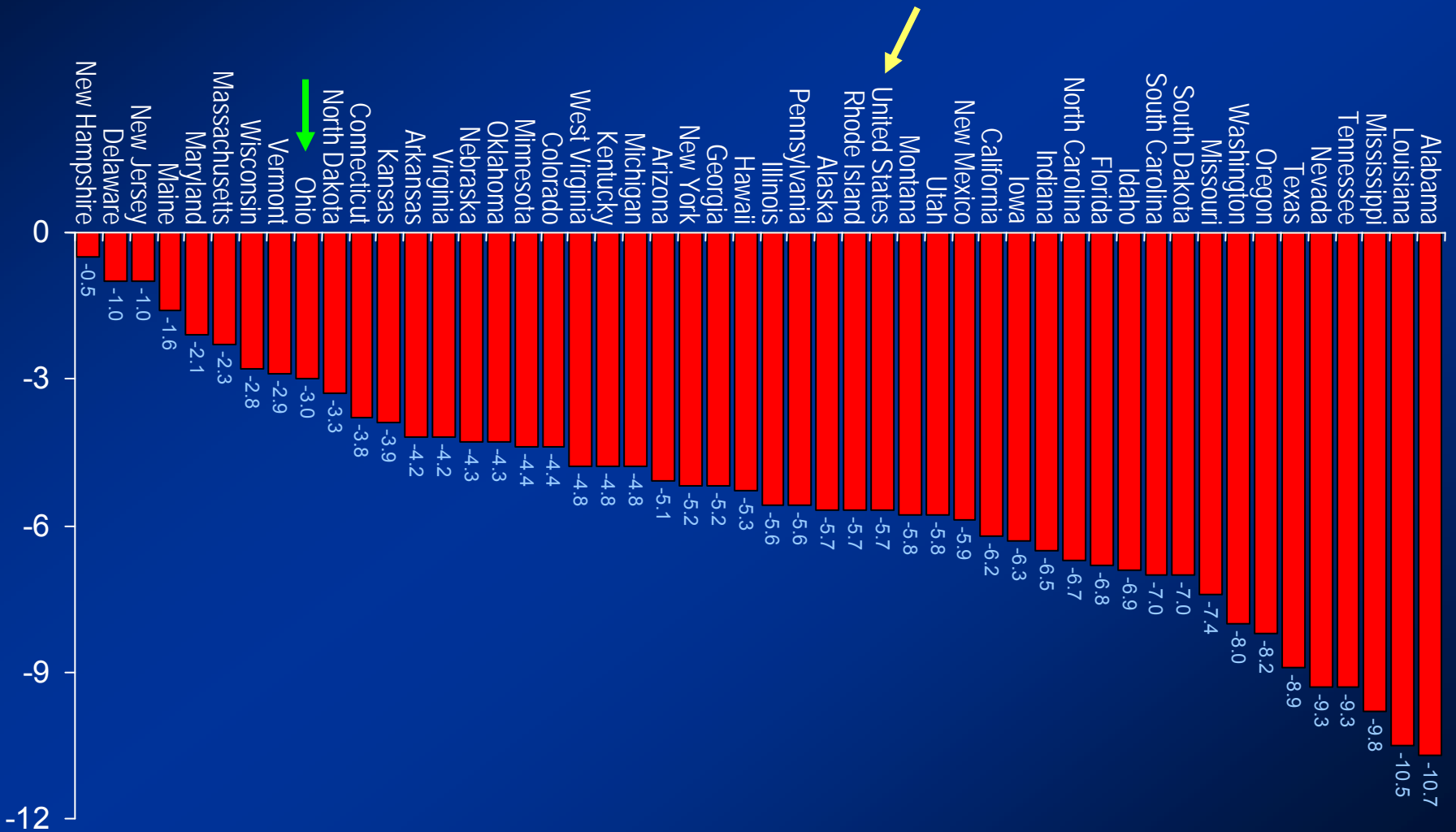
*The Financial Environment
for Higher Education*

