

Speaker Jon Husted Comments
Provided to the NEO University Collaboration Innovation Study
Commission
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I thank you for inviting me to address the NEO University Collaboration Innovation Study Commission. The legislature created this commission with high expectations for cooperation and achievement in NE Ohio and I believe I was invited here today to provide clarity and maybe even some inspiration in support of your mission and I hope we will not disappoint each other.

The Big Picture

As most of you know, education and the economy are public policy passions of mine. I would like to share with you the evolution of events and thought that have occurred during my seven years in the General Assembly.

Education and especially post-secondary education, is an economic issue to me. It has economic consequences on the individual and the State of Ohio. A higher education can positively impact an individual's earning power, making them more valuable and employable and a well-educated workforce helps the employers compete and makes Ohio a more attractive place for businesses to locate.

Ohio's economy has changed, employer demands have changed and the skills required in the marketplace changed, all at a pace much faster than our education system has changed to help us compete.

This is especially troublesome for Ohio because our education deficit is being exacerbated by demographic trends that leave us an older, less educated state.

In Ohio we produce about the same percentage of graduates as a state as the national average, and as best we can tell, we retain those graduates at about the same rate as the national average. On production and retention of college graduates, we are at best AVERAGE.

However, the migration of college graduates from other states to Ohio is quite low. We are one of the worst states in the nation in bringing in new talent. This puts greater pressure on us to do a better job of growing our own talent.

Let's look inside the numbers: Over the next 20 years our population (according to census bureau estimates) is predicted to remain relatively flat, only increasing from 11.4 million to 11.7 million. Ohio is expected to gain 700,000 people in the 65 and over group and lose 700,000 people in the 18-to-65 year old demographic and among all age groups, we rank behind the national average in the attainment of college degrees.

And a shrinking undereducated workforce is not a formula for economic success.

NEO is hardest hit by these shifts, and the problem is not going to get any better without serious efforts to focus the limited higher-education resources you have on solutions.

These trends are hard to change with a well-coordinated and executed plan, and in the absence of such a plan, NEO's future will be at best left to chance.

The Legislative Pathway

When I arrived in the legislature in 2001 we had a tight budget due to a slowing economy and spending demands that came from Medicaid and K-12 education increases. Not long after we experienced 9/11 and the war of words between policymakers and higher education began. You remember: Higher Ed advocates said we need more money or no tuition caps—the legislative response, you need to reform yourselves, cut costs and be more efficient. This went on for a few years and what did we end up with: high tuitions, no reforms and little hope for progress.

I promised myself when I became Speaker, that we would have a strategy and that meaningful progress would occur and making “higher education a driver not just a contributor to Ohio's economy.”

In my first term, progress occurred but it was limited, largely due to the fiscal restraints imposed by reforming Ohio's tax code, which I believed was the first step in on the road to economic revitalization.

But there was progress, passage of the Third Frontier Initiative, Ohio Core and advancing the use of articulation agreements to make the system more seamless for students.

During this term some of you will recall my desire to set the stage for future progress in higher education, including a speech I gave at the Cleveland City Club, during which I said: *“Consider for a moment the power and influence NE Ohio could have in higher education if we pooled our resources and consolidated efforts. The economic impact could be tremendous. We could harness the intellectual power of places like KSU, CSU, and UA—allow them to retain their own identities, but provide a more seamless access to each others resources. Then by consolidating duplicative services and allowing for the sharing of faculty; the costs could be driven down, the quality of academic offerings would go up and students would benefit from lower costs of tuition and more specialized degree tracks could be offered. This collaboration would affect 60,000 students, more than 10,000 more than enrolled at OSU.”*

Before the end of the year (2006), we were able to create this very commission to allow you to design the plan to achieve this vision. For me this was the beginning.

A few months later when I took the oath for my second term as House Speaker, I stated in my inauguration address that we had to solve what we I termed as Ohio's diploma dilemma—that more of our citizens MUST complete certification or degreed programs.

I said it would take **bi-partisan cooperation**, we MUST change **the way we spend, how much we spend**, and how we deliver services across the educational spectrum. We MUST strive to **reduce the artificial barriers** of the education bureaucracy and the very real **barriers of affordability**.

I laid out strategies that would increase the likelihood that HS graduates would attend college in Ohio and said that we must emphasize science, technology, engineering and math/medical skills, because those are the skills most in demand in the economy and create the best job opportunities for those who possess them.

I said we could generate momentum for the important outcomes with the creation of STEM academies across Ohio at the High School level and by prioritizing our higher education investments directly in students seeking two and four year degrees in the STEM disciplines. (Co-op for retention)

Walking the Talk

In a rare political feat, we did exactly what I said we would do.

In the category of bi-partisan cooperation, we passed a law that allowed the Governor to appoint the chancellor of the BOR; a Republican legislature giving power to a Democrat governor in the name of progress, unprecedented.

We made a college education more affordable by freezing tuitions without sacrificing quality, due to record funding from the legislature (\$310 million over the biennium).

Created the \$100 million choose Ohio First Scholarship program, that focuses on STEM and the retention of students with co-operative education.

K-12 STEM academies? We did that too; one of the best laws in the nation according to the Gates Foundation.

This is not to mention the advance of the research scholars program advanced by the Senate.

The legislature walked the talk.

Nothing Lasts Forever

I hope the legislature can sustain this path of support for higher education; however, the pressures are mounting against it.

At the federal level with mounting deficits and entitlement programs will begin to go bankrupt in 2019 when Medicare begins to operate in a deficit. These problems will only put more pressure on the federal government to pass a greater burden onto the states, stretching already tight budgets. This is not to mention that the current state budget is balanced with \$1 billion in one-time revenue which will put the budgetary squeeze into effect very soon.

Combine this with the administration's stated goal of increasing the number of college graduates by 33 percent in the next decade and you can understand the pressures of affordability, growth and quality will be stretched. (1/3 more money will be needed to just to maintain current per student subsidy).

And to quote a recent Governing magazine article on the role of states in higher education, "That may not be enough. If states want more college graduates they'll need more than a set of goals and measurements. They'll need to figure out how to leverage the shrinking share of dollars that they have to spend on higher Ed in order to achieve their priorities... In short the job will require more will than Governors and state legislators have been willing to lend. It is time that they rise to the occasion, says Patrick Callan, president for the National Center for Higher Education and Public Policy. "All that is stake," says Callan, "is our economy and our way of life."

The only issue I would take with this article is that in Ohio our legislature and our Governor, in a bipartisan way, did demonstrate the will, we put the best interests of the state ahead of our immediate self interests. The question for this commission is will you?

You have the opportunity do what is right for the people and economy of NEO if you put their interests first.

The legislature has shown the will, and anxiously awaits your recommendations for the future of higher education in NEO.

The will to change the future of higher education is alive and well in the legislature, whether it is your plan or Chancellor Fingerhut's plan. Either way, reform is coming—the choice for you is whether this commission leads it or reacts to it.