

Higher Education and the Workforce: Issues for Reauthorization of the Higher Education Act

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President

Testimony

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James C. Votruba is President of Northern Kentucky University, a 14,000 student metropolitan campus located in the northern Kentucky/greater Cincinnati area. He came to NKU from Michigan State University where he was vice provost for university outreach from 1989-97. Prior to his tenure at MSU, he was dean of the College of Education and Human Development (1983-1989) at Binghamton University. He previously held faculty and administrative positions at the University of Illinois at Urbana-Champaign and Drake University.

Dr. Votruba earned his B.A. in political science, M.A. in political science and sociology, and his Ph.D. in higher education administration from Michigan State University. In 2001, he received MSU's Distinguished Alumni Award. He is a frequent lecturer, author, and consultant in the areas of higher education leadership, strategic planning, and public engagement. Since, 1995, he has been a faculty member in Harvard University's Institutes for Higher Education. He currently serves as a faculty member in the New President's Academy sponsored by the American Association of State Colleges and Universities (AASCU).

Dr. Votruba serves on a variety of professional and community boards. He recently completed chairing a national task force on public engagement partnerships sponsored by AASCU.

Senate Committee on Health, Education, Labor and Pensions

March 4, 2004

James C. Votruba

President

Northern Kentucky University

Mr. Chairman and members of the Committee, thank you for inviting me to share my thoughts on workforce development and how it interacts with federal higher education policy.

I represent Northern Kentucky University, a 14,000 student campus located in the Northern Kentucky/Greater Cincinnati region with a population of nearly two million people. We offer a broad array of undergraduate and masters level programs as well as law. Last year, in a national study sponsored by the American Association of State Colleges and Universities, Northern Kentucky University was recognized, along with five other comprehensive universities, for its cutting-edge work related to community engagement. Where the major research-intensive universities place a major focus on the discovery of knowledge, comprehensive universities focus on the application of knowledge to address the needs of the geographic regions that they serve. A defining quality of comprehensive universities is their focus on what we call the “stewardship of place”.

Our region is comprised of several very large multi-national companies including Procter & Gamble, Ashland Inc, and Toyota Motor Manufacturing North America. However, as we chart our economic future, we, like most other regions in the nation, look to growth in small and medium sized companies for the bulk of our new job creation. The University’s approach to workforce development is built on this assumption.

It is now well understood that the ability of a region such as ours to compete on a national and global scale depends on our capacity to recruit and retain intellectual capital. Indeed, our corporate and community leaders recognize that competition in this century will be for intellectual capital, particularly in the knowledge-intensive employment sectors. Knowledge workers at every level will determine whether a region has the capacity to compete.

Six years ago, the University conducted a strategic planning process called Vision, Values, and Voices. Through small group conversations with over 300 corporate and community leaders from throughout the region, we analyzed the major challenges confronting the region and the role of our University in helping to address them. At the top of everyone’s list was the workforce challenge described in four dimensions. First, leaders emphasized the need for more people prepared to fill jobs in the highest demand employment sectors. Second, they emphasized the need for convenient access to continuous education and training for those currently employed. Third, they emphasized the need for access to faculty expertise in support of company needs. Finally, they encouraged us to work with P-12 education to enhance workforce readiness. Based on these conversations, we have organized our workforce development efforts in the following ways.

1. Seeding Intellectual Capital

We have made a major institution-wide commitment to programs and services designed to enrich K-12 education, particularly in science and mathematics. Last year, we had over 2,000 elementary, middle, and high school students enrolled in some form of math or

science enrichment. Our goal is to increase this number to 3,000 within the next few years. Several years ago, I asked a Nobel Laureate in chemistry when he decided that he wanted to be a scientist. Without hesitation, he said that it was somewhere around the fourth or fifth grade and that this was true for most of his colleagues. Without “seeding” at an early age, too few workers will be prepared to assume knowledge-based jobs at the other end of the educational pipeline.

2. Preparing Intellectual Capital

We have taken steps to insure that we are preparing graduates in fields where the job demand is strong. In 2001, we hired the National Center for Higher Education Management Systems (NCHEMS) to undertake a study of our regional workforce needs. NCHEMS reviewed current employment statistics and interviewed dozens of representatives from the full range of employment sectors. Based on what we learned, we made a major investment in expanding our information science programs including computer science, information systems, and information technology at both the undergraduate and graduate levels. Today, we produce more information science graduates than any other university in Kentucky. At the same time, our Fifth Third Bank Entrepreneurship Institute is infusing entrepreneurial principles across the University’s curriculum. Students from any major may earn a minor in entrepreneurship studies and enrollments are strong.

3. Sustaining Intellectual Capital

While preparing our students for high demand careers is one element of workforce development, we know that the knowledge that a college graduate takes into the workplace often has a very short shelf life. Now, more than ever, the ability of a company to remain competitive requires “just in time” access to training and education at every level in order to support economic competitiveness. This is a very different education than is typically found on a university campus. It is education in a form, at a time, and in a place that is optimally convenient for the worker and the company. While this type of education may sometimes involve earning a degree, more often it involves one or a series of non-credit education programs targeted at a specific company learning need. For example, a company may ask for a single program designed to improve their supply chain efficiency or a series of programs designed to prepare technical employees to become project managers.

In 1999, we created the Metropolitan Education and Training Services (METS) Center to address these “just in time” corporate learning needs. In its first four years of operation, the METS Center has served more than 13,000 employees, mostly at the mid to upper levels, representing over 250 organizations. The METS professional staff work with area companies to identify corporate learning needs, design a program to address those needs, and then broker intellectual capital anywhere in the world on behalf of those needs. This last point is very important. On most campuses, units like METS exist to market the

university's faculty expertise. If the company's needs do not match up with campus expertise, the company must look elsewhere. In contrast, the METS staff will use the expertise of our faculty when it's appropriate but, when what is needed is beyond the scope of our faculty, the METS staff will go anywhere in the world to broker the expertise necessary to meet the need.

