Chairwoman Williams, Vice Chair Driehaus, `Ranking Member Baker, and Members of the Committee:

Thank you for the opportunity to talk to you today about the role of higher education in economic development. I especially appreciate this opportunity because it gives me a chance to say clearly to you that the goal of Ohio’s 10-year Strategic Plan for Higher Education, released March 31, 2008, is to leverage the assets of higher education to drive the future economic prosperity of our state. This objective has obviously become even more critical since the release of the Strategic Plan, as the national recession has deepened.

The single greatest indicator of the future economic prosperity of a state or region is the overall educational attainment of the state’s workforce. That is why the commitment we have made is to raise the educational attainment of the state’s workforce and to do so in a way that is significant enough to improve Ohio’s rankings against other states and nations. A document attached to my testimony shows you where Ohio ranked at the beginning of this process and the progress we have made thus far.

To meet this commitment, we must do three things: (1) graduate more students, (2) keep more graduates in Ohio, and recognizing that we will never keep all our graduates here, we must (3) attract talent to the state sufficient to be a net importer of talent, not a net exporter as is currently the case. A second document attached to this testimony sets forth the specific goals we have established in each of these areas.
The *Strategic Plan* sets forth a myriad of strategies for driving the economy, but they fall broadly into two categories – the research and development activities that lead to the new products and services that Ohio companies can sell, and the training of a workforce that produce products and deliver services that exceed in quality any competitive product or service from anywhere in the world. Let me briefly focus on these two areas.

With respect to research and development, we have partnered closely with the Ohio Department of Development and the Third Frontier Commission to focus research and development activities in areas that are showing real promise in creating new businesses and jobs. And we are seeing results. Consider the *Wright Center of Innovation in Medical Imaging* – a $17 million dollar collaborative effort linking expertise from *The Ohio State University Medical Center in Columbus*, *Phillips Medical Systems in Cleveland*, *Case Western Reserve University* and the *University of Cincinnati*.

In a little more than five years, the Center has:

- Supported sales of five “7 Tesla Magnetic Resonance Systems” generating $78 million dollars in revenues – with 10 additional orders in hand worth another $100 million dollars.
- Secured $22 million dollars in new federal/industrial funds for medical imaging research in Ohio.
- Enabled Phillips to retain 193 employees in Cleveland while creating 54 new high paying jobs, and establishing the Phillips’ Ultra-high Field Strength Research Center.
- Formed three new companies and attracted other companies to our state.
Or consider the transformation of Toledo from the “Glass City” to the hub of a rapidly growing industrial cluster developing solar panels for green energy production. The genesis of this change was The University of Toledo’s extensive solar research program. With funding from the federal government, the Third Frontier, other state programs, and private industry, the City of Toledo is now the largest manufacturer of solar panels in the U.S. The region enjoys more than 10,000 jobs related to solar energy, including the jobs created at a number of innovative small companies — many of which spun out of The University of Toledo, like Xunlight Corp., founded by a UT professor and staffed by dozens of UT graduates. A manufacturer of solar products, Xunlight now has more than 80 employees.

Another example is the Center for Stem Cell and Regenerative Medicine at Case Western Reserve University. Five new Ohio companies have formed around the Center.

The Institute for the Development and Commercialization of Advanced Sensor Technology (IDCAST), led by the University of Dayton, is positioning Ohio in the wide variety of markets requiring sophisticated sensor technologies. In only 21 months, IDCAST helped create 209 jobs in Ohio, and won an additional $60 million dollars in research, including funding for seven endowed chairs in layered sensing.

