

Minutes
OHIO BOARD OF REGENTS
March 11, 2004

CALL TO ORDER AND ROLL CALL

The meeting was called to order by the Chair, Thomas W. Noe.

The roll was called by Regent J. Gilbert Reese. Those present were:

Donna M. Alvarado	Gerald M. Miller
Bruce R. Beeghly	Thomas W. Noe
Jeanette G. Brown	J. Gilbert Reese
Anthony D. Houston	Ralph E. Schey

Regent Reese stated “the record should show that notice of this meeting was given in accordance with provisions of the Board of Regents’ Administrative Rule 3333-1-14, which rule itself was adopted in accordance with section 121.22(F) of the Ohio Revised Code and of the State Administrative Procedures Act.”

CONSIDERATION OF MATTERS RELATED TO THE AGENDA (ITEMS MAY BE AMENDED, ADDED TO OR DELETED FROM THE AGENDA AT THE DISCRETION OF THE BOARD)

Item #3.16 was deferred from the consent agenda until the April 22, 2004 Board meeting.

APPROVAL OF MINUTES OF MARCH 11, 2004

A motion was made by Regent Brown to approve the minutes of the March 11, 2004, meeting of the Board. The motion was seconded by Regent Beeghly and passed unanimously.

COMMITTEE REPORTS AND SUMMARY OF DELIBERATIONS

Access Committee – Regent Alvarado – The Committee heard a report on “Teacher Education: Improved Access Through Articulation Among Colleges and Universities” from Associate Vice Chancellor Jane Fullerton and Dr. Paul Madden of Shawnee State University with specific emphasis on the work being done in southeastern Ohio by Shawnee State University and their colleagues in other institutions in this area. The Governor’s Commission on Teaching Success recommended that Ohio’s two-year colleges be more effectively engaged in developing a pipeline into the teaching profession, especially in the shortage areas of mathematics, science and special education.

Bringing community and technical colleges into this dialogue is a national trend and the Board of Regents began this work on a regional basis. With the signing of Senate Bill 2, the Governor’s Commission on Teaching

Success recommendations were enacted into law. These recommendations include better articulation and transfer of coursework and the development of transfer modules that include introductory and foundational education courses.

Dr. Madden gave the Committee a brief overview of the Southeastern Ohio Articulation Partnership. This partnership includes institutional and faculty representatives from all regional institutions involved and have developed a matrix of applicable courses for each institution.

Regional agreements allow institutions to address the specific needs of their student population as well as to link to other ongoing initiatives in the region like the University Centers of Excellence. A website has been developed to publicize the memorandum of Understanding and the articulation matrices.

Vice Chancellor Kristina Frost presented a resolution recognizing the creation of the Warren County Community College District. This community college district was created by the legislature under a temporary law in House Bill 95. The committee discussed the standard procedure for the approval of a community college plan, including a needs assessment and formal study of the issue. This resolution solely acknowledges the creation of the Warren County Community College District. The Warren County Community College Board of Trustees are required to present an operating plan and charter to the Regents for approval of the community college prior to beginning their operations.

Jocelyn Frasier, Assistant Director of Communications, presented data from the recent focus groups with students, parents, and teachers on the Knowledge Economy Awareness message in Ironton, Columbus, Cleveland and Bowling Green. Students were most responsive to marketing that includes direct communication from parents, teachers and community groups over the media. Success stories are the most effective marketing tool. Students and parents are “getting the message” that higher learning equals higher earning. This information will be shared with the Student Access and Success Coordinating Council of Ohio as they move forward with their work.

Jamie Abel, Assistant Director of Communications, updated the committee on the plans for the statewide Third Frontier Network roll-out events for the year. Several events are scheduled that lead up to the proposed September lighting including a public announcement March 29th in Canton. Congressman Regula will be recognized for his support in providing federal funding for the Network.

Associate Vice Chancellor Deborah Gavlik updated the board on the campus visits that have occurred with legislative staff and members of the general assembly. These visits focused on capital needs and plans and the role of two-year colleges in workforce development. Associate Vice Chancellor Gavlik also brought forward the new edition of the Issue reporting on the 2003 Performance Report.

Vice Chancellor Jonathan Tafel updated the Committee on a three state grant application from the Fund for the Improvement of Post-Secondary

Education (FIPSE). This is a collaborative with Indiana and North Carolina to share best practices in access across the states and to serve as a national model for college access.

The Committee recommended Item 3.1 on the consent agenda.