State Tax Capacity and Effort—Ohio Indexed to U.S. Average



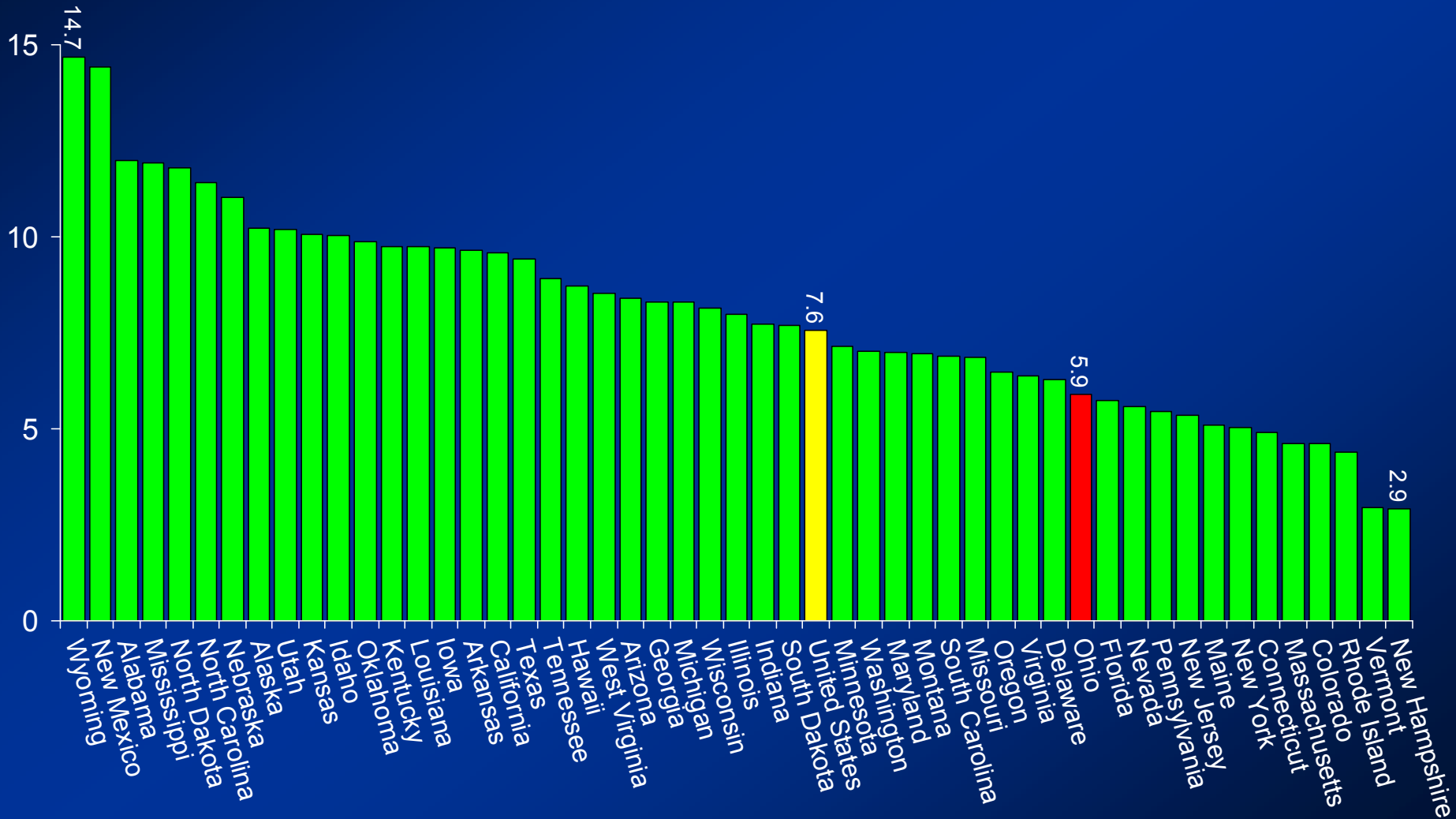
Source: State Higher Education Executive Officers (SHEEO)

