



# Of Paradoxes, Pioneers, and Possibilities:

## Ohio's New Covenant Imperative

by Stephen R. Portch

White Paper  
Underwritten by



**CENTER FOR PUBLIC HIGHER EDUCATION TRUSTEESHIP AND GOVERNANCE**

Association of Governing Boards  
of Universities and Colleges



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## Ohio's New Covenant Imperative

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# Introduction

**For those who love paradoxes**, we live in the best of times. Dickens, who was rarely happy, would be ecstatic: Governors have become Scrooge, the statehouse has become Bleak House, colleges are facing Hard Times, and authors create careers out of the irony that underlies paradox. What fodder we give them these days.

While President Bush and Congress cut federal income taxes and reduce tax rates on dividends, governors and legislatures have been faced with daunting deficits. These deficits have required scrutiny of every state spending item, from the minor (turning out every third light bulb) to the major (cutting back the number of K-12 school days) to the unthinkable (raising taxes). For state leaders, the heady days of the 1990s have become the headache days of the present.

Colleges, meanwhile, can't understand why states don't see the light: Invest in us, they say, and we'll build the new economy. But, paradoxically, that's not what the public wants. In a recent national poll, respondents placed the highest priority on preparing undergraduates for a career (71 percent) rather than fueling the economy by helping attract new business to the region (39 percent) or helping existing business and industry (36 percent).<sup>1</sup> This is not the sole paradox, either. As enrollments surge, revenue plummets. With wages stagnating and unemployment rising, college affordability declines as tuition gets raised at dizzying rates while Pell grants inch up without compensating.

<sup>1</sup> *The Chronicle of Higher Education*, May 2, 2003.

There's not much new here, though. The two-step dance between universities and legislatures follows the cycle of the economy. When economic times are good, universities hold down tuition (though the hikes still usually exceed inflation). In bad economic times, universities—often either in collusion or through deafening silent assent from the legislature—fill the gap through tuition increases. They also accelerate their private fund-raising and pursuit of grants. For the past 60 years, it has worked to simply wait out the downticks in the economy.

It won't this time. Yes, the dance goes on. But the underlying causes of this fiscal crisis are unlike those that have gone before. Some have dubbed this "The Perfect Storm." A few lonely voices tried to warn higher education that states in the 1990s were building structural deficits into their budgets.<sup>2</sup> As vast state revenues flowed into statehouses, "irrational exuberance" took over. There was enough revenue to spend on projects and still cut taxes, especially as these tax cuts were often phased in. At the same time, because budget problems didn't consume legislators and because the public seemed content economically, politicians responded to what was troubling constituents: failing K-12 schools and soaring crime rates.

<sup>2</sup> For example, the late Harold A. Hovey, former budget director in Illinois and Ohio.

Reducing class size and increasing prison terms (remember how great “three strikes and out” sounded at the time?) seemed like wise ways to spend all that money, especially as you could phase in the costs. After a brief plateau, Medicaid costs resumed their rise, but, what the heck, revenue was up every month, too. Furthermore, many states during this period denied themselves legislators who have historical memory and long-term philosophies by instituting term limits.

The economic downturn, then, did not cause the storm, it simply accelerated its arrival and dramatically increased its severity; the brooding thunderstorm became a spiraling tornado. The storm shelter of private gifts and foundation grants no longer seemed secure. For the first time since 1988, private giving to universities declined as donors saw their net worth melt down with the Dow Jones. And charitable foundation giving was also moderated by the declining value of endowments and priority changes that no longer favored higher education.

Even with the decline in state revenues and private giving, that still left the old, “wait-out-the-storm” standby solution: increasing tuition. Double-digit percentage increases have become the norm, and even larger increases and surcharges are not uncommon. This time, though, even that solution has come up cold. First of all, large though they may be, these increases rarely cover half of the loss of state revenue. Secondly, the days of silent assent may be over. Governors grumble about tuition increases; and some state legislatures have returned to the tuition cap conversation or increasing their involvement (in Indiana, for example, legislators don’t want colleges to set tuition after the legislative session ends).<sup>3</sup> At least one state, Colorado, seriously considered funding students not institutions. Meanwhile, another dark and threatening storm cloud is approaching from Washington: the reauthorization of the Higher Education Act.

