

Ohio's Brain Drain

Reform of public higher education is intended to change perceptions and retain graduates

By Jon Marcus

BOWLING GREEN, OHIO

THREE HANDS RISE tentatively into the air from among nine students in a lecture hall at Bowling Green State University in rural northwest Ohio.

That's the number of them—these three out of nine—who say that they expect to stay in Ohio when they graduate.

"Too cold," says one of the students who didn't raise his hand, as the others chuckle.

"Too boring," pipes in another, provoking more giggles.

"No jobs," says a third, much more seriously, eliciting a somber murmur of agreement.

Changing these students' perception of Ohio, and Ohio's about them, is at the heart of one of the most high-stakes and far-reaching reforms of public higher education in America—more dramatic still for coming in a part of the country where the economic recession is particularly severe, and at a time when even healthier states are shrugging off huge budget cuts to public universities and colleges.

Ohio's governor, Democrat Ted Strickland, has bucked the trend by making public higher education a financial and political priority, on the grounds that educated graduates and laboratory research with commercial potential are the lynchpins of an economic comeback. And the universities themselves—unusually independent of each other in Ohio, and traditionally fiercely competitive—have slowly bowed to the pragmatism of collaboration, steered by a chancellor who is not shy about using new financial realities to prod them into it (along with public scrutiny that risks embarrassing any campuses that fail to meet his goals).

"The University System of Ohio is going to be the model of the 21st-century university system," vowed the chancellor, Eric Fingerhut, a former state senator and congressman who ran against Strickland in the Democratic gubernatorial primary and is now the point man on one of the governor's most high-profile issues.

It's a tough job. Even though Ohio produces more bachelor's degrees per capita than the national average, it ranks a distant 36th in the proportion of adults with at least an associate's degree, 35th in the proportion with a bachelor's degree or higher, and 26th in the proportion with a graduate degree. That's because, like the students in that Bowling Green lecture hall, nearly two-thirds of graduates—and half of those with graduate and professional degrees—leave the state.

"In Michigan, and I think it's becoming true about Ohio, the joke has always been that the biggest export is college graduates," said David Jackson, a political science professor at Bowling Green. "Why do they leave? Because they need a job."

Even before the current economic recession, manufacturing-dependent Ohio lost 236,000 jobs between 2000 and 2007, the sharpest decline in any state since the



Larry Hamill, Black Star, for CrossTalk

Ohio State University, with its main campus in Columbus, is part of the University System of Ohio, which was created in 2007 and includes 13 public universities, a medical college, and 23 community colleges.

Great Depression. Only neighboring Michigan fared worse. Since then, as the recession took hold, Ohio has seen another 13.5 percent of its manufacturing jobs disappear, compared to the national average of 9.5 percent. Of the top ten American cities with falling populations, three are in Ohio. By the time Strickland took office, the resulting decline in tax revenue had forced, among other things, years of double-digit increases in public university tuition, which became the fourth highest in America. Two-year tuition was the seventh highest.

But rather than having the worst possible timing for their higher education strategy, which was launched just weeks before the start of the recession, Fingerhut and Strickland may have had the best, since hard times have provided an effective argument in Ohio to drive support for public higher education: unabashedly linking it to economic prosperity.

"If you were trying to impose a system like this in better economic times, it wouldn't be received as well," said Ben Anthony, student government president at Ohio State University. "We wouldn't particularly care about brain drain. We wouldn't need to."

Students get it, Anthony said. "The argument behind education has always been that you're going to get something out of it. If you put that in economic terms, it's more concrete. And I don't see why they shouldn't make that argument, because it's true."

Yet it's a connection universities left to their own devices have often failed, or been reluctant, to make. "There is an

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attitude, and I hope it’s fading, that universities are largely responsible for thinking and not necessarily doing,” Strickland, who once was a professor of psychology at Shawnee State University in southern Ohio, said with a chuckle.

