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BEFORE THE SENATE FINANCE & FINANCIAL INSTITUTIONS COMMITTEE

**SENATOR JOHN CAREY
CHAIR**

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

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Chairman Carey and members of the Senate Finance Committee, good afternoon. Thank you for the opportunity to testify before you today on Amended Substitute House Bill 119.

In November 1996, the Ohio Board of Regents published a document called *The Challenge is Change: Ohio's Master Plan for Higher Education*. Chapter 2 of that document was entitled "Current Realities: Fewer Resources and Greater Expectations."

Reviewing that document, I was struck by the similarities between then and now.

The 1996 Master plan outlined a vision of higher education characterized by high-quality learning experiences accessible to all Ohioans, research that creates productive partnerships with Ohio business and industry and drives economic growth, education and training that fosters leadership and citizenship, and strengthens Ohio's workforce, and services that address the broad needs of the state and its diverse region and communities.

Then, as now, there was clear recognition of the need to improve quality, increase educational attainment statewide, and increase accountability for results. There was recognition of the need to embrace collaboration, technology, and innovative approaches to teaching and learning. And, of course, there was recognition of the reality of having to live with constrained resources.

The language we use today to describe our vision for higher education, and for the role our colleges and universities play in serving the public good, is not much different than ten years ago.

Ohioans today expect all citizens of our state, including non-traditional and disadvantaged students, to have access to a high-quality, affordable college education.

They expect postsecondary learning experiences to be relevant and rewarding – and to prepare graduates to compete in a global economy. In other words, they expect quality.

They expect flexible educational options that fit their work schedules and family obligations.

They expect Ohio's colleges and universities to be a ready resource for the ongoing technical training and lifelong learning required for success in today's workplace.

And they expect university research to support the state's economic development efforts and pay dividends in the form of innovation for competitive advantage, high-skill, high-wage jobs, and economic activity.

And We, the collective We, all of us, the Universities, the Higher Education system, the P-12 system, the General Assembly, the Governor and Chancellor, the business community, and the taxpayer – WE have an obligation to meet and exceed their expectations.

What is different today is that the competitive pressures are greater, the stakes are higher, and the pace of change we are trying to adapt to is blindingly faster.

What's also different today is that we have a unique, even historic, opportunity to realize our ambitious vision for higher education.

Governor Strickland is to be commended for addressing the issue of affordability and putting on the table the concept of a compact.

The state's public universities are excited about the prospect the compact represents for stimulating fresh and more strategic thinking about how to maximize higher education's value to the state and its citizens.

A funded and more complete compact is a major step in the right direction. It has the potential to bring state government and higher education together as partners in a joint venture of supreme importance to our state and represents a commitment to stability, accountability, and sustainability.

The House is to be commended for making the concept of a compact more complete and providing the funding to make it work. The House clearly defined each component of the compact and required the Chancellor to develop a plan, with specific goals and measures, to implement the compact. The House then funded the tuition freeze in the second year of the biennium by significantly increasing the state share of support in FY09, an important part of the compact.

To receive the proportional increase in state funding over the previous year, the House still required that each institution demonstrate efficiency savings of 1% in FY08 and 3% in FY09. But the House eliminated the connection between receiving additional state funding and opting in to or out of the compact by removing the language that gave institutions a choice to participate. Under the House proposal, all institutions are automatically in, are bound by the tuition constraints, and are eligible for the additional state funding, assuming the efficiency savings can be demonstrated.

The view of Ohio's public universities is that a formal compact between state government and higher education is the right idea at the right time. But as proposed, it did not reach quite far enough. Now that it does, we recommend including language establishing a formal agreement between higher education and the state to cement this partnership through the clearly identified responsibility and accountability measures.

We believe such a compact would stimulate conversation on vital issues and objectives that extend beyond costs and affordability. Those additional areas would include access and success, achievement and quality, system-wide alignment, and, of course, accountability for results.

Let me elaborate briefly on each of these areas.

Access and Success. There is nearly universal agreement – both within and outside the higher education community – that Ohio must significantly increase the number of students who attend college and earn a degree. In 1990, 17% of all adults, aged 25 years and older, held a bachelor’s degree or higher, ranking Ohio 39th in the country. Fifteen years later, in 2005, the number of adults, aged 25 years and older, holding a bachelor’s degree or higher increased to 23.3%. Despite this 6% increase, however, Ohio moved up only one spot in the rankings. Clearly, there is more work to be done.

This is a vital competitiveness issue for our state, and one the governor recognized when he established his bold goals for increasing over the next ten years the number of Ohioans enrolled in college by 230,000 and raising the graduation rate by 20 percent.

Achieving those goals will require focused efforts to raise aspirations and enhance recruitment, particularly targeting disadvantaged and historically underrepresented populations.

To be successful, we’ll need to continue to improve academic preparation and enhance our efforts to support student success, expand the use of distance learning and other technologies that can increase access, and improve transfer and articulation within the state’s higher education system.

State funding for instructional support must be commensurate with our ambitious growth goals and the efforts needed to realize those goals.

Achievement and Quality. To fully serve the citizens of Ohio, the state’s colleges and universities must respond aggressively to a number of quality imperatives.