Resources & System Efficiency Committee - Regent Reese – The Committee received an update on the capital budget from Associate Vice Chancellor Deborah Gavlik. The House of Representatives is working on the capital re-appropriations bill, which re-appropriates monies from previous capital bills that have not yet been spent. This bill is usually a technical procedure and it contains new appropriations of \$522.6 million for K-12 construction, \$120 million for local public infrastructure, and \$50 million for the Third Frontier Project. The new K-12 appropriations are a concern because the pressure on the legislature to move forward on the next capital bill is reduced.

The committee held a lengthy discussion on an amendment to the re-appropriations bill that would give two-year public colleges the authority to issue bonds to build residence halls and dining facilities. The committee decided to refrain from taking a formal position on this issue.

The committee received an update on the operating budget. Governor Taft announced budget cuts for the current FY 2004-2005 biennium to address a projected state revenue shortfall of \$620 million. Preliminary figures from the Office of Budget & Management indicate that the higher education's share of cuts will be \$13.6-million in FY 2004 and \$20.7 million in FY 2005.

Additionally, the Committee reviewed the distribution of \$209,046 in Police & Fire Protection appropriations, and the distribution of \$6.2 million in subsidies to support medical instruction at the state's six medical colleges.

The committee reviewed a joint-use agreement between Northwest State Community College and the Washington Township Fire Department for \$200,000. The action was deferred until the April Board meeting.

Two other joint-use agreements were reviewed: 1) Kent State University and Ashtabula County. 2) The Ohio Board of Regents and the Cleveland Clinic Foundation. The committee recommended Board approval.

The Committee was briefed by a representative from Ohio University on a request to pledge student fees to support a \$58 million bond issuance. The bulk of the bond proceeds will support the construction of a new university center, for which OU intends to implement a new student fee when the center opens in FY 2007 to support the debt and operating costs. The Committee recommended Board action.

The March 2004 Controlling Board items were reviewed and approved.

The committee recommended approval of items 3.15 through 3.21 for the March consent agenda.

Program Effectiveness, Research & Technology Committee – Regent Beeghly – Vice Chancellor Garrison Walters and Vice Chancellor Kristina Frost briefed the committee on a contract renewal between the Ohio Board of Regents and Case Western Reserve University School of Medicine. The contract reflects a curricular initiative that addresses Ohio’s critical health and medical needs. It replace the stipulation that a percentage of each entering class be from Ohio.

Case Western Reserve University will report to the board annually on its performance under this contract. Performance metrics include: the number of students involved in the contract program and the number of students in the contract program participating in health care initiatives. Evaluation methods for a fully developed program will include measurable outcomes appropriate for the activities involved and designed to reflect the impact of these activities on the health of Ohioans. The contract will be continually evaluated to be sure that it ties tightly to the curricular initiative and will be up for approval every two years.

Jay Johnson, Assistant Director of Higher Education Information Systems, updated the committee on the inactive program survey components of the Program Viability Project. Focus of the survey is:

- To determine whether institutions are allowing programs to continue even when they are draining campus and state resources
- To address pertinent issues such as reasons for program or major inactivation
- Frequency and cost of program reviews including time and cost of phasing out programs and canceling core sections.

The survey suggests that low enrollments or graduates’ inability to gain employment in the field initiate the process of inactivating a major. Academic administrators at various levels are involved in the decision making process to inactivate a program and academic administrators are aware of the fiscal ramification of offering low enrollment programs or courses and try to be fiscally responsive while accommodating students. Assistant Director Johnson estimated that the annual cost reallocation of savings could approach \$67 million. A final report is expected by June or July of 2004.

The committee recommended approval of Items 3.2 – 3.14 for the March board consent agenda.

Personnel Committee – Chair Thomas Noe, Vice Chair Edmund Adams and the Regents performed a performance review with Chancellor Chu. The Chancellor’s performance was rated superior. The Regents are working with Vice Chancellor Kristina Frost, the staff and PERS to assist the Chancellor in a

pick-up of some retirement years that he can get from his service when he was with the State of New York.

The Personnel Committee recommends Item Nos. 3-22 and 3-23 for the March consent agenda.

Consent Agenda: A motion was made by Regent Reese to approve Agenda Items 3.1 – 3.15 and 3.17 – 3.23. Item 3.16 will be deferred from the March consent agenda until April. The motion was seconded by Regent Alvarado and unanimously passed.

