Minutes
OHIO BOARD OF REGENTS
February 18, 2009

I. Call to Order

Regent Chair Alvarado called the meeting to order at 8:30 a.m. and asked that the roll be read.

II. Roll Call

Regent Reiling called the roll. Those present were:

Donna M. Alvarado
Walter A. Reiling, Jr.
Timothy M. Burke
Lana Z. Moresky

Regents James M. Tuschman and Gary Cates arrived after the roll was called.
Regent James F. Patterson participated by audio conference.

Regent Reiling stated "the record reflects that notice of this meeting was given in accordance with provisions of the Board of Regents' Ohio Administrative Code § 3333-1-14, which rule was adopted in accordance with section 121.22(F) of the Ohio Revised Code." Regent Reiling reported that a quorum was not present.

III. Review of Revised Draft and Public Comments on Second Annual Condition Report

Consultant Brenda Albright reviewed the changes made to the 2nd Annual Condition Report following the January 2009 meeting. She spoke to the importance of emphasizing the students, high quality facilities, and technology as it relates to supporting student needs. She received strong stakeholder feedback to the draft report. She summarized the feedback and made suggestions for the Board to consider. She suggested that the wording on construction reform be modified to encourage utilizing money saving methods, lessening risk, and lowering the administrative burden. Chancellor Fingerhut said that the Governor's reform panel had not finished their work or made recommendations on construction reform. He felt it was a positive process and said that any recommendation from the panel must go before the General Assembly.

Consultant Albright said that comments from the stakeholders regarding technology included the need to reach more adults as many non-traditional students lack access to broadband or cannot afford it, and some