Fingerhut encountered that attitude, too, he said, when he was the ranking Democrat on the state Senate Finance Committee, entertaining funding requests. “I would sit

there and one university after another would come in and tell us how well they were doing,” he recalled. “All of that was certainly plausible. And yet we were 38th in the nation in terms of educational attainment. We weren’t seeing the startups and tech transfer. Something was not adding up.”

The onetime director of economic development education and entrepreneurship at private Baldwin-Wallace College near Cleveland, Fingerhut compared this to a businessperson trying to recruit investors by lamenting, “You’ve got to save me,” versus another saying he’s got a great opportunity to offer and there’s still room to get in on it. “For too long, higher education was on the Chicken Little side of this, not the, ‘We’re going to succeed and here’s how we can help you’ side,” he said.

Persuading the public and its elected leaders that the universities are here to help is effective politics, Fingerhut said—something else that public higher education hasn’t necessarily been good at. “Yes, this is a campaign, because campaigns are communication tools,” said the chancellor, who joked that, within five minutes, he can turn any conversation about higher education into a discourse on economic development. The message of the campaign is this: Ohio’s public universities were built and are maintained by the state’s taxpayers, and, therefore, “Our obligation is to drive the economic prosperity of Ohio. It’s a planned and sustained strategy for building support within all the constituencies that matter,” Fingerhut said.

Preeminent among those constituencies is the Republican-dominated General Assembly. There, legislators including Jon Husted, a former Republican speaker of the House who was elected to the state Senate in 2008, had so soured on the competition among the universities that they finally resisted increasing their funding even enough to keep pace with inflation.

Although in name part of a statewide system, Ohio’s

universities had only slightly less testy relationships with each other than they had with the General Assembly. Ohio’s universities, like Michigan’s, are highly independent, in a state that is stubbornly parochial, divided as it is into vastly dissimilar regions (“pockets of city-states,” as Bowling Green President Carol Cartwright calls them). The most prosperous regions are on a diagonal from the traditional manufacturing centers of Akron and Cleveland in the northeast to corporate Cincinnati in the southwest and white-collar Columbus in the center, while the northwest on the border with Michigan is industrial, and the southeast is a part of Appalachia.

Each university has its own board of trustees and lobbyists. Each submits its own budget. Described by at least one Ohio newspaper as fiefdoms, the public universities (they prefer to call themselves “state assisted,” to the annoyance of legislators) spun off 24 regional branch campuses, squandered scarce resources on redundant programs, and battled with each other not only for money, but for students.

“In the past those board assignments were basically political payoffs, and there were people who were more interested in getting access to football tickets than in advocating for a strong system of education,” Strickland said. “It really prevented the needs of the state from being recognized.”

The business community thought so too. “That’s been one of our biggest problems, that we have these competitive silos, not only in our universities but in our metro areas,” said Dorothy Baunach, special advisor to the Ohio Business Roundtable and president emeritus of the Northeast Ohio Technology Coalition. “Each campus is pretty insulated. It’s hard for them to think systemically. There’s still a lot of work to do to break down those walls.”

Elected leaders tried in vain for years to coax the universities into shedding programs that were poorly rated or redundant, in at least one case cutting off state funding in 1995 to get the University of Cincinnati, the University of Toledo, Bowling Green State University and Kent State University to drop their low-ranked doctoral programs in history. Instead, the universities simply found independent sources of money to continue them. In 2003, Strickland’s predecessor, Republican Bob Taft, appointed a commission on higher education and the economy, but the universities largely ignored its recommendations.

When Strickland became governor in 2007, one of his first acts was to call the university and college presidents together. Expecting a brief meet-and-greet, they were surprised to be kept in a conference room by the governor for six hours.

“I said to them, ‘I am not your enemy. I am your friend,’” Strickland recalled. “And I expressed some dismay that in the past higher education had become the target every time there was a budget problem. I said, ‘We’re going to bring an end to that. But in order for us to be successful together, I’m going to have to ask for your cooperation.’”