- 3.1 Warren County Community College District
- 3.2 Hebrew Union College-Jewish Institute of Religion, Cincinnati, Ohio; Institutional Reauthorization
- 3.3 Bluffton College, Bluffton, Ohio; Master of Business Administration Degree Program
- 3.4 College of Mount St. Joseph, Cincinnati; Ohio Master in Nursing Degree Program
- 3.5 DeVry University, Oakbrook Terrace, Illinois; Master of Public Administration Degree Program to be delivered at Campuses in Cleveland and Columbus, Ohio
- 3.6 Cincinnati Bible College and Seminary, Cincinnati, Ohio; Bachelor of Science in Education Degree Program Leading to Licensure in Early Childhood Education
- 3.7 Mercy College of Northwest Ohio, Bachelor of Science in Health Care Administration Degree Program
- 3.8 Shawnee State University, Associate of Applied Science Degree in Paraprofessional Education
- 3.9 Southern State Community College, Associate of Applied Science Degree in Education Paraprofessional
- 3.10 Stark State College of Technology, Associate of Applied Science Degree in Emergency Fire Services Technology
- 3.11 Stark State College of Technology, Associate of Applied Science Degree in Emergency Medical Services Technology
- 3.12 The Ohio State University, Master in the Study of Law
- 3.13 Wright State University, Master of Public Health
- 3.14 Renewal of Contract with the Case Western Reserve University School of Medicine
- 3.15 Consideration of a Joint Use Agreement between Kent State University and Ashtabula County
- ~~3.16 Consideration of a Joint Use Agreement between Northwest State Community College and Liberty/Washington Township Fire Department~~
- 3.17 Consideration of a Joint Use Agreement between the Ohio Board of Regents and the Cleveland Clinic Foundation
- 3.18 Consideration of release and distribution of FY 2004 Police and Fire Protection appropriations from Amended Substitute House Bill 95 of the 125th General Assembly
- 3.19 Consideration of release and distribution of 4,174,074 in remaining FY 2004 Family Practice appropriations and \$2,047,510 in remaining

- Primary Care Residency appropriations from Amended Substitute House Bill 95 of the 125th General Assembly
- 3.20 Consideration of a request by Ohio University to pledge student Fees in support of a bond issuance not to exceed \$58,000,000
 - 3.21 Requests to the Controlling Board for the period of January 1, 2004 Through February 29, 2004
 - 3.22 Amendment of the Compensation Plan for the Chancellor of the Ohio Board of Regents
 - 3.23 PERS Pick-Up Plan

RESOLUTION 2004-60
Agenda Item 3.1

WHEREAS, the Warren County Community College District was created by the General Assembly in Amended Substitute House Bill 95, §89.17(D); and

WHEREAS, Amended Substitute House Bill 95, §89.17(D) established that the Warren County Community College District is comprised solely of the territory included within the boundaries of Warren County; and

WHEREAS, the Warren County Commissioners and the Governor have appointed members of the Board of Trustees of the Warren County Community College; and

WHEREAS, the Warren County Community College Board of Trustees desires to do all things necessary for the necessary and proper organization of the proposed community college; and

WHEREAS, the Warren County Community College Board of Trustees desires to gain the recognition of the Ohio Board of Regents for the creation of the Warren County Community College District pursuant to Amended Substitute House Bill 95, §89.17(D); and

WHEREAS, the Warren County Community College Board of Trustees desires the Ohio Board of Regents to file with the Ohio Secretary of State documents reflecting the creation of the Warren County Community College District in compliance with Ohio Revised Code Section 3354.04;

NOW, THEREFORE, the Ohio Board of Regents recognizes the creation of the Warren County Community College District.

BE IT RESOLVED: the Ohio Board of Regents shall file with the Ohio Secretary of State a copy of this resolution and the appropriate section of law reflecting the creation of the Warren County Community College District.

RESOLUTION 2004-61
Agenda Item 3.2

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following institution be granted Institutional Reauthorization through December 31, 2013.

Hebrew Union College-Jewish Institute of Religion, Cincinnati, Ohio
Institutional Reauthorization

RESOLUTION 2004-62
Agenda Item 3.3

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following degree program be granted Authorization through December 31, 2007 to coincide with the institution's reauthorization. Yearly progress reviews of the new program will be submitted to the Ohio Board of Regents by December 31, 2004, and 2005, and 2006.

Bluffton College, Bluffton, Ohio
Master of Business Administration Degree Program

RESOLUTION 2004-63
Agenda Item 3.4

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following degree program be granted Authorization through December 31, 2007. Yearly progress reviews of the program will be submitted to the Ohio Board of Regents by December 31, 2004, 2005, and 2006.

College of Mount St. Joseph, Cincinnati, Ohio
Master in Nursing Degree Program

RESOLUTION 2004-64
Agenda Item 3.5

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following degree program be granted Provisional Authorization through December 31, 2006. Progress Reports will be submitted to the Ohio Board of Regents by December 31, 2004,

December 31, 2005, and December 31, 2006. The program must be reviewed prior to December 31, 2007 to determine Full Authorization.