The cold reality of constant tuition increases and the hot response of key politicians in Washington will inevitably find a perfect storm center in the debate on reauthorization. Calling the tuition increases “scandalous,” Representative Buck McKeon (R-Calif.) has threatened to impose a form of price control.<sup>4</sup> Compounding the anxiety around reauthorization for college officials is the concern that the Bush Administration may seek to impose accountability measures on higher education similar to those implemented in the K-12 “No Child Left Behind” Act.

Another irony: The new federal drumbeat for accountability comes after more than a decade of increasing state accountability. State after state has produced reams of paper consisting of largely good consumer information. Ohio’s for example, while lengthy (18 chapters, half an inch thick), has both data and useful narrative to provide

<sup>3</sup>“Lawmakers Want Tuition Set Earlier,” *The Indianapolis Star*, April 11, 2003.

<sup>4</sup> *The Chronicle of Higher Education*, May 2, 2003.

context. Its accountability document (“The Performance Report for Ohio’s Colleges and Universities 2002: Profile of Student Outcomes, Experiences, and Campus Measures”) is particularly strong on employment outcomes. But neither the Ohio report nor any other state’s can answer the most fundamental questions: What have students learned? What skills and knowledge do they have when they graduate? In other words, what guarantee can Ohio provide concerning every graduate from one of its universities? The National Center for Public Policy and Higher Education issues a report card for states.<sup>5</sup> Every single state earned an “Incomplete” on student learning.

Where does all of this leave us? Reduced resources, increased demand—the “double whammy” that AGB foretold.<sup>6</sup> States with structural deficits. Tuition increases approaching a lead ceiling. Calls for even more accountability. In other words, we’re at a crossroads. Universities and colleges need to face up to the sobering fact that when the economy brightens, state dollars are not coming back to higher education as they have before. At the same time, many also will have to face the dual and different demands of increasing student access (for some growth states such as California, Florida, Nevada, New Jersey, and Texas, the numbers are astronomical) and expanding their economics-linked research. The emperor has no clothes. The current industrial model of public education, preschool through college, cannot adequately respond to the challenges of a knowledge economy. Either higher education can continue to muddle through or it can begin to reinvent itself in radically different ways.

<sup>5</sup> “Measuring Up 2000” and “Measuring Up 2002,” *The National Center for Public Policy and Higher Education*.

<sup>6</sup> Jane V. Wellman, “Weathering the Double Whammy: How Governing Boards Can Negotiate a Volatile Economy and Shifting Enrollments,” *AGB*, 2002.



# A compact for reengineering

Higher education cannot start down a difficult and treacherous path without a full partnership with both the state and its business leaders. While universities have been predictable in their response to past crises, so have political leaders and business leaders. Previously, politicians have demanded greater efficiency, less duplication, and more accountability. A favorite tactic has been to restructure higher education—after all, reshaping an organizational chart is a lot easier (and cheaper) than rethinking basic public policy questions such as participation, retention, and graduation rates. This is true in both good times and bad.

Somewhere in the United States someone is always restructuring higher education. The latest and liveliest example is in Massachusetts, where the governor proposed eliminating the office of the president (the chief executive of the University of Massachusetts System) and essentially privatizing a number of institutions. Florida's restructuring, which included the elimination of the board of regents and the establishment of individual university boards plus the creation of a K-20 State Board of Education, ran into enough opposition to prompt a successful ballot initiative that reversed portions of it. In just the past five years, restructurings have been undertaken in Arkansas, Colorado, Florida, Kansas, Kentucky, Louisiana, and West Virginia.<sup>7</sup>

While restructuring sometimes produces substantive positive changes (Kentucky is a notable example), the reality remains that no magic structure exists to guarantee results. This is especially true for the top research universities. Three of the top public research universities operate under totally different structures. The University of California at Berkeley is a member of a sector system (i.e., all the institutions have a common mission of research); the University of Michigan has its own constitutionally independent board; the University of Wisconsin-Madison is a member of a consolidated system (i.e., all institutions in the state are within one system). Success with a given structure depends also on having solid leadership at the state and university level and may vary according to the state's history, culture, and commitment of resources.