He told the presidents that if the state was going to support them, it had a right to expect that they would operate more efficiently. He urged them to collaborate. Then he held up his side of the bargain by increasing the state allocation for the universities by 3.2 percent in his first budget, and by 8.8 percent in the second. He also backed a tuition freeze that

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had begun in 2006 and would endure until summer 2009. Even after the economy began to slide, causing state revenues to fall \$1.9 billion short of projections, Strickland mostly shielded the universities from funding cuts. In the last round of \$640 million in statewide cuts, only \$25 million came from universities and colleges— about one percent, compared to losses of as much as 30 percent suffered by some other state departments.

That got the universities' attention. And if it didn't, newspaper editorial pages were happy to help. The schools "must put away the daggers and one-upmanship," warned the *Cleveland Plain Dealer*. They had to "become team players in a way that they haven't before," wrote the *Columbus Dispatch*. Nor did Strickland rely entirely on good intentions. On August 2, 2007, he signed an executive order creating the University System of Ohio, which includes the 13 public universities, one medical college, and 23 community colleges. Adult career centers and adult basic literacy programs previously run by the Department of Education were added later.

Responsibility for appointing the chancellor was shifted from the often unresponsive Board of Regents to the governor, and the position was raised to cabinet level, making Ohio one of only a few states—including Colorado, Maryland, Minnesota and New Mexico—where the chancellor answers directly to the governor. Under the old system, Strickland would have been two years into his term before he was able to make even a single appointment to the Board of Regents; now the chancellor was directly accountable to him.

The universities chafed, and still chafe, at any hint of the kind of centralization that exists in many other states. They want to be cost-effective, said Bruce Johnson, a former lieutenant governor and now president of the Inter-University Council of Ohio, the universities' lobbying arm. "They want to be collaborative. And they don't want to be run from Columbus," said Johnson in his office near the statehouse in Columbus. Ohio's universities prefer to be part of a system with a small "s," Johnson said. "The universities themselves know how to run universities. No one here in Capitol Square does."

Still, with his changes in place, the governor began to lay out new expectations. Less than a year after the university system was established, Fingerhut delivered a ten-year strategic plan. Before releasing it, he said, he spent a day reviewing it with William "Brit" Kirwan, a former president of Ohio State and now chancellor of the University System of Maryland, who had helped transform the higher education landscape in that state.

Fingerhut's strategic plan called on the universities to graduate an additional 230,000 students over ten years by increasing enrollment from 472,694 in 2008 to 702,694 by 2017, and by boosting the number of degrees awarded at all levels from about 73,000 to 100,000 annually. They would also attract enough federal research spending per capita to move from 30th to the top ten in that category. The General Assembly agreed to base state funding for the four-year universities on outcomes, rather than enrollment; by 2012, some 30 percent of funding could be determined by such things as graduation rates.

The blueprint also gave the universities the role of measurably improving the economy. This got the newspapers

comparing Fingerhut's job, as *Crain's Chicago Business* put it, to Tom Cruise's character's in *Mission Impossible*. "This is easy," Fingerhut said, pointing to a dog-eared, loose-leaf copy of his strategic plan for an objective titled, "Graduate more students." "But this," he said, pointing to the next objective, "Keeping graduates in Ohio," "this is all new to higher education. Isn't this the mayor's job, the chamber of commerce's job? No, it's our job, and we have ways to do this."

Fingerhut promises to persuade 70 percent of graduates to stay in Ohio—roughly the same percentage that now leaves. "We own this metric now, and that's a radical departure," he said. "Sure, there's a huge risk. The pushback I got on this was, 'My gosh, do we really control the economy? Do we control that the hot cities are Chicago or Seattle?' Yes, we can control enough of this to make a difference about it."

In a sector known for endless deliberation and interminable process, the universities have been comparatively quick to catch on to the popularity of this idea. Presidents now speak of making contributions to Ohio—"When each institution does well, all of Ohio does well," said Bowling Green's Cartwright, for instance. And they rattle off statistics about how they are meeting their targets, as if they're reading from a common set of talking points.