DeVry University, Oakbrook Terrace, Illinois
Master of Public Administration Degree Program
To Be Delivered at Campuses in Cleveland and Columbus, Ohio

RESOLUTION 2004-65
Agenda Item 3.6

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following degree program be granted Provisional Authorization through December 31, 2007. Yearly progress reports of the new program will be submitted to the Ohio Board of Regents by December 31, 2004, and 2005, and 2006. A follow-up review will occur prior to December 31, 2007 to determine Full Authorization.

Cincinnati Bible College and Seminary, Cincinnati, Ohio
Bachelor of Science in Education Degree Program
Leading to Licensure in Early Childhood Education

RESOLUTION 2004-66
Agenda Item 3.7

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following degree program be granted Provisional Authorization through December 31, 2007. Yearly progress reports of the program will be submitted to the Ohio Board of Regents by

December 31, 2004, 2005, and 2006. The program must be reviewed prior to December 31, 2007 to determine Full Authorization.

Mercy College of Northwest Ohio, Toledo, Ohio
Bachelor of Science in Health Care Administration Degree Program

RESOLUTION 2004-67
Agenda Item 3.8

BE IT RESOLVED: upon recommendation of the Chancellor and with concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following new degree program is approved

for a three-year time period, with continued approval based upon an update on the status of the program.

Shawnee State University
Associate of Applied Science degree in Paraprofessional Education

RESOLUTION 2004-68
Agenda Item 3.9

BE IT RESOLVED: upon recommendation of the Chancellor and with concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following new degree program is approved for a three-year time period, with continued approval based upon an update on the status of the program.

Southern State Community College
Associate of Applied Science degree in Education Paraprofessional

RESOLUTION 2004-69
Agenda Item 3.10

BE IT RESOLVED: upon recommendation of the Chancellor and with concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following new degree program is approved:

Stark State College of Technology
Associate of Applied Science degree in Emergency Fire Services Technology

RESOLUTION 2004-70
Agenda Item 3.11

BE IT RESOLVED: upon recommendation of the Chancellor and with concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following new degree program is approved:

Stark State College of Technology
Associate of Applied Science degree in Emergency Medical Services Technology

RESOLUTION 2004-71
Agenda Item 3.12

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Regents' Advisory Committee on Graduate Study as well

as the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following new degree program is approved:

Ohio State University
Master in the Study of Law

RESOLUTION 2004-72
Agenda Item 3.13

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Regents' Advisory Committee on Graduate Study as well as the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following new degree program is approved:

Wright State University
Master of Public Health

RESOLUTION 2004-73
Agenda Item 3.14

WHEREAS, in order to provide better for the public health and necessary enhancement of instruction in medicine and dentistry in the state, and to encourage the means of such instruction with the least economic cost to the people of the state, the Ohio Board of Regents is authorized by §3333.10 of the Ohio Revised Code to enter into agreements with qualified institutions of higher education providing for their continued operation by the institution of eligible programs; and

WHEREAS, such agreements are to be conditioned upon continued payments by the state to such institutions for the purposes of such eligible programs in amounts determined in the manner provided for by the state subsidy from time to time afforded to state universities on the basis of comparable programs; and

WHEREAS, Case Western Reserve University has been determined by the Ohio Board of Regents to be a qualified institution as defined in §3333.10 of the Ohio Revised Code; and

WHEREAS, Case Western Reserve University's School of Medicine has been determined by the Ohio Board of Regents to operate an eligible program that contributes to the objectives stated in §3333.10 of the Ohio Revised Code and the objectives of the master plan of higher education; and

WHEREAS, Amended Substitute House Bill 95 enacted by the 125th General Assembly §89.09 and line item GRF 235-515 provides for subsidy support to be distributed to Case Western Reserve University School of Medicine in accordance with such an agreement; and

NOW THEREFORE BE IT RESOLVED: upon recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the attached agreement with the Case Western Reserve University School of Medicine be executed by the Chancellor of the Ohio Board of Regents.