Business leaders scratch their heads and ask, Why can't colleges behave more like businesses? Why has technology not saved higher education money and increased productivity (like banks that have turned you into your own teller and charged you for the privilege)? Why can't they wring the inefficiencies out of the system? Why can't they downsize or eliminate some of their more costly product lines? Why can't they return to their core functions? These are the sort of questions that are often asked because of American higher education's long and proud history of having lay boards.

And because these questions have frequently been asked by boards of trustees and reinforced by governors and legislators, change has occurred. Ohio, like a number of

<sup>7</sup> *State Governance Action Report*, AGB Center for Public Higher Education Trusteeship and Governance, 2001, 2002, 2003 (forthcoming).

other states, has responded. The “Managing for the Future” activities in the early 1990s (a time when TQM and CQI actually became recognizable initials on some university campuses) resulted in cost savings and reduced duplication (especially in doctoral programs). In addition, Ohio has benefited from collaboration among its institutions in administrative areas such as purchasing and in academic areas such as the highly regarded “one library” called OhioLINK.

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Yet it’s important to understand that universities cannot behave exactly like businesses because they operate under a number of principles that are fundamentally un-business-like. Also, they face a number of fiscal constraints because some of their dollars are public dollars. For example, more “customers” (increased enrollment) does not lead to a proportional increase in revenue because most universities have subsidies that exceed tuition revenue. Furthermore, state fiscal regulations often inhibit nimble management. Very few states, for instance, allow the carry-over of funds from one year to the next, thus prompting a frenzy of year-end spending. These differences and the fact that recent budget cuts have forced even more efficiencies (in theory, at least) mean that achieving further standard efficiencies and reducing remaining unnecessary duplication will not suffice to recapitalize universities for the daunting challenges ahead.

It’s time for a new compact among the state, the university, and the business community. It’s time to invest in the link between certain university research and the new economy and in the undergraduate education of a higher proportion of the state’s population. These are mutually reinforcing activities. If there is no new compact, then no new relationship can be realized. If there is no attention to undergraduate education and, one could argue, to K-12 education (especially in math and science), then no future workforce for any type of economy. The challenges are so great—especially the fiscal ones—that we can no longer play around the edges. The times call for a reengineering, the likes of which has never been seen before in higher education. The economy has already been reengineered in many states; the workforce supply chain has not.

Ohio, though, like many states in the Midwest and Northeast, has an economy and supply chain still in transition. In many ways, the South (and, to some extent, the West) has made the transition to what is called the New Economy with greater ease because it largely missed out on the manufacturing era; consequently, it has essentially jumped from an agricultural economy to a knowledge economy. To fuel its new economy, the South has stolen its knowledge workers from high producing states in the Midwest and Northeast rather than home-produced its talent. Some states, such as Georgia, import huge numbers of bachelor’s degrees from other states to supply its emerging new

economy. Georgia has the economy but has the problem of not growing enough of its own graduates (because of exceedingly high K-12 dropout rates and very low college participation). Wisconsin, by contrast, produces a qualified workforce (because of high K-12 graduation rates and high college participation) but loses many graduates to other states (such as Georgia) because its economy has yet to transition from a manufacturing base. Ohio has both problems. It neither produces enough college graduates nor has a sufficiently robust new economy, a desperate double whammy in desperate deficit times.

Or so one would think. Has anyone out there been able to comprehensively and radically remake its economy and workforce chain against such odds? What about a place that has more than tripled its college participation rates over the past 30 years? That same place has gone from a declining population, much of it from re-immigration. That same place has gone from a 1 percent annual economic growth to more than 10 percent. This place has attracted nine of the world's top ten pharmaceutical companies and ten of the world's top 15 medical products companies. It has a cohesive economic development strategy that fully incorporates its universities.

The place? Ireland. Its economic revitalization, prompting the nickname "the Celtic Tiger," defies that country's history of poverty and out-migration.<sup>8</sup> Ireland had much farther to travel than Ohio. The journey is possible with a good road map, with diverse and committed traveling companions, the willingness to invest adequately in the trip, and the courage to go places where none before has dared step.