"My impression is that they enjoy the respect that they are getting and the recognition that I and others are showing them," said Strickland. Added Fingerhut: "It is a powerful communication strategy, and I believe the universities are starting to understand that."

Bringing the universities together hasn't been entirely without problems. Fingerhut's plan proposes weeding out poor programs by rewarding good ones—designating the strongest programs as "centers of excellence" that can especially contribute to the state economy, in exchange for which they get special funding and attention. "I noticed that

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previous chancellors spent a lot of capital trying to shut down programs,” Fingerhut explained. The centers-of-excellence idea leaves the decision at the university level “and empowers people on campus who wanted to do this but were hampered by internal resistance.”

Almost immediately, some presidents started jockeying to make sure their universities were given favored status. The president of the University of Akron, with Fingerhut in the audience, said in a speech that it should be designated northeast Ohio’s public research university, even while Kent State’s president was telling reporters almost the exact same thing about his school. The two public universities are only 20 minutes apart.

Persuading everyone on campus to chant the mantra of economic development proved tricky, too. Some faculty members worried aloud that the liberal arts would be neglected. It was the job of politicians to worry about the economy, not the job of universities, they said.

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“For a long time universities in general just didn’t think of economic development as part of their mission,” Baunach said. “It was basic research and teaching.” Even now, she said, “You might have an enlightened president, but then the provost is still old line, and the old-line professors are still there who think there ought to be a demarcation between industry and academia. Boy, it still goes back to that academic purity.”

But collaboration has been taking hold. A new Advisory Committee on Efficiency, made up of regents, students, faculty, the universities and colleges, and business representatives, meets in public and produces monthly reports for legislators and the media about which universities are meeting goals based on projects

pioneered at one campus or another. For example, when Lakeland Community College piloted new energy-efficiency standards, all the universities were given the job of meeting them.

“Do you really want to be the campus that’s the least energy efficient in Ohio?” Fingerhut asked, smiling. “That’s not what you want to be. This in my view is the purpose of the central office. I’m trying to structure this so that the public pressures and competitive juices of people kick in.”

The universities and colleges collectively claim savings of \$250 million, after pooling purchasing of everything from office supplies to power. A new joint information-technology purchasing program, which also involves school districts, is projected to save another \$130 million over three years. A purchasing-card agreement with JP Morgan will provide cash rebates estimated at about \$6 million in five years. And Ohio is one of seven states to receive a grant of nearly \$1 million from the Lumina Foundation for Education to find still more ways to consolidate administrative operations such as human resources and payroll services across campuses.

Individual universities have also gotten into the spirit of things by striking deals with each other. The University of Akron has agreed to manage technology transfer for Cleveland State University. Ohio State and Ohio University teamed up



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with the state retirement system to save a combined \$4 million a year on their prescription drug plans.

In northwest Ohio, joint degree programs have been hammered out among Cleveland State, the University of Akron, Cuyahoga Community College and Lorain County Community College, under which some students never have to leave their community-college campus to earn a bachelor’s degree. Columbus State Community College and Ohio University have reached a similar agreement. Columbus State students can take Ohio University courses toward their bachelor’s degrees without leaving the Columbus State campus—at a total cost for the degree, said Fingerhut, of as little as \$15,000.

The paths to these kinds of deals have been smoothed since general-education courses at every Ohio public university and college were guaranteed to satisfy basic or general-education requirements at every other Ohio public university and college. University students quickly figured out that they can use these transferable credits to satisfy degree requirements, and that they can earn them much more cheaply between semesters at community colleges, which saw a 19 percent spike in enrollment during last year’s summer session.

Even the University of Akron and Kent State have reached détente. The University of Akron is a partner in an innovation park west of Akron and, in the middle of the city, a polymer innovation center and a biomedical corridor in partnership with Northeastern Ohio Universities Colleges of Medicine and Pharmacy, while Kent State is redeveloping a former bus garage east of Akron into space for startup high-tech firms.