RESOLUTION 2004-74
Agenda Item 3.15

WHEREAS, the 124th Ohio General Assembly enacted H.B. 675 which includes a specific capital appropriation of \$5,985,000 to the Ohio Board of Regents for Non-Credit Job Training Facilities Grants; and

WHEREAS, the Ohio Board of Regents transferred and appropriated \$560,000 via Controlling Board request BOR128 to Kent State University for a training center located at Geneva State Park Lodge and Conference Center; and

WHEREAS, the Ohio Board of Regents' Rule 3333-1-03 requires that a joint use agreement between the institution for which funds are appropriated and the organization which will own or lease and operate facilities to be constructed or improved with such funds must be approved by the Board; and

WHEREAS, Kent State University and Ashtabula County have presented a joint use agreement for approval by the Ohio Board of Regents; and

WHEREAS, the agreement has been reviewed and its format is found to be appropriate, its description of extent and nature of use has been specified, and the commitment extends no less than fifteen years, and it is in conformity with Rule 3333-1-03; and

WHEREAS, the parties have determined that the value of the use is reasonably related to the amount of the appropriation;

NOW, THEREFORE,

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Resources and System Efficiency Committee of the Ohio Board of Regents, that the Joint Use Agreement between Kent State University and Ashtabula County and attached and made a part hereof, be approved.

RESOLUTION 2004-
Agenda Item 3.16

DEFERRED to April 22, 2004

RESOLUTION 2004-75
Agenda Item 3.17

WHEREAS, the 124th Ohio General Assembly enacted H.B. 675 which includes a specific capital appropriation of \$1,000,000 to the Ohio Board of Regents for the Cleveland Clinic Heart Center Infrastructure Project, and

WHEREAS, the Ohio Board of Regents' Rule 3333-1-03 requires that a joint use agreement between the institution for which funds are appropriated and the organization which will own or lease and operate facilities to be constructed or improved with such funds must be approved by the Board; and

WHEREAS, to the Ohio Board of Regents and the Cleveland Clinic Foundation have presented a joint use agreement for approval by the Ohio Board of Regents; and

WHEREAS, the agreement has been reviewed and its format is found to be appropriate, its description of extent and nature of use has been specified, and the commitment extends no less than fifteen years, and it is in conformity with Rule 3333-1-03; and

WHEREAS, the parties have determined that the value of the use is reasonably related to the amount of the appropriation;

NOW, THEREFORE,

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Resources and System Efficiency Committee of the Ohio Board of Regents, that the Joint Use Agreement between the Ohio Board of Regents and the Cleveland Clinic Foundation; and attached and made a part hereof, be approved.

RESOLUTION 2004-76
Agenda Item 3.18

WHEREAS, the state's biennial budget directs the Ohio Board of Regents to distribute higher education appropriations in accordance with various requirements; and

WHEREAS, certain of these funds are provided for a specific purpose and others are to be distributed at the discretion of the Board; and

WHEREAS, section 89.08 of Amended Substitute House Bill 95 requires the Board of Regents to distribute Police and Fire Protection funds to assist local governments in the provision of police and fire protection for the state-affiliated campuses located in the municipalities of Kent, Athens, Oxford, Fairborn, Bowling Green, Nelsonville, Portsmouth, Xenia Township, and Rootstown Township; and

WHEREAS, Amended Substitute House Bill 95 added the city of Nelsonville to the list of municipalities eligible to receive these funds; and

WHEREAS, this appropriation is distributed to each campus located in the above mentioned municipalities through a formula that recognizes the overburden of full-time equivalent students on local governments in providing police and fire protection.

NOW, THEREFORE,

BE IT RESOLVED: Upon the recommendation of the Chancellor and with the concurrence of the Resources & System Efficiency Committee of the Ohio Board of Regents, that the distribution of the FY 2004 Police and Fire Protection appropriations, as described in the attached table and made a part hereof, is hereby approved.

RESOLUTION 2004-77
Agenda Item 3.19

WHEREAS, the Ohio Board of Regents is mandated by the Ohio General Assembly to administer the distribution of various line item appropriations included in Am. Sub. H.B. 95 of the 125th General Assembly; and

WHEREAS, certain of these funds are provided for a specific purpose and others are to be distributed at the discretion of the Board; and

WHEREAS, the Family Practice appropriation was created to support education and training of medical students and residents in family practice; and

WHEREAS, the Primary Care Residency appropriation was created to support education and training of medical students and residents in primary care; and

WHEREAS, a portion of these funds were released by the Board in June 2003 and distributed to campuses for cash flow purposes in August 2003; and

WHEREAS, the Family Practice and Primary Care appropriations are distributed in accordance to formulas that recognize the number of graduates of Ohio medical colleges who are currently physicians in family practice medicine or who have entered primary care residencies; and

WHEREAS, these formulas have been updated to reflect graduation data for the 2003 academic year.

NOW, THEREFORE,

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Resources & System Efficiency Committee of the Ohio Board of Regents, that the remaining FY 2004 appropriations for Family Practice and Primary Care Residencies, as described in the attached tables and made a part hereof, be approved for distribution.