Ohio already has the makings for a very good map. Considerable and impressive research has been conducted (especially by Battelle<sup>9</sup> and by Burke<sup>10</sup>), vibrant conversations and partnership-forming are ongoing, and significant initiatives have been launched (such as Governor Bob Taft's "Pioneering the Third Frontier of Knowledge and Innovation"). Because Ohio is a "second wave" state (meaning that there have already been a group of states who have launched university/economic development programs, some for over a decade now), it can benefit from the many lessons learned. These lessons include the need for:

- Leadership.
- Focus, focus, focus
- Building on existing strengths
- Responding to different regions of the state

<sup>8</sup> See Eugene P. Trani, "Dublin Diaries," *Virginia Commonwealth University*, November 2002, especially the selected sources.

<sup>9</sup> "Ohio The Product Innovation State," prepared by the Battelle Memorial Institute.

<sup>10</sup> Joseph Burke, "Ohio's Challenge and Choice in the Knowledge Economy," *ACB*, 2003.

- Remembering to serve existing business and industry, as well as to attract new business and industry
- Supporting start-up entrepreneurs
- All partners to provide cash resources
- Measurable goals
- Flexible models that can respond to sudden shifts in the economy and that consider economic development in its broadest terms
- Strategies to attract a critical mass of knowledge workers
- Recognizing that marketing and a sense of place count
- A future pipeline of knowledge workers.

# Lessons from Georgia

A glance at the economic renaissance in my home state of Georgia during the 1990s illustrates each of these lessons.

**Leadership:** Governors matter. Zell Miller had a profound impact on Georgia, creating the HOPE scholarship, expanding the Georgia Research Alliance (GRA), establishing the Intellectual Capital Partnership Program (ICAPP), and laying the groundwork for the industry-campus research collaborative called Yamacraw. His favorite saying was “If you see a turtle on a fence post, you know he didn’t get there on his own.” He found willing partners in the board of regents and the university presidents. Most important, his initiatives drew substantial support from the business community. At the end of his second term in 1999, Miller had almost perfect approval ratings. Few remember that he was reelected to a second term in 1994 by a razor-thin margin. Without the support of the business community, he would have been a one-term governor.

**Focus, focus, focus:** The Georgia Research Alliance focused on only three areas: communications, biotechnology, and environmental sciences. It concentrated on attracting eminent scholars in those fields (plus providing them the labs, equipment, and support they needed to be successful.) ICAPP focused only on technology-based knowledge industries. Yamacraw focused only on broadband. Focus takes courage because it means selecting areas of emphasis which, by definition, means excluding others. To succeed you can’t be in the “pleasing everyone” business.

**Build on existing strengths:** Not every state can create the next Silicon Valley or Research Triangle. You have to consider your history and catalog your research strengths. Communications, for example, was a natural for Georgia as the home to CNN and others, plus considerable research strength in the field (particularly at Georgia Tech). Equally natural are Ohio’s discussions about building on its manufacturing history by designing and developing products in the high-tech arena.

**Responding to different regions of the state:** This proved to be a particular challenge in Georgia with its historical “two Georgias” (Atlanta and the remainder). Ohio has an advantage with its multiple, medium-sized cities and no single dominant urban area. Yet one has to be intentional in achieving a statewide strategy. One response in Georgia was the Intellectual Capital Partnership (ICAPP), a relatively low-cost (\$3 million-5 million) program that actively sought projects outside of Atlanta. Another tactic was using a portion of the tobacco settlement to fund rural economic development through the “One Georgia” program.

**Serving existing business and industry:** States can get caught up in the drama and competition of luring headline-grabbing new companies and forget those companies

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statewide strategy.**

who brought them to the dance. Both the GRA and ICAPP paid attention to growing existing companies. One ICAPP project for Total Systems in Columbus, Georgia, illustrates the point. Total Systems, a credit card processing company, was looking to expand but had begun to explore leaving Georgia because it couldn't get the 400 computer programmers it needed each year. Working closely with the company, with the local university (Columbus State University), and the state (which provided forgivable loans to the students), ICAPP in just eight months designed a curriculum and program that produces the students. It has proven so successful that Columbus now home-grows well over 90 percent of its own IT workforce.