We need to help students acquire globally competitive competencies – that is, the knowledge and skills they’ll need to succeed in an increasingly technical, innovation-based economy. We must give them access to world-class faculty, state-of-the-art technologies and cooperative learning experiences. We must prepare them for a lifetime of change and a lifetime of learning.

More than ever before, our institutions must have a laser-like focus on student achievement.

We must continually evaluate and improve our student learning assessments to assure that our academic programs meet the highest standards for innovation, quality and relevance – and to assure that students who start college, finish college with a rich education and a strong foundation for their future.

Alignment. To improve student success and overall system performance, we must do a better job of aligning of high school and college standards (and) expectations. We must ensure that P-12 standards, curricula and testing are aligned with higher-education admission and success requirements, which will help reduce the need for high school graduates to take remedial-level coursework in college. (Ohio Core)

The higher education system also must be aligned with critical state needs in the areas of workforce development and economic development.

For example, we need a focused, determined effort to increase the number of STEM graduates – globally competitive students ready to work and succeed in science, technology, engineering, mathematics and medical careers that are critical to Ohio’s economic future.

We need to continue to attract and retain world-class faculty and nationally prominent researchers to help enhance research funding and productivity, improve the quality of our undergraduate and graduate programs, attract more and better students, and promote community and economic development.

And we need to continue to forge innovative partnerships with the private sector to enhance our academic programs, our research portfolios and our community service and outreach activities.

Accountability for Results. The real value of fully developed compact would be to refocus future budget discussions along more strategic, goal-oriented lines. This is why Am. Sub. H.B. 119 now identifies specific goals in each priority area, outlines a plan for achieving those goals, and establishes clear metrics for success.

This is a compact built upon an essential and binding reciprocity between higher education and state government.

Universities, for their part, would accept accountability for achieving access and success goals, for measuring and improving the quality of the educational experiences they provide, for achieving optimal economic benefits from strategically focused research, for serving business, industry and community needs, and for delivering maximum value through enhanced efficiency, productivity and collaboration.

The state, in turn, would accept accountability for fully funding all of our mutually agreed upon priorities, for providing greater predictability and stability of funding, and for strategically focusing state dollars in a manner that supports individual institutional missions as well as broader state goals.

Viewed together, these priority areas of access and success, achievement and quality, alignment with critical state needs, accountability for results, and yes, affordability, represent a useful strategic framework for investing in Ohio’s future.

The Senate now has the opportunity to put its mark on the higher education budget. I recommend that it consider making an additional investment in quality and accountability. The Governor addressed affordability by calling for a freeze on tuition and the House addressed access by creating the \$100 million Choose Ohio First Scholarship to promote the pursuit of STEM degrees. But neither directly addressed the issue of quality enhancements or institutional accountability.

Increasing the number of Ohioans with a college degree by 230,000 over the next ten years is a lofty goal. It is a goal we must achieve to prevent Ohio from falling further behind its national and global competitors in the areas of higher education and economic development. To be successful, we must attract and retain the best students in the world and the best students want to attend the best institutions. And the best institutions are those with the highest academic reputations based on quality.

According to a research report which surveyed 271,441 first-time, full-time students at 393 of the nation's baccalaureate colleges and universities, institutional quality was the number one factor in deciding where to go to college. The study, entitled **The American Freshman, National Norms for Fall 2006**, was conducted by the Higher Education Research Institute at the Graduate School of Education & Information Studies at the University of California, Los Angeles. For students attending their first choice institution, the top three most important reasons influencing that decision were academic reputation (63%), graduates of that institution getting good jobs (52.7%), and a visit to the campus (43.1%). The results showed that financial concerns were not the most important consideration; the cost of attending that institution ranked eighth (29.1%). To students, quality does matter.

An investment in quality is critically important because it will also result in a significant, positive impact on regional economic development. Strategic support provided by universities to local communities can play a vital role in achieving mutually and clearly identified regional economic development priorities. To be truly effective, support should be based on the mission strengths of the particular university.

Universities committed to quality will be a driving force in the new high-tech economy, spurring innovative products and ideas for commercialization, new patents, and new business startups and spin-offs from campus research and incubation centers. In addition to serving as sources of research and technology, universities will impact regional economies through purchasing and procurement activities and workforce development through education and training. Relationships with business and industry on a regional basis facilitate tech-transfer opportunities resulting in commercially viable products and economic growth.

In an increasingly competitive global economy, investment in quality at Ohio's universities merits further serious consideration for the benefits that will result on a regional economic basis.

My closing message to you is this: Our shared vision for maximizing higher education's capacity for fueling economic growth in Ohio is attainable. This state has no more valuable resource than its colleges and universities for creating knowledge, spurring innovation, creating jobs and keeping Ohio nationally and globally competitive. We appreciate the fact that this budget acknowledges these vital roles higher education plays in strengthening the state's economy. The Governor put the right mechanism, in concept, on the table, the House improved it, and we hope the Senate will make it even better.

The state's public four-year universities stand ready to work hand in hand with you and your colleagues in the Ohio General Assembly to do just that.