



Ted Strickland, Governor  
Eric D. Fingerhut, Chancellor

## Board of Regents

University System of Ohio

### **DIRECTIVE 2008-** November\_\_\_\_, 2008

Re: ESTABLISHMENT OF THE ADVISORY COMMITTEE ON EFFICIENCY IN THE  
UNIVERSITY SYSTEM OF OHIO

Efficiency and affordability in higher education is a priority in Ohio as evidenced in two recent enactments. Section 375.30.25 of Am. Sub. H.B. 119 of the 127<sup>th</sup> General Assembly allocated funds to public colleges and universities that demonstrated one percent savings through identified internal efficiencies in fiscal year 2008. To receive funds in fiscal year 2009 the public colleges and universities need to demonstrate a three percent savings through identified internal efficiencies. Making college more affordable and accessible for all Ohioans is one of the three areas on which the Chancellor is mandated to report recommendations pursuant to Section 4 of Sub. H.B. 2 of the 127<sup>th</sup> General Assembly, as subsequently amended by Am. Sub. H.B. 119 of the 127<sup>th</sup> General Assembly.

On March 31, 2008, pursuant to this charge from the General Assembly, the Chancellor delivered to the General Assembly and the Governor his recommendations, known as the Strategic Plan for Higher Education. Among other things, the plan merges the two goals of efficiency and affordability by recognizing the need to lower costs at public colleges and universities by using existing resources efficiently and improving productivity with the goal of promoting undergraduate access and success and collaborations among institutions. Also, the plan announced that all institutions were able to demonstrate one percent savings through internal efficiencies in fiscal year 2008 and reported \$182.9 million in savings. We need to build on those outcomes and to do so we need to identify spending efficiencies and productivity improvement strategies and establish annual benchmarks for institutions.

To implement the strategic plan and realize the benefits associated with efficiency and affordability, I hereby establish The Advisory Committee on Efficiency in the University System of Ohio to continuously monitor spending practices and successful productivity strategies, with the goal of spreading these best practices throughout the University System of Ohio.

The Advisory Committee shall be established pursuant to section 3333.04(M) of the Revised Code. The members of this committee will be appointed by the Chancellor. At the Chancellor's discretion, the Advisory Committee may include supplemental members.

The Advisory Committee shall consist of the following permanent members: the Chancellor of the Board of Regents, or the Chancellor's designee; the President of the Inter-University Council of Ohio (IUC), or the President's designee; the Executive Director of the Ohio Association of Community Colleges (OACC), or the Executive Director's designee; the Executive Director of the Ohio Association of Career Technical Superintendents OACTS), or the Executive Director's designee; and the Executive Director of the Business Alliance for Higher Education and the Economy (BAHEE), or the Executive Director's designee. The Advisory Committee shall consist of six nonpermanent members: one member of the Board

of Regents; one member shall be a member of a board of trustees of a public 4-year university; one member shall be a member of a board of trustees of a public 2-year college; one member shall be a member of a board of an adult career center; and two representatives from a public 4-year university, public 2-year university, or an adult career center, one of whom shall be a faculty member and one of whom shall be a student;

Except for the student member who shall serve a term of one year, the initial terms of service for the nonpermanent members shall be staggered such that one member's term shall expire each year for five years. Thereafter, the term of service of the nonpermanent members of the Advisory Committee, excluding the student member, will be five years unless the member's respective board term or employment ends in which case the Chancellor shall appoint a successor to serve the remainder of the member's term on the Advisory Committee. Initial terms shall commence on the first meeting of the committee, which shall not be later than December 31, 2008. The supplemental members of the Advisory Committee will not serve five year terms, but will serve at the pleasure of the Chancellor. Members shall not receive compensation for their duties.

The Advisory Committee shall meet at least six times per year and conduct its business in public meetings and provide public notices in accordance with the requirements set forth in section 121.22 of the Revised Code. Any member failing to attend three-fifths of the regular and special meetings held by the committee during any two-year period forfeits the member's position. The Chancellor shall serve as chairperson of the Advisory Committee. The Advisory Committee shall elect other officers as necessary and shall prescribe its rules of procedure.

The role of the Advisory Committee will be to work collaboratively with the member institutions of the University System of Ohio in developing efficiency targets and best practice strategies to achieve savings and administrative efficiencies in, but not limited to, areas identified by the Strategic Plan. The Advisory Committee shall make recommendations to the Chancellor on setting annual benchmarks for efficiency, the implementation of the efficiency targets and best practices strategies, assist member institutions in implementation of the Chancellor's efficiency targets and best practices strategies, monitor spending and administrative practices and successful productivity practices, suggest new goals, and help determine metrics for the success, cost effectiveness and efficiency of programs at member institutions of the University System of Ohio.

The Chancellor will prepare for the Advisory Committee information on the costs and cost efficiency of the current operations of the University System of Ohio, including and recommendations for action to achieve greater cost-efficiency. The Advisory Committee may request the Chancellor to prepare presentations and recommendations on topics related to cost and administrative efficiency that the Committee considers important.

The Chancellor will also prepare an annual report on the cost-efficiency of the University System of Ohio, including comparisons to other systems and a list of efficiency measures undertaken in the previous fiscal year.

This directive will take immediate effect.

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Eric D. Fingerhut  
Chancellor, Ohio Board of Regents