**Supporting start-up entrepreneurs:** Little companies can become big companies. Launching such companies, however, requires space and venture capital (and preferably a few angel investors). Georgia Tech provided such space, and the state created a small venture capital fund to complement the private-sector funding. This needs to be part of the New Covenant. States have to enter into territories usually thought of as the sole province of the private sector. And states—and universities themselves—have to become comfortable with faculty being entrepreneurs, meaning individual faculty members have to have incentives that go beyond the traditional reward system. Inevitably, there will be conflicts of interest and the occasional scandal as money seems to corrupt. When that happens, states and universities will need to strengthen safeguards but not revert back to the safe old structures.

**All partners to provide cash resources:** Beware the ides of in-kind. Too often in the triangular partnership of private sector, state, and university, one (or more) of the partners doesn't put in cash. Cashless partnerships are commitmentless partnerships. In the Georgia example, the state put up \$10,000 per student in forgivable loans, the company put up the cash to lease space, and the university provided cash to add faculty.

**Measurable goals:** If states invest in university economic initiatives, they become shareholders in a sense; as shareholders they need to be able to measure their return on investment. This can be done in traditional economic terms (for example, the ICAPP project had a 15:1 return for the state), but can also be accomplished by setting measurable goals at the outset. The Georgia Yamacraw project, for example, was required to produce 1,000 net new software engineers, ten new companies, and quadruple the venture capital over five years in return for the state's \$100 million investment.

**Flexible models:** As we have seen markets and economies change overnight. When the bubble burst on the dot-com economy, ICAPP was flexible enough to shift to an additional rapid response need: the shortage of health-care workers, especially nurses. Ask

anyone in a small community what impacts economic development most, and the availability of health care will be up there on the list.

**Strategies to attract a critical mass of knowledge workers:** Technology enthusiasts flock to one another. Ideas need to be beamed off other idea people, and the availability of teams or loose clusters of professionals working in related areas makes a difference. Business location professionals correctly talk about clusters of businesses. In many ways this really translates into clusters of professionals. Georgia, and Atlanta in particular, had several strategies. One was to target highly trained Georgians who had left the state before its emergence as a high-tech center with a “come home” campaign. Another was to wait until snow struck in the Northeast and Midwest and then flood cities such as Boston with advertisements for job opportunities in the sun-soaked, azaleas-in-bloom South. Hardly fair.

**Recognizing that marketing and a sense of place counts:** Marketing can’t be an afterthought; it needs to be at a project’s front end. You in Ohio have only to look next door in Pennsylvania to see successful marketing of university research and economic development. This was one of our failures in Georgia; we let a committee, consisting largely of academics, come up with the name Yamacraw. It has a nice connection to Georgia culture, geography, and history (the Indian name for the coastal bluff where pioneers first came), but its link to high-tech economic development is a tad esoteric for mass branding purposes!

**A future pipeline of knowledge workers:** When these high end and powerful research initiatives are launched around fine-sounding new directions such as nanotechnology, someone needs to consider the long-term sustainability. Nothing is more critical. The initiatives can usually be launched with existing talent coupled with the buying of additional high-end talent (through funded faculty chairs, for example); they may be able to last mid-term through importing knowledge workers from other states or countries. But they cannot be sustained unless a state has a long-term plan-of-action and line-of-investment aimed at increasing college participation rates, college completion rates, and student achievement P-16 (especially in math and science).

As states invest in  
university economic  
initiatives they  
become shareholders.



# Comparing states

Fortunately, states now have the 2000 and 2002 “Measuring Up” reports by which to judge themselves against competitor states. Ohio earns average grades (Preparation C+, Participation C+, Affordability F, Completion B-, Benefits C, Learning I). Underneath those grades are some troubling currents; above those grades are some rays of sunshine. One of the curious pieces of data surrounds the issue of math and science, a critical linchpin to the knowledge economy. Ohio appears to perform extremely well up until the end of eighth grade, with eighth-graders scoring near the top end nationally in math and science. Yet, for some reason, ninth through twelfth-graders seem to be staying away from upper-level math and science courses (47 percent take an upper-level math course versus 57 percent for the top states; 20 percent in science versus 39 percent).