RESOLUTION 2004-78
Agenda Item 3.20

WHEREAS, §89.11 of Am. Sub. H.B. 95 of the 125th General Assembly requires that any new pledge of student fees to secure bonds or notes of a state college or university must be approved by the Ohio Board of Regents; and

WHEREAS, Ohio University proposes to pledge student fees in support of general receipts obligation bonds and/or bond anticipation notes in an amount not to exceed \$58,000,000 for the purpose of financing four capital projects and one capital acquisition; and

WHEREAS, the University has determined that the proposed capital projects are essential to fulfilling institutional goals; and

WHEREAS, the University's Board of Trustees approved separate resolutions authorizing these projects and the related debt issuance at its meetings of September 19, 2003, and February 13, 2004; and

WHEREAS, this proposal complies with the requirements of Ohio Revised Code §3345.11 and §3345.12;

NOW THEREFORE,

BE IT RESOLVED, upon the recommendation of the Chancellor and with the concurrence of the Resources & System Efficiency Committee of the Ohio Board of Regents, that the pledge of fees by Ohio University in support of general receipts obligation bonds and/or bond anticipation notes in an aggregate amount not to exceed \$58,000,000 is hereby approved.

RESOLUTION 2004-79
Agenda Item 3.21

BE IT RESOLVED: upon the recommendation of the Resources & System Efficiency Committee of the Ohio Board of Regents, that the request for release of capital improvements funds received in the period January 1, 2004 through February 29, 2004, shown on the sheets attached hereto, are hereby approved and recommended for approval by the Controlling Board.

RESOLUTION 2004-80
Agenda Item 3.22

WHEREAS, Ohio Revised Code § 3333.03 authorizes the Ohio Board of Regents to fix the compensation for the Chancellor; and

WHEREAS, the Ohio Board of Regents researched the compensation paid to State Higher Education Executive Officer and Presidents of Ohio's public universities, the positions which represent the pool of qualified candidates with which the Ohio Board of Regents competes when recruiting a Chancellor; and

WHEREAS, the Ohio Board of Regents recognizes the need to maintain a competitive compensation level to recruit and retain qualified individuals in the position of Chancellor; and

WHEREAS, the Chancellor's existing compensation level remains well below that of comparable state system executives and well below the median of Ohio public university presidents; and

WHEREAS, the Ohio Board of Regents, upon review of the performance of Roderick G. W. Chu, Chancellor, over the past 12 months, highly commends the Chancellor's excellent service, dedication, and ability to further the development of the Ohio Board of Regents strategic plan; and

WHEREAS, the Ohio Board of Regents recognizes the Chancellor's ability to engage stakeholders, address budget priorities and develop keenly innovative programs which advance the goals of the Ohio Board of Regents; and

WHEREAS, in recognition of Chancellor Chu's outstanding service and performance over the past 12 months and in recognition of the need to maintain a competitive compensation level for the Chancellor's position, the Ohio Board of Regents desires to provide Chancellor Chu with an adjustment to his compensation and benefits; and

WHEREAS, the Ohio Board of Regents will make compensation adjustments as they are merited and the state's financial difficulties ease; and

WHEREAS, the board shall in part "pick-up" the Chancellor's eligible prior service contributions to his retirement plan, thereby resulting in tax deferral of such contribution as permitted by Internal Revenue Code Section 414(h)92) and Ohio Revised Code Chapter 145; and

WHEREAS, Chancellor Roderick G. W. Chu desires to participate in the purchase of his prior service credit contributions with his employer as permitted by Ohio Revised Code Chapter 145:

NOW BE IT RESOLVED, that effective March 11, 2004, the Ohio Board of Regents shall in part "pick-up" prior service credit earned by Roderick G. W. Chu, Chancellor of the Ohio Board of Regents. This "pick-up" shall be a tax deferred benefit accruing to Chancellor Chu. The Ohio Board of Regents shall

continue this “pick-up” annually until either all prior service credit of Roderick G. W. Chu has been purchased or the separation of Chancellor Chu from the Ohio Board of Regents; and

BE IT FURTHER RESOLVED, that effective March 11, 2004, Roderick G. W. Chu shall contribute to the purchase of his prior service credit earned; and

BE IT FURTHER RESOLVED, that the Ohio Board of Regents shall adjust the Chancellor’s compensation periodically as merited to achieve marketplace competitiveness.