I could go on. Ohio University “spin out” company Diagnostic HYBRIDS made the INC. 500 list for two years in a row as a rapidly growing U.S. small business. The Ohio State University “spin out” HealthCare Data Works, LLC (HCDW) currently has six employees – and expects to create 20 new jobs within the next 18-24 months. Case Western Reserve University “spin out” Arteriocyte was recently awarded one of two awards under a Department of Defense program to create the world’s first synthetic blood line. University of Cincinnati “spin out”
Siloam Biosciences, INC, located in the University’s BioStart incubator, brings cutting edge metabolic and cardiac tests wherever the patients are located. Wright State University researchers formed Apoptrol, a new company specializing in inhibiting cell death to assist organ transplants, stroke victims, patients with Alzheimer’s, Parkinson’s disease, macular degeneration, spinal cord injury and other serious illnesses. Kent State University launched Oringen and Pathogen Detection Systems from research co-developed with Northeastern Ohio Universities Colleges of Medicine and Pharmacy. The companies co-licensed biosensor technologies detecting bioterrorism agents and pathogens placed in public food and water. Egg Tech, Ltd, an Ohio limited liability company made up of Ohio’s major egg producers, licensed a new technology developed at The Ohio State University, and is building capability to enable Ohio to meet the goal of ensuring safe eggs by 2010. The University of Akron supported the formation of Akron Polymer Systems, a university start-up company that manufactures optical compensation coating films to improve the viewability of LCD display screens. The company’s success has resulted in job creation including eleven Ph.D.’s, nine of whom are graduates from The University of Akron. Schmack Bioenergy is located in the research facilities at the Ohio Agricultural Research and Development Center in Wooster, part of The Ohio State University, and is working closely with researchers there to build a company that will take Ohio waste products and turn them into a supply of energy equivalent to the amount needed to power every car on Ohio highways! And we have just begun to innovate!

Of course, we must make sure our workers are prepared to fill the jobs in growing industries, and so let me now turn to the subject of workforce. We in higher education must ensure that every employer in the State of Ohio has a qualified workforce that can meet the challenges they face in the global economy. The Ohio Board of Regents is the lead agency in the
Ohio Skills Bank, partnering with the Ohio Department of Development and the Ohio Department of Job & Family Services to identify and fill critical workforce shortages.

The Ohio Skills Bank studies state and regional workforce shortages and uses this information to guide academic program alignment and reform, and to tell us where the job opportunities are for our students. The Ohio Skills Bank puts regional employer talent needs at the heart of the University System of Ohio's mission.

I saw first-hand how important this is last year when the Governor brought me into negotiations with NetJets, which was thinking about relocating from Ohio. We were able to assure the company that a dependable supply of workers trained in the many skills NetJets needs could be provided through the University System of Ohio pipeline, and as a result, we saved several thousand jobs.

The stark reality underlying employment in the 21st century is that society’s winners will be those who have the training and skills to perform the jobs of tomorrow. The losers will be those who do not. As a manufacturer in Akron recently told the Beacon-Journal: “The dumb work is gone. The jobs are not going to get simpler.”

Indeed they are not. That is why our goal can be nothing short of making sure that every single working-age Ohioan has access to the education and training he or she needs to move from the losing to the winning side of the ledger. This is the imperative that drives me every day in my work, as it should drive us all – most especially those here this afternoon.

We also need to work with low-income, low-skilled people to help them get better jobs. The current system is disjointed, unconnected and fragmented. Don’t feel bad. It is not just here, it’s everywhere. But we are working on it, and it is better than it was.
Ohio has taken significant steps toward a clearer pathway. Ohio Skills Bank is one. The decision to transfer our adult basic and literacy education (ABLE) and adult workforce education (AWE) programs from the Ohio Department of Education to the Board of Regents is another. This transfer enables us to connect students to levels of education from the GED to Ph.D.

Recently, we received a $500,000 “Shifting Gears Initiative” grant from the Joyce Foundation to help build a single, integrated adult education and workforce system.

The Shifting Gears Committee is made up of community leaders from around the country aimed to help lesser-skilled, lower-wage adults raise their skill level and increase their educational attainment to promote economic development in the Midwest.

I want us to design a new model for delivering basic and occupational skills education and training to working adults, one which ultimately raises the skills and earnings potential of more lower-wage, less-skilled Ohioans, which, in turn, contributes to the attainment of state strategic goals.

And we do need workers. In your region of Northeast Ohio, Madame Chair, we need more workers for manufacturers, companies requiring IT workers, and healthcare providers.

- From July through December 2008, close to 3,000 jobs were posted on www.jobmagnet.org to find workers in manufacturing and production, engineering, information technology, accounting, finance, human resources and sales.
- It is estimated that Northeast Ohio will need 6,000 employees each year for the next 10 years. Requirements for these jobs vary from six months of training to advanced degrees.
• The same is true in IT. The organization NorTech commissioned a "Northeast Ohio IT Workforce Report" and found the demand for IT workers in Northeast Ohio exceeds the supply, and suggests key strategies to ensure a strong, stable, and globally competitive IT workforce for Northeast Ohio.

• In healthcare, we need to staff more nursing and allied health positions – such as medical technologists, medical lab technicians, pharmacists, and radiologic technologists – where demand exceeds the supply.