Another arena calling out for P-16 gladiators is closing the achievement gap between students of means and students of poverty (who often are disproportionately from minority groups). In a state such as Ohio, with relatively high poverty rates, this becomes a critical pipeline issue. “Measuring Up 2002,” for example, points out a key achievement gap. The successful completion of a genuinely college prep algebra course by the end of eighth grade has been shown to be the single most significant gateway course to eventual college success. In general, Ohio is average in the percentage of students taking algebra in eighth grade (22 percent versus 30 percent for top states), close to the top in the percentage of eighth-graders scoring at or above “proficient” on the national assessment exam (31 percent versus 34 percent), but fares poorly in the percentage of low-income eighth-graders scoring at or above “proficient” (10 percent versus 21 percent). Yet we know, and Ohio research has confirmed, that low-income students who earn a college degree often catapult instantly into the middle-class, thereby transforming not only their lives but also the economics of the state.

One ray of sunshine in Ohio beams from the Ohio Appalachian Center for Higher Education, a recent winner of an “Innovations in American Government” award sponsored by Harvard University’s John F. Kennedy School of Government. At its most fundamental level, this program aims to raise the aspirations of youngsters who never before dared dream of a college degree. Ten public higher education institutions, school districts in 29 counties, and their communities have formed a true regional P-16 effort to fight the cycle of poverty and raise the current level of college degree attainment from its current 12 percent. While this program serves its region in an exemplary manner, where is the statewide counterpart and strategy? Ohio ranks 39th in its percentage of population with a bachelor’s degree; its ranking has not improved in a decade.

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Yet another troubling data point for the future appears in the accountability report: 33 percent of recent high school graduates enter state-supported colleges without a high school core curriculum (and that core curriculum includes only three years of math, whereas a number of states have raised that to four years). Yet we know that the single best predictor for college success is completing a college prep curriculum. We know that without college prep, students likely will require remediation. Again Ohio's research confirms national research. So why do we persist in allowing this? A number of states have addressed the inadequate preparation, with considerable success, by phasing in new admissions requirements statewide. Some, like Texas, are moving toward offering only one curriculum, the college prep curriculum.

## The educational pipeline

has leaks along  
its entire length.

Any state intent on building a knowledge economy has to address its key knowledge component: the education of its residents. This has to be a P-16 approach because, truth be told, the pipeline has leaks along its entire length. A profile of a low-performing state, for example, would show that for every ten children who enter elementary school, six graduate from high school, three enter college, and one graduates. Even high performing states probably convert two college graduates out of every ten elementary school entrants. And Ohio is probably somewhere between. What bank could stay in business getting only one or two out of ten loans repaid?

The system is bankrupt, from pre-kindergarten through higher education. We have no universal pre-K in this country; we have a basically unchanged, 100-year-old K-12 system; we have a factory model university system; and none of them are connected. Most states have only just begun to acknowledge the critical place of "P" in the equation.

At the K-12 level, we are—defying definition—in a constant state of reform. The "Nation at Risk" of 20 years ago remains a nation at risk. High-stakes tests serve as the latest driver for change. Yet all the change agents in the world will fizzle in the end without a fundamental shift in the unit of measurement. As the "Prisoners of Time" report made clear nearly ten years ago, American schools hold time constant and let learning vary rather than having learning the constant and time the variable.

The same can be said of higher education. Its mass production mode, moving students along a conveyor belt of credits with no quality control at the end doesn't even serve as a good industrial model, let alone a Knowledge-Age model. Can anyone really credibly claim that something magical happens between that 127th credit and the 128th? Poof, we've suddenly created an educated person? Can anyone really justify 15-week blocks of time for learning when virtual education has clearly demonstrated that any-time, any-place learning better fits the modern manner of living (24-hour grocery stores, 24-hour ATMs, and so on)? Can anyone explain how these beautiful physical

facilities we've built can be virtually empty except between 10:00 a.m. and 4:00 p.m., Monday through Thursday, 30 weeks a year? (Only churches underutilize their capital investment more.)