The universities are reaching some economic development milestones, too. The Ohio Skills Bank, a regional workforce initiative meant to link university degree output with economic needs, found that more licensed practical nurses were being turned out than are needed, but not enough registered nurses, so several community colleges and four-year universities teamed up to give LPNs the training they need to become RNs. After Fingerhut gathered every engineering school dean in the state to make a presentation, the private aviation company

NetJets announced a \$200 million expansion in Ohio, over other states that had competed for the prize, which came with 800 new jobs. Cincinnati-based consumer-products giant Procter & Gamble (whose Swiffer duster was developed by university researchers—in Japan) reached an agreement to underwrite research at Ohio's public universities statewide, after the system cut through red tape that had previously held up research contracts by as much as 18 months.

"Even if I could order everyone to do what I wanted to do across the system, you and I know that wouldn't happen," Fingerhut said of these successes. "If somebody wants to frustrate it or slow it down, they can do that." Gesturing toward Capitol Square, 36 stories below his office in Columbus, he added, "I am under no illusion that I can drop a missive out this window, and by the time it flutters to the street everyone is going to follow it. It's much more an approach of strategic leadership."

Increasing enrollment to meet Strickland's target has been slower going. That is in part because, after 14 years of going up, the number of high-school graduates has started to decline, and won't rise again in Ohio until 2015—two years after the rest of the country. Enrollments are creeping higher at the public universities, though the number of students has risen 23 percent in three years at the community colleges. To lure more, Ohio has done such things as announcing it will charge in-state tuition to any veteran from any state attending on the GI Bill, and has started a program under which 305 high school seniors are enrolled in freshman university classes and can matriculate to the universities as sophomores.

On the campuses, there is palpable optimism. At Bowling Green, a new center for the arts is going up, along with a 5,000-seat arena, and new residence halls. The library at the center of the Ohio State campus has been elegantly renovated, there's a gleaming new recreation center, and the student newspaper spent much of this academic year breathlessly counting down the days until the huge new student union opened.

"Students have just come off three years of no increase in tuition," said Anthony, the Ohio State student president.

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"It's very hard to not be grateful, compared to 40-something percent in California. When you look at the big picture, it's really hard for us to be upset."

Well, not that hard. The tuition freeze ended last summer, and students have been hit with two cost increases since, capped by the General Assembly at 3.5 percent. Their tuition is still among the nation's highest. Ohio faces another \$7 billion state budget shortfall over

the next two years. And the \$724 million in federal stimulus money that has helped protect the universities from deeper cuts is running out. Bowling Green imposed unpaid furloughs

on most faculty and staff, 149 of whom took euphemistically named "voluntary separation benefits" to retire early or to resign. Fingerhut cut his own pay by nearly five percent.

As the recession has deepened, some initiatives have had to wait. A \$50 million-a-year proposal to vastly increase the kinds of student internships and co-op programs that keep graduates from leaving has been put on hold. So have plans to boost the number of science doctoral degrees and basic research.

Nor has the employment picture changed perceptibly—especially as students see it. "You can't just wave a magic wand and suddenly there are jobs in Ohio," said Danni McConnell, a Bowling Green sophomore from Columbus.

But the interest groups that sometimes divide higher education seem to be warily embracing their new roles. "There's some logic" to eliminating duplication, said the

Bowling Green political science professor, David Jackson, who is president of the Faculty Association there. "How many Ph.D. programs do you need in one state?" As for contributing to the economy, he said, "Hopefully, that's not all that people think we're good for, but I don't have a problem with that being some of what we're here for."

Meanwhile, of the news from states like California, which are slashing the same types of higher education funding he's been trying to preserve, Strickland said, "We are disarming ourselves in terms of being able to compete in this increasingly competitive global economy. And I believe, as I say over and over, that there is an unbreakable connection between economic growth and prosperity and educational achievement. Those states, and I hope Ohio is one of them, that have protected education and nurtured education, will be the states that will lead the new economy."

If any of his fellow governors asked him why he has made the choices he has, said Strickland, "I would tell them that it's entirely out of selfish motivation." ♦

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