Projected State and Local Budget Surplus (Gap) as a Percent of Revenues, 2013



Source: NCHEMS; Don Boyd (Rockefeller Institute of Government), 2005

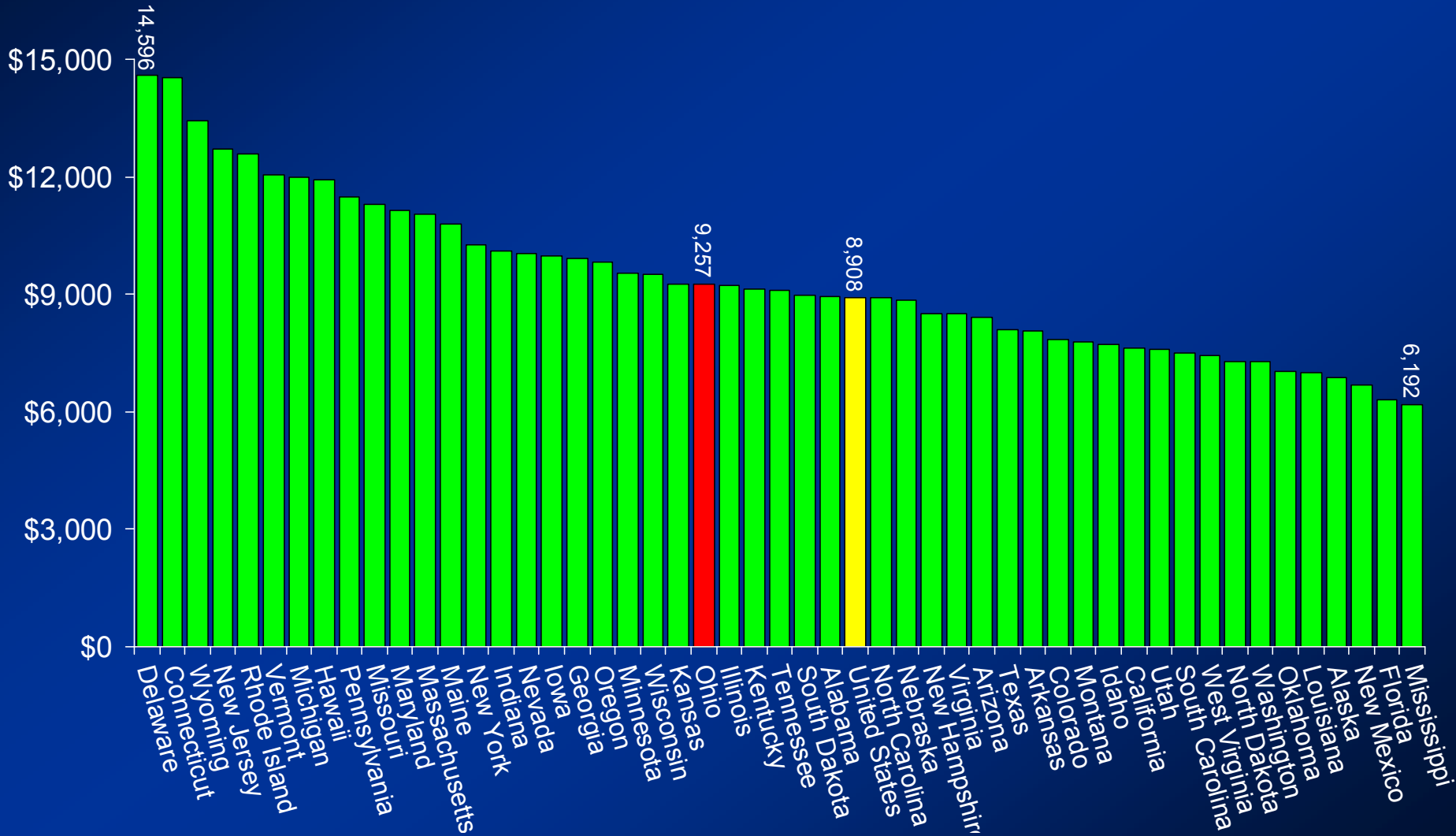
State Higher Education Priority—Higher Education Appropriations as a Percent of Tax Revenues, 2002-03