Can anyone with intellectual integrity rationalize the continuing existence of tightly boxed academic departments? Certainly knowledge knows no such boundaries. Take the letters "b-i-o" and place them in front of other academic areas: bioengineering, biochemistry, biomedicine, bioethics, bioinformatics to name just a few. And what about our fixation with courses and credits? Neat, yes; countable, yes. But the Knowledge Age is more defined by chaos than neatness, by boundary bashing rather than robotic counting.

And every one of these constructs builds inevitable inefficiencies into the system. Plus, the nimbleness to operate in a highly dynamic, extremely organic environment simply cannot exist. Take the most wasted resource on every single American campus: the faculty. Every so often states tackle this "productivity problem." Right problem, wrong solutions. States, and Ohio is a notable example, get all caught up in trying to add credit hours to faculty loads. That's an industrial response. The knowledge response, as evidenced by successful technology companies, is to free up the creative time of knowledge workers. Most faculty productivity studies focus on hours. The plaintiffs (usually legislators) point out how few hours faculty spend in front of classes; the defendants (usually academic administrators) trot out the studies showing faculty spend 55 hours plus a week on university-related duties. Yawn. No one asks, "To what end do they spend their time"? If they did, the answer would be "largely to non-intellectual ends."

In addition to the imposed bureaucracy of such an industrial system, there's the self-imposed desire to share governance down to the last detail. Compounding these thefts of time come the infamous "content." The lecture is not dead. Yet, in truth, technology—especially multi-media—provides content in much more compelling and, dare one say it, memorable ways than the vast majority of college lectures. And while technology can sort information, it can't sort it out. Indeed, we drown in information with the oceans of the Internet and the floods of e-mails. What students need from faculty is how to turn information into knowledge and knowledge into wisdom. Thus faculty need to become coaches and mentors, questioning in a modern version of Socrates unconstrained by courses and credits, parking policies, and academic calendars; liberated to focus on developing knowledge and skills in their students and on expanding and exporting that body of knowledge.

**The most wasted resource  
on every single  
American campus:  
the faculty.**

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Skills and knowledge become the new currency. Demonstrated skills and knowledge become the basis for graduating from high school (rather than the completion of Carnegie units), entering the workforce, or admission to college. Remediation would all but disappear because these same sets of skills and knowledge would be tightly aligned. The debates about ACT and SAT scores would disappear; aptitude would be replaced by achievement. Sound far-fetched? Several states (Oregon, Wisconsin, and Georgia) are already piloting such approaches, and some national groups and foundations have provided leadership. Plus, if skills and knowledge become the currency for the high school diploma, then it only follows that skills and knowledge become the U.S. educational euro for all forms of education, including degrees. These degrees would be awarded *whenever* a student demonstrated the presence of the requisite skills and knowledge; there would be no prescribed time requirements.

Under this scenario, the college of the future becomes far more chaotic, far less bureaucratic; far more intellectually centered; far more substitutionary about its use of technology; far more focused; far more student centered; far more nimble to respond to the knowledge economy; and, last but not least, far more financially viable.

# Serious questions for stakeholders

As any state enters these new frontiers, each group of stakeholders should ask themselves a series of serious questions, along these lines:

## **For governors:**

- How can I provide long-term leadership in the face of immediate financial crisis?
- What role can bond issues play in investing in high end, university-research based economic development?
- Where will the operating funding come from to support the capital investment?
- Do I dare consider tax restructuring?
- How can I describe such programs in a way that they resonate in the coffee shop on Main Street?

**How do we turn  
a vision into reality?**

## **For legislators:**

- Can we get comfortable with a new covenant with universities that has the legislature relinquishing some control?
- If so, how can we design an accountability system that is short, simple, and meaningful?
- What will be the consequences if the universities do not provide an adequate return on investment and how can we design a fiscal model that will tell us if they are or not?
- Can I support a statewide higher education policy even if it does not directly benefit my district?