In addition to the Ohio Skills Bank, I would like to acknowledge the role of the General Assembly in building a pipeline of talent through the state’s K-12 STEMM initiatives, and through two investments within the Ohio Innovation Partnership – the Choose Ohio First Scholarship Program and the Ohio Cooperative Education and Internship Program.

The Choose Ohio First Scholarship was established in H.B. 119 of the 127th General Assembly to recruit our top students into our top STEMM education programs across the state. Recently, we had some members of the first class of Choose Ohio First Scholars visit the Statehouse, and it was inspiring. The appendix to this testimony includes a map showing where the Choose Ohio First Scholars are located across the state.

Once they have been educated, we need to make sure these bright young people are connected to the jobs that exist in Ohio. That is why the General Assembly and the Governor, in last year’s Bi-Partisan Job Stimulus legislation, made an unprecedented commitment of $50 million dedicated to fund co-ops and internship programs. To put this into context, $50 million matches the increases in the last state budget for Head Start and Help Me Grow programs, top priorities for Governor Strickland. The co-op and internship programs are vital to our economic
recovery because they move students from the “learning” phase in studying a discipline to the “experiencing” phase of holding a real job. For many young people, it is their first real exposure to the workplace beyond a minimum wage position such as in food service or retail.

H.B. 1 includes recommended full funding for the Co-op and Internship program. In anticipation of funding at some level, the RFP for the new Co-op and Internship program was released yesterday, and we will be making the first awards under the program by June 30. This allows us to move quickly when the level of funding is established with the passage of H.B. 1.

Thank you Madame Chair and members of the committee. I would be happy to answer any questions you may have.
There are jobs out there, and the state's colleges and businesses have teamed up to make sure Ohioans can qualify for them.

“For years, employers have been asking us to build a system in which we produce graduates in the areas that are most in demand,” Chancellor Eric D. Fingerhut said.

Through the Ohio Skills Bank, teams of educators and employers are working in each of 12 economic-development regions to determine the hot jobs of today and tomorrow. Colleges then will customize their training programs with those fields in mind.

In central Ohio, the focus areas are health care, manufacturing, business services and logistics.

“The future of jobs growth is in investing in our regional strengths and in making sure we have the most educated, highly skilled work force possible,” said Gov. Ted Strickland, who called for the Skills Bank's creation.

The Skills Bank already is paying off, advocates said.

Columbus State Community College, for example, has started offering the certification test for medical coders after professionals complained that no central Ohio school did.

“All the programs in the region prepared students for the test; none offered the exam,” said Cheryl Hay, administrator of Columbus State’s Business and Industry Training Services.

Columbus State also has developed a course that will be offered in the fall that will teach students basic finances, communication skills, problem solving and how to work effectively with others.

“You can always train someone for more technical skills, but if they can't get along with other people, it doesn’t matter,” said Steven Youll, senior staff administrator of human resources for Midwest Express Group in East Liberty, which delivers parts to automakers such as Honda.

In central Ohio, the urgent needs in health care include general surgeons, family doctors, physical therapists and radiology technicians, according to a Skills Bank report. There soon will be increased demand for personal and home-care aides and registered nurses with training in cardiac, trauma and surgical areas.

And it's projected that dental hygienists and licensed practical and vocational nurses will be the “it” jobs of the future.

Identifying job needs led to surprises, officials said.

The Board of Regents learned that it is training too many licensed practical nurses for the current market but not enough registered nurses. In response, several community colleges and four-year schools have teamed up in recent months to help LPNs get the training they need to become RNs.

The state plans to use the Skills Bank to identify other areas in which the proportion of jobs to graduates might be off, said Tom Fellrath, who runs the bank for the regents. He said that will allow colleges to adjust their programs.

The state also plans to mine a national database to produce a list of Ohio's top online job postings and route job seekers to OhioMeansJobs.com, where residents can search for work.

“Our overarching goal is to drive the economic prosperity of the state through higher education,” Fingerhut said. “And if businesses can't get talented workers, they won’t succeed.”
Ohio Chancellor Seeks Proposals to Create Largest Statewide Co-op and Internship Program in the U.S.

Initiative designed to attract and retain Ohio’s best talent

COLUMBUS – Ohio Board of Regents Chancellor Eric D. Fingerhut today requested proposals for the Ohio Cooperative Education and Internship Program. The proposals solicit colleges and universities, in collaboration with community and business partners, to establish and expand cooperative education (co-op) and internship programs throughout the state. The $250 million commitment over the next five years – $50 million for each fiscal year, beginning in 2010 – will create the largest statewide co-op and internship program in the U.S.