In 2003, we constructed a 43,000 square foot advanced corporate learning facility to house the METS Center. Located near the Cincinnati/Northern Kentucky International Airport and containing over \$4M in instructional technology, this new state-of-the-art corporate learning facility is described as one of the finest in the nation. The facility was made possible by a combination of state funds to support the annual facility lease and federal earmark funds to help support the technology. Because of these subsidies, we are able to serve small and medium sized companies that often cannot afford the full cost of the programs.

What we are seeing today is the dawn of continuous learning as a key element in overall corporate and business strategy. Companies are finding that they must have strategies to insure that their employees, particularly those in knowledge-intensive areas, have access to continuous learning in support of their work. Where public policy becomes important is that, absent revenue streams to subsidize this form of workforce education, colleges and universities will tend towards serving larger companies that can afford to pay the full program costs and avoid the smaller and emerging companies that require the same access but are not able to pay the full cost.

4. Providing Intellectual Capital to Support Economic Growth

Universities have intellectual capital in the form of faculty expertise that can support economic growth. Through our Small Business Development Center, individuals can get advice on starting a business and developing a business plan. Through our recently created Institute for New Economy Technologies (iNET), we connect companies with the expertise of our information science faculty and students who can assist in software development, systems applications, and computing structures. Not only does iNET serve companies with high quality and low cost expertise but the work also allows our faculty and students to address "real world" business challenges and, in the process, deepen their insights and understanding. Within the next two years, we will construct a new corporate/university partnership facility adjacent to the University to enable knowledge-intensive companies easy access to our faculty and student resources. At the same time, we are expanding student involvement in cooperative education and internship opportunities as a way of preparing them for their careers after graduation.

The Small Business Development Center and the iNET are but two examples of what we call "boundary spanning" units designed to make the expertise of our faculty and students available to support economic development. In both our hiring practices and our incentive and reward systems, we are working to insure that our faculty sees working with local companies as an important element of their overall professional activity.

The Public Policy Challenge

What is described above are four dimensions of workforce development that are essential for the growth of our knowledge-based economy. They are roles that sometimes overlap but more often complement the work of both community colleges and major research universities. All four dimensions involve serving individuals and organizations who cannot afford to pay the full cost of the programs. Unlike traditional forms of instruction and research, each of which have both federal and state resource streams to support them, this work is a cost center for most universities. It is rarely acknowledged at either the state or federal level as an essential element of institutional productivity. Consequently there is no public accountability for such work and there are generally no government resource streams to support it.

In contrast, the federal government has, over the past fifty years, generated the most powerful university-based research enterprise in the world by providing major resource streams that support both the individual faculty member engaged in the research and the institution where they are located. If universities are to be seen as a prime vehicle for fostering intellectual capital in ways that I have described above, it will require resource streams to support this work.

In difficult financial times, the tendency is for organizations to concentrate on their revenue centers and reduce those programs and services that represent a cost. From a public policy perspective, this suggests that, when a university is under financial stress, their efforts to seed, develop, sustain, and provide intellectual capital for workforce development may be compromised. In my view, the work described above related to workforce development is essential for the nation's economic future and should be supported by the public policy process.

At the state level, the Kentucky Council on Postsecondary Education has created a Regional Stewardship Trust Fund, which would provide funds annually to each comprehensive university to address challenges important to the regions that they serve. This initiative in Kentucky is a creative response to insure that universities are motivated and supported to focus their attention on local challenges including workforce development and the fostering of intellectual capital. A similar federal initiative should be considered.

It is important that federal efforts to support workforce and intellectual capital development be aligned across agencies and programs. Also the federal role in coordination is important. Northern Kentucky University's service area crosses state boundaries, and as such, our activities must be coordinated with several local workforce investments boards and two different state boards. Because our region crosses state boundaries our efforts become a matter of interstate commerce and an appropriate place for federal leadership. This is just one example related to the Workforce Investment Act, but similar coordination challenges exist across federal agencies and programs. Any

effort that Congress can make to better align federal programs will ultimately improve their collective efficacy.

During the Higher Education Act reauthorization Congress should consider policies that support ongoing efforts to seed, develop, sustain, and provide intellectual capital for workforce development. One specific area of concern is the ever-increasing reliance on loans in the financing of higher education. The fear of debt and the burden of existing student debt can be serious impediments for adult learners seeking to continue their education.

The American Association of State Colleges and Universities (AASCU), of which I am a member, supports several changes to existing student loan policy. Below are two recommendations that I wish to bring to the Committee's attention at this time. I am submitting AASCU's May 2003 letter to Chairman Gregg and Ranking Member Kennedy for the record.

The two key adjustments to federal loan policies that will be most beneficial to adult learners are:

1. Promoting realistic and manageable student loan borrowing while recognizing the need to increase subsidized Stafford loan program annual limits up to \$5,500 in each of the first two years, AASCU proposes to maintain the existing aggregate undergraduate loan limit. In addition, AASCU proposes to offset the first and second year loan level increases by giving institutions the authority to establish their own lower limits, as appropriate. This policy recognizes the wide variation in tuition and fees charged among the nation's institutions of higher education.
2. Requiring extensive loan counseling before a student begins borrowing. Such counseling should include: regional data on starting salaries in all major fields; details on the amount of annual and aggregate debt needed to complete the student's academic program; sample payments for that amount of debt; the impact of forbearance and capitalization of interest on unsubsidized loans and forbearance; and detailed descriptions of repayment options.

Thank you for the opportunity to appear before you today, and I look forward to your questions.