

October 15, 2015

John Carey  
Chancellor  
Ohio Department of Education  
25 South Front Street  
Columbus, OH 43215

Dear Chancellor Carey:

I am writing in response to the state's requirement that public universities and colleges develop and implement a plan to provide all in-state, undergraduate students the opportunity to reduce the student cost of earning a degree. While the Northeast Ohio Medical University (NEOMED) is not included or required under a significant portion of the legislative mandates outlined in House Bill 64 given that the University does not educate undergraduate students, we still wish to be responsive to this important state initiative.

It is our intent to follow the spirit and direction of both the legislative requirements and the recommendations of the Governor's Task Force on Affordability and Efficiency. In fact, NEOMED has already taken the following definitive actions:

- Established in partnership with other universities the BS/MD program which has reduced time to degree completion for most of our medical students from the traditional 8 years to 7 years;
- Implemented a University wide employee hiring freeze;
- Created the NEOMED President's Committee on Efficiency and Value in April 2015 charged with investigating and making recommendations to reduce cost and enhance productivity within the University in addition to reengineering systems and processes to the business model;
- Initiated a very creative, well accepted pay for performance plan for all faculty and employees that rewards outstanding achievements and addresses issues in relation to poor performance and which is aligned with our strategic plan;
- Initiated an innovative and very successful approach to establish public/private partnerships (P3's) to pay for the construction of needed, new capital facilities;
- Established a centralized pool of operating dollars to fund strategic initiatives;
- Established a dashboard of key performance benchmarks and indicators to develop levels of best practices to enhance our flexibility, creativity, and innovation in higher education; and
- Created a proposal to conduct a comprehensive workforce analysis to determine potential savings and enhanced efficiencies.

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The recent actions of the Governor and the Ohio General Assembly have mandated a new direction for higher education in Ohio. We understand that the environment for higher education is rapidly changing and we strongly believe that this requires a permanent shift in our operational focus. It has become very clear that we must redesign our business model to promote efficiency and cost savings that will positively impact the cost of education to our students. The Governor's Task Force on Affordability and Efficiency has outlined various strategies for Ohio's public universities and colleges with the goal of reducing the cost to students and enhancing efficiencies.

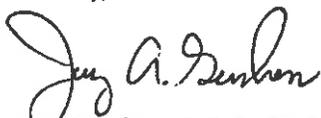
In an effort to redirect revenues and savings from existing operations, the Northeast Ohio Medical University and Kent State University are developing a joint initiative by proposing an alternate format for providing several key services to students, faculty and staff. NEOMED and Kent State University have developed a strong and effective working relationship over the past forty years and have a synergy that can serve as the foundation in an effort to redirect revenues and savings from existing operations including such areas as joint procurement and purchasing programs.

As noted above, the Northeast Ohio Medical University does not educate undergraduate students and we believe that many of the requirements now in legislation do not apply to us. However, we do plan to develop with our Board of Trustees a comprehensive five year strategic plan to reengineer the structure of our resources and expenditures to reduce our costs, to improve operational efficiencies and to achieve the following:

- Standardized operations to create a leaner business model for higher education. The focus should be on permanent reductions in costs—not just temporary postponements of expenditures;
- Through collaboration and elimination of tasks, eliminate duplication and the multiple layers of bureaucracy, which do not add value to the organization;
- Identify ways to leverage the synergies of common operations by sharing and consolidating services, with the goal to share savings where possible;
- Sunset outdated systems and procedures that add no return on investment (ROI);
- Breakdown the intergovernmental barriers to efficiency and cost reductions by changing relationships;
- Optimize the allocation of university staff, equipment, assets and infrastructure; and,
- Continue to focus on standardizing competency-based education processes, incentives for graduation and collaboration opportunities with other institutions of higher education.

The NEOEMD Board of Trustees does not meet again until December 11, 2015 and we do plan on discussing these initiatives with them at that time. Chancellor Carey, we look forward to working with you as we move forward with these initiatives.

Sincerely,



Jay A. Gershen, D.D.S., Ph.D.  
President