## **For the state level higher education board:**

- How do we turn a vision into an implemented reality?
- How do we balance the need for high-end research with the essential P-16 reforms required to bring about increased access and greater equity?
- How can we provide incentives to scale up successful regional models?
- How do we work with the U.S. Department of Education to launch a massive math and science initiative?

- Are we willing to relinquish some authority (e.g., over program approval) to encourage entrepreneurship? Or even total relinquishment to encourage a college to become a charter college and radically reform itself?

**For boards of trustees:**

- Do we represent the interests of our institution or the interests of the people in higher education?
- Can we look past administrative concerns about institutional autonomy and focus on how neighboring institutions can work together to provide the best programs at lowest cost?
- Can we do this even if it means radical change in organization and responsibility?
- What is our university/college role in economic development and access?
- What policies and procedures do we have that impede activities in these areas?
- Do we have a P-16 agenda and activity in our region?
- Are we willing to begin the process of remaking our university/college?
- Are we prepared to support fully bold presidents who take risks and to target resources to those activities that are focused on the change agenda?

Are we willing  
to begin the process  
of remaking  
our institution?

**For business and industry leaders:**

- Are we willing to invest both dollars and political support to remaking the state's economy? Even if our company may not directly benefit?
- Does this level of support go as far as supporting tax restructuring if that is what it is going to take to succeed?
- Are we willing to work with universities to balance the need for access to scholarly research with the need for confidentiality of proprietary research?
- Are we willing to invest the time in public service to universities and colleges (for example, serving on their governing, foundation, and advisory boards) to create closer links?
- Can we play a significant role in addressing the math and science deficit in the state?

**For communities:**

- How can we make certain our community benefits from the transformation of the state's economy?
- How can we forge closer links to higher education in our region?
- How do we ensure that our technology infrastructure is robust enough to make us a player in the New Economy?
- How do we market our collective assets? (For example, do we have a superb Web site for the community? Does it link to Web sites of local colleges and universities? Do they all have a unified message?)
- Have we invested in P-16 efforts locally, especially those aimed at raising achievement and closing the achievement gap?

**How do we market  
our collective assets?**

**For colleges and universities:**

- How do we balance new research initiatives with the responsibilities of increasing access and holding true to foundations such as the liberal arts?
- What policies do we have that inhibit faculty from being entrepreneurs? What audit mechanisms can we put in place to protect public resources?
- Are we willing to start fundamental restructuring internally?
- Have we committed fully to a P-16 agenda? What about math and science achievement?

These, and many other, questions can either be seen as inhibiting progress or encouraging progress. If Ohio waits for answers for every question, it will miss the economic tide. However, without clarity to the New Covenant around the state, its communities, its business leaders, and its colleges, there will be, in Dickensian terms, Great Expectations that will soon become great disappointments. Once this covenant has been struck, bold action must follow if the Third Frontier is to be reached, if Ohio is to recapture its reputation as a true pioneer.

# About the author

**Stephen R. Portch** is chancellor emeritus of the University System of Georgia, where he served from 1994 to 2001 as the ninth chancellor for the Board of Regents, overseeing 34 colleges and universities. His accomplishments there included leading the board in the development and implementation of a highly successful strategic plan that guided its decision making and policy setting. Portch collaborated with two governors on such key strategic statewide programs as the HOPE scholarship, the Yamacraw high-technology effort, and a state-funded anti-cancer initiative. He also helped increase service to the state's business community while raising academic standards across the system.

From 1976 to 1994, Portch served at all levels of the University of Wisconsin System. After teaching as an assistant professor of English, he headed up a campus before becoming chancellor of the University of Wisconsin Centers from 1986 to 1991. He was senior vice president for academic affairs from 1991 to 1994. A native of Somerset, England, Portch earned a bachelor's degree in English at the University of Reading before moving to the United States in 1974. He holds Ph.D. and master's degrees from Pennsylvania State University.

## **About AGB and the Center for Public Higher Education Trusteeship and Governance**

Partners with the Ohio Board of Regents in the Communities, Higher Education, and the Changing Economy Conference

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