As part of Governor Strickland’s Ohio Bipartisan Job Stimulus plan, a $1.57 billion package designed to create new jobs while laying the foundation for future economic prosperity in the state, the Ohio Cooperative Education and Internship Program will provide world-class experiential learning for Ohio students across all disciplines and attract outstanding students from all over the world. The program will also assist in more than doubling the number of students participating in co-ops and internships in Ohio in an effort to retain the best talent upon graduation from college.

As outlined in the 10-year Strategic Plan for Higher Education, co-ops and internships are extremely beneficial for students, businesses and Ohio’s public colleges and universities. The direct benefits for students include making college more affordable, providing real world experience and skills needed for employment and an opportunity for a job after graduation. Businesses seeking skilled employees can greatly increase the available talent pool by offering co-op and internship arrangements with colleges and universities, whose goal is to attract the best talent and train the employees of tomorrow for Ohio’s businesses.

"Co-ops and internship programs have a definite and tangible educational value to our students when they participate," said Chancellor Fingerhut. "Many, if not most, lead to permanent jobs after graduation. This program links them to targeted industries. They will help reverse the brain drain of talent leaving Ohio, and will benefit Ohio employers in worker recruitment."

Programs funded through the Ohio Cooperative Education and Internship Program must be designed to meet the following goals: 1) create meaningful linkages to Ohio businesses, 2) attract non-Ohioans and former Ohio residents to the state, 3) retain more graduates in Ohio, 4) provide Ohio businesses with highly skilled workers, and 5) increase business utilization of students as interns or co-operative learning participants.

Two types of grants are available through the RFP:

**Experiential Learning Impact Grants**
**Experiential Learning Impact Grant** will be awarded to high quality proposals that develop and expand the availability of co-op/internship opportunities that serve the program goals in local, regional or industry-specific contexts. Some examples of the type of programs funded under this grant would be degree programs with a built-in cooperative learning feature, research laboratory partnerships apprenticeships, internships for credit and employer training.

**High-Impact Grants**

*High-Impact Grants* will be made to applicants whose proposals have a significant statewide or regional impact. Proposals for these grants will be judged based on their *innovation* and success at *integrating* co-op/internship funding into other priority state investments to create a density of related and integrated activity in support of Ohio’s higher education and economic development goals. Such proposals should seek to specifically advance the program’s goals – for instance, attracting Ohioans back to Ohio – and will focus on growing and emerging industry areas as identified in the Department of Development Strategic Plan.

**Timeline**

The *Ohio Cooperative Education and Internship Program* RFP requires that all interested parties submit a Letter of Intent via email to **skaplanov@regents.state.oh.us** by 2 p.m., Thursday, April 16, 2009. The RFP then requires that all proposals be submitted by 2 p.m., Thursday, April 30, 2009, in order to be considered for funding.

The Chancellor will convene an external review panel comprised of experts in co-ops and internships and who are not affiliated with potential applicant institutions. The panel will review each proposal and submit recommendations to the Chancellor, who will make the final determination of awardees in consultation with the Ohio Co-op and Internship Advisory Committee.

The RFP will be discussed during an upcoming “Bidders Videoconference.” The Bidders Videoconference provides an opportunity to review and discuss the intent and purpose of the RFP, the requirements of the RFP, the evaluation process that will be used to help determine awardees, and affords proposing schools and businesses the chance to ask questions about the RFP and process.

A copy of the RFP, as well as information on how to register for the Bidders Videoconference can be found at **http://www.uso.edu/opportunities/partnership/internships/**.

**FY 2010 Ohio Cooperative Education and Internships Program Timeline**

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<tr>
<th>Date</th>
<th>Event</th>
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<tr>
<td>Tuesday, March 17, 2009</td>
<td>Request for Proposals Released</td>
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<tr>
<td>TBD</td>
<td>Bidders Videoconference for Interested Parties:</td>
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<td>Registration information will be posted at <strong><a href="http://www.uso.edu/vcr/vcr.php">http://www.uso.edu/vcr/vcr.php</a></strong>.</td>
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<tr>
<td>Thursday, April 16, 2009</td>
<td>Statement of Intent due by 2 p.m.</td>
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<tr>
<td>Thursday, April 30, 2009</td>
<td>Proposals due by 2 p.m.</td>
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<td>Wednesday, July 1, 2009</td>
<td>Programs begin</td>
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