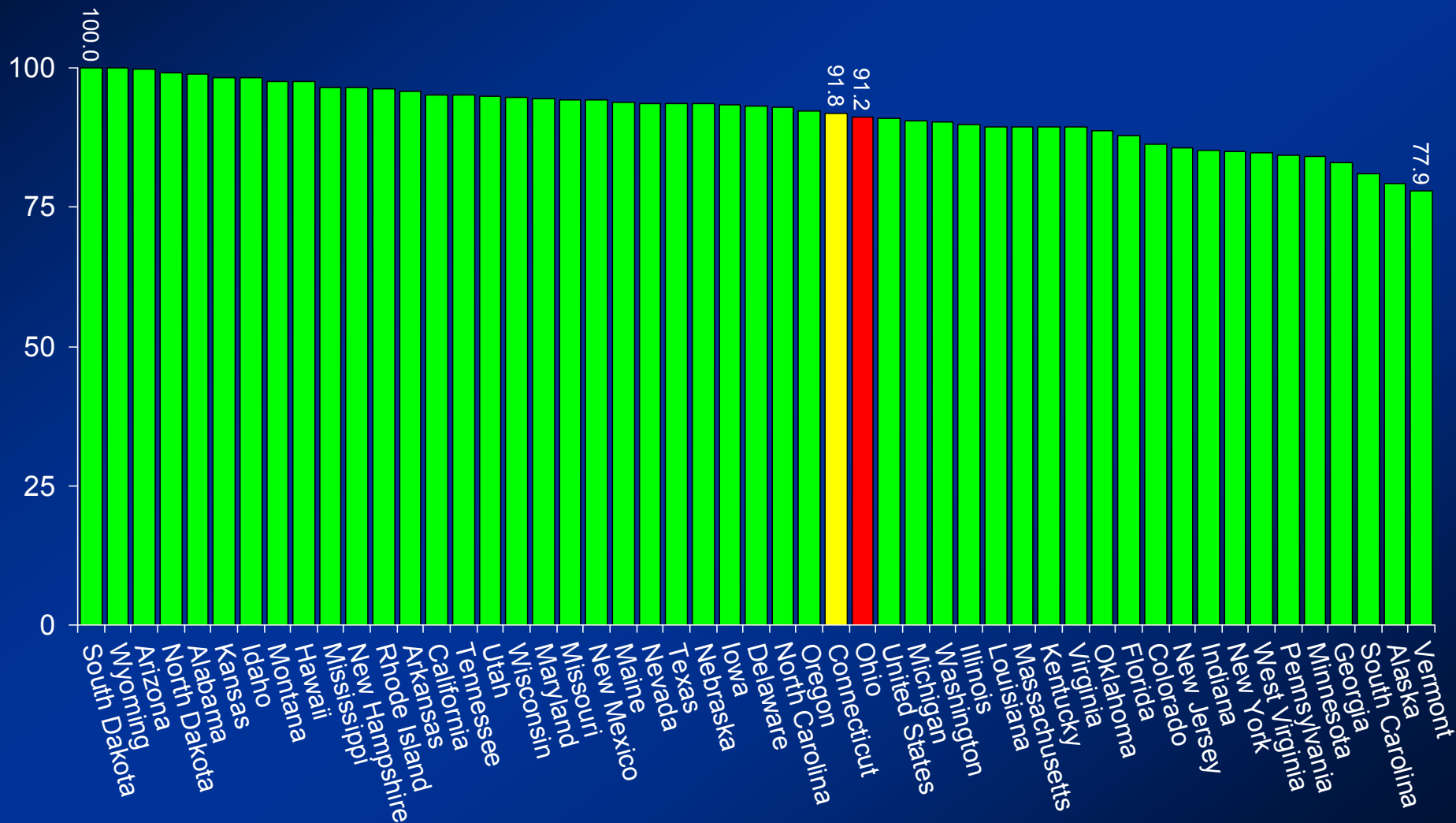
*Includes Appropriations to Independent Institutions

Source: SHEEO

Total Educational Revenues (State and Local and Tuition) Per FTE Student, 2003-04



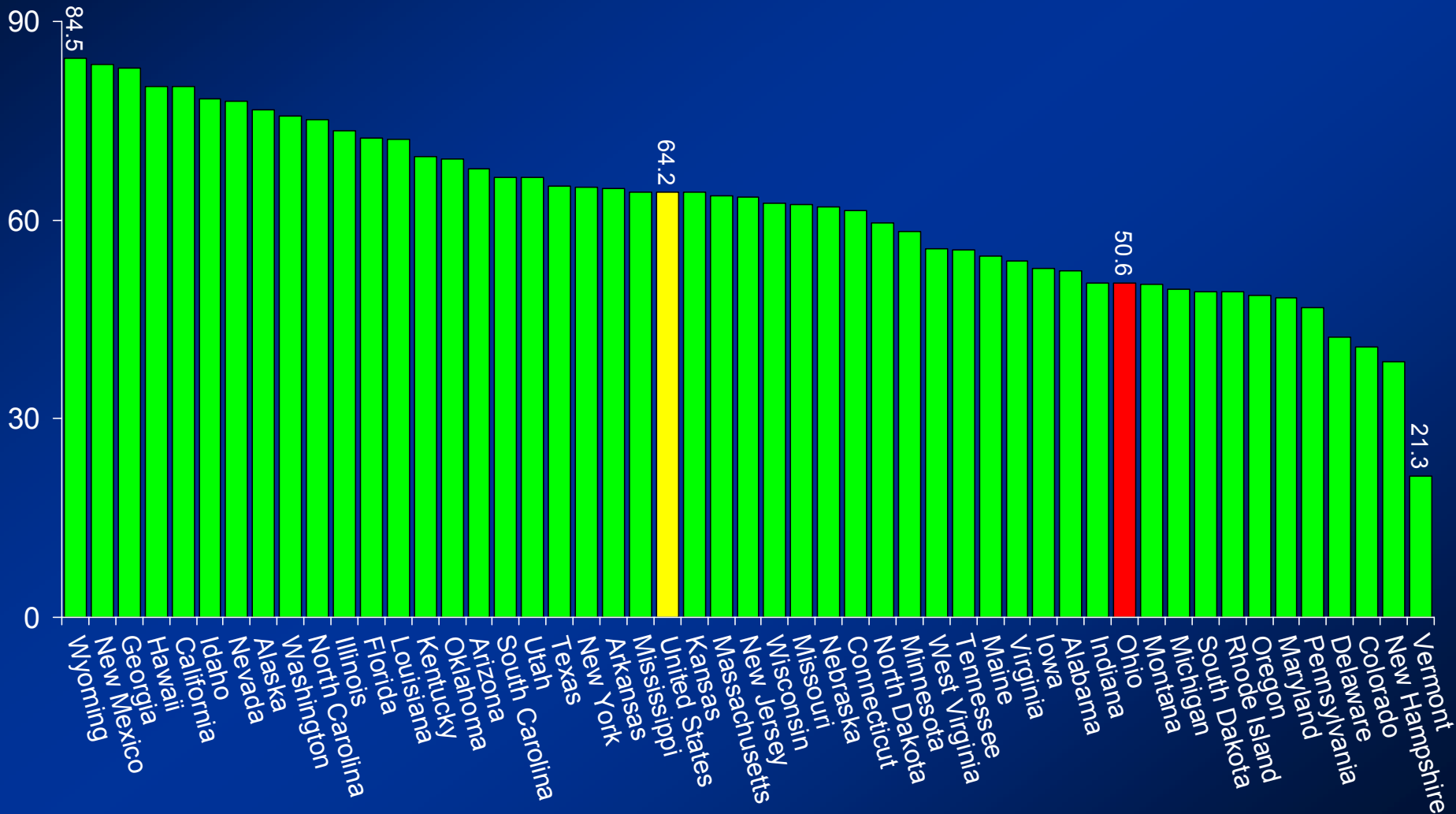
State and Local Support for Higher Education— Proportions Allocated Directly to Institutions, 2003-04



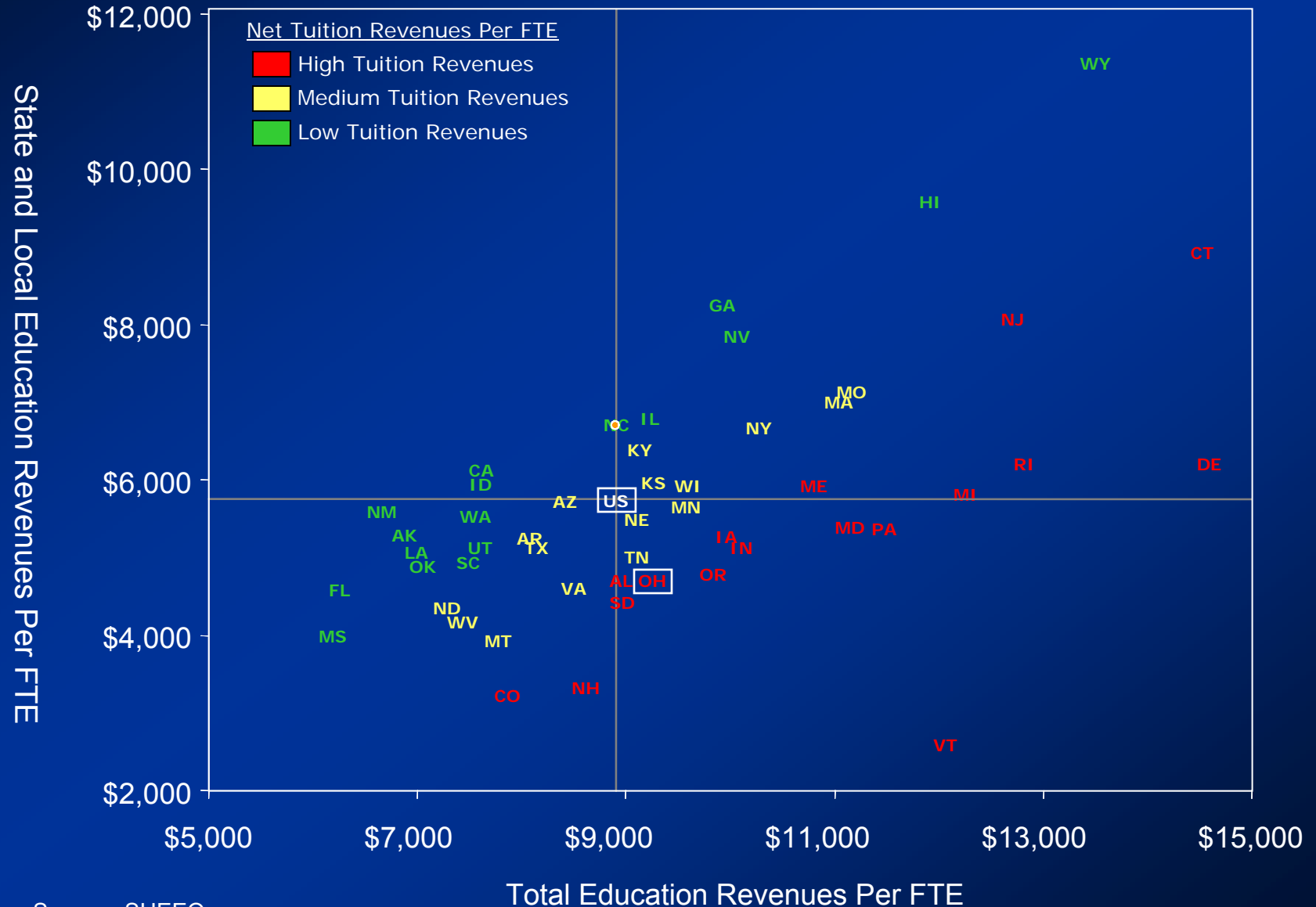
*Includes Appropriations to Independent Institutions

Source: SHEEO

Share of Institutional Funding for Higher Education Provided Through State Appropriations (Public Institutions), 2003-04



A Picture of State Higher Education Funding



State Tax Capacity and Effort—Ohio Indexed to U.S. Average