RESOLUTION 2004-81
Agenda Item 3.23

WHEREAS, the board of Regents, at its regular meeting held March 11, 2004, determined to purchase service credit pursuant to Ohio Revised Code for the employee described below; and

WHEREAS, the board desires to amend the existing State of Ohio Pick-Up Plan established December 9, 1984, to permit the board of Regents to assume and pay such amounts; and

WHEREAS, the board shall not be permitted to pay such amounts pursuant to the Pick-Up Plan to the extent the board of Regents is reimbursed for such payments by the employee described below; and

WHEREAS, the Chancellor is the employee for whom the board intends to purchase service credit:

NOW BE IT RESOLVED, that the Pick-Up Plan of the State of Ohio, is amended to permit the board of Regents to “pick-up” and pay amounts which the board determines that the board of Regents pay for the purchase of additional years of PERS service credit pursuant to Ohio Revised Code, provided the board shall not be permitted to pay such amounts to the extent the board of Regents is reimbursed for such amounts by the employee as described above, nor shall such employee described above have the option to receive such payments in cash in lieu of having such amounts paid directly to the Public Employees Retirement System; and

BE IT FURTHER RESOLVED, that the amounts which the board determines to pay to purchase additional years of Public Employees Retirement System service credit under Ohio Revised Code, be “picked-up” [within the meaning of IRC Section 414 (h) (2)] and paid.

CHANCELLOR'S REMARKS TO THE BOARD

INTRODUCTION

Thank you, Chairman Noe.

SHAWNEE STATE UNIVERSITY

Thanks to President Rita Rice Morris for your warm welcome and the opportunity to learn more about the important work done here at Shawnee State University.

President Morris, while you are just past your nine-month gestation period here as president, there have been several accomplishments of note during your tenure so far:

a) An all-time high enrollment of 3,693 students for the 2003 fall term proves that your efforts to spread the word about what Shawnee State has to offer is working. I might add last fall marked the third consecutive year of an enrollment increase.

b) I was also pleased to learn of Shawnee's participation in an agreement among eight southern Ohio institutions to allow regional residents to begin working toward a teacher education baccalaureate degree at a community or technical college and complete the degree at a four-year university.

c) And finally, the push to have more students housed on campus appears well on its way with the opening last fall of two new residence halls housing about 100 students. I understand space for another 100 students will open next fall.

Congratulations on these initiatives and continuing to improve the educational opportunities and atmosphere for your regional residents.

Thank you President Morris and your staff for a delightful dinner last night with your trustees and colleagues. It was a real delight to speak with your students about their experience and their common sentiment was "I love it here!" Even though our visit has been short, the regents and their staff share that sentiment!

GOVERNOR'S WORKFORCE POLICY BOARD

This meeting comes on the heels of the latest meeting of the Governor's Workforce Policy Board, which met yesterday in Columbus. The Board is now under the leadership of Regent Donna Alvarado, who was named the new chair of the statewide Workforce Policy Board by Governor Taft.

Congratulations to Regent Alvarado for this important recognition of her tremendous service and leadership on the Workforce Policy Board as the board's vice chair since its inception in 1999 and as chair of the Area 7

Workforce Board that has gotten dozens of state's counties to work together in service of workers and employers in our local communities.

Under her leadership, we hope to harmonize the state's economic development, workforce development and education policies.

To help the Board meet this objective, we were informed by economic development presentations by Development Director Bruce Johnson and Dr. Don Iannone.

Director Johnson's presentation on Ohio's High Performance Economy highlighted the action Ohio must take to improve our state's talent and workforce:

- a) Aligning our education & training infrastructure with the needs of the marketplace;
- b) Developing a workforce system that is linked to our economic development strategies;
- c) Preparing & competing for highly-skilled workers, including scientists, engineers & technicians; and
- d) Encouraging lifelong learning and career management;
- e) In summary, Director Johnson noted that Ohio needs to develop world-class educational institutions and opportunities; we need real improvement, not just marketing hype.

Economist Don Iannone, formerly of Cleveland State University, tackled head-on Ohio's and America's loss of jobs to other countries. In a tremendously thought-provoking presentation, he challenged the Board to align not only workforce development strategy with economic strategy, but also to align those strategies with global business strategies:

- a) He urged us to reassess Ohio's best economic growth opportunities in a global context and identify global economic linkages that can be built on;
- b) We need to define where we have and could develop a more sustainable relative advantage with our human capital;
- c) And we must align our strategies with the business strategies employed by existing and future businesses and industries in Ohio.

JOBS CABINET

Also convened this past month was the Governor's Jobs Cabinet, composed of 14 cabinet-level directors, including myself. Chaired by development director Bruce Johnson, the cabinet is charged with creating good jobs for Ohioans.

Governor Taft outlined the mission of the cabinet at the first meeting on February 19th as: helping dislocated workers receive training and find new jobs; enabling Ohio employers to find the skilled workers they need to succeed; and

cutting red tap through regulatory reform, and doing so by the end of this calendar year.

At this meeting, the members noted the importance of bringing together all the forces in government to better develop the knowledge and skills of all Ohioans. Further, the Jobs Cabinet needs the deep engagement of current and prospective employers and workers to determine what they are seeking in choosing to locate their jobs and their careers.

CHEE UPDATE

The Governor's Commission on Higher Education and the Economy is closing in on its final weeks. The Commission seeks to ensure Ohio's system of higher education maximizes its impact on the state's economy.

Regents Noe, Adams and Alvarado and I serve on the Commission and have been working hard, as have Vice Chancellors Garry Walters and Rich Petrick, on the Commission's draft policy options that will be the core of Commission's final report.

The Commission's Chair, Dick Pogue, has announced that the last meeting of the commission will be on March 29th.

BUDGET CUTS

These meetings and focus on the important impact of higher education on the economy provide a fitting backdrop for the Governor's announcement this week of budget cuts. The state's estimated income tax receipts in January were below expectations, resulting in the Office of Budget and Management projections of revenue shortfalls of \$247.1 million in Fiscal Year 2004 and \$372.7 million in FY 2005.

In order to meet the constitutional requirement of a balanced budget, Governor Taft issued an executive order on Monday cutting budgets for the remainder of FY04. Governor Taft will issue another executive order on July 1 to mandate cuts for FY 2005. These cuts amount to 4 percent for most agencies for this year and 6 percent for next year.

Recognizing the vitally important role that higher education plays in the creation of jobs and the state's economic vitality, the Governor exempted basic aid to higher education and student financial aid from the cuts. With the 4 and 6 percent cuts for remaining items, the plan results in a \$13.6 million cut for higher education this fiscal year and a \$20.7 million cut for FY05, as noted by Regent Reese in his committee report.

While it's never pleasant to endure budget cuts – especially in light of increasing enrollment – at least the cuts were not overly disproportionate to our budget as has been the case in the past.

Although the total cuts to the overall higher education budget are small compared to the cuts for most other agencies, the cuts do call for 4 percent cuts to individual non-subsidy and financial aid lines. We recognize the tremendous burden of these cuts on individual campus programs and joint programs such as OhioLINK, given the fact that only four months remain in the fiscal year. In annualized terms, the cut equates to a 12 percent reduction. We are working with the Office of Budget and Management to determine how best to manage the required cuts in the higher education budget lines.

KUDOS

To Ohio Board of Regent's own Russell Utgard ...

For being named a "Friend of Science" by the Science Education Council of Ohio. As you know, Russ serves as program director for Ohio Board of Regent's Improving Teacher Quality program. The science council recognized Russ for his critical work in ensuring that teacher quality funding is effectively used to provide "transformative" professional development for teachers in math and science.

To Ohio University ...

For its wonderful 200th birthday bash on February 18, Founders Day.

I was honored to join Governor Taft and others for this celebration. I was particularly pleased to experience the world premier of "Turning Two Hundred: A Celebration of the Bicentennial of Ohio University," a specially commissioned multimedia presentation featuring an original score, a live dance, and video segments highlighting two centuries of OU history and tradition.

Congratulations to Regent Jenny Brown for having been honored in this bicentennial anniversary year by her alma mater as a recipient of Ohio University's Founders Citation – the university's highest honor. While we've become a little numbed by the many well-deserved recognitions of Regent Brown's distinguished achievements and service over the years, I should note that OU Founders Citation is a particularly notable one, as she is one of only 16 recipients of this honor in the university's 200 years.

WELCOME

To Thomas Chema, the 21st president of Hiram College. Mr. Chema has served as interim president since June. Before his appointment as interim president, he served Hiram for 11 years as a board member and chairman of the Institutional Advancement Committee. In addition, Mr. Chema previously served as executive director of the Ohio Lottery Commission and chairman of the Public Utilities Commission of Ohio.

CONCLUSION

Chairman Noe that concludes my report for this month.

PRESENTATIONS:

“Shawnee State University : An Excellent Choice Among Ohio’s Public Universities”

Dr. Rita Rice Morris, President
Shawnee State University

Students:

Eric Marit, Junior Majoring in Social Science
Student Member Board of Trustees
Shawnee State University

Ellen Newberry, Senior Majoring in International Relations
President of the Student Government Association
Shawnee State University

OTHER BUSINESS:

There being no further business to come before the Board, the meeting was adjourned.

The next meeting of the Ohio Board of Regents will be held on Thursday, April 22, 2004, at Northeastern Ohio Universities College of Medicine (NEOUCOM), Rootstown, Ohio @ 9:30 a.m.

Chair

Secretary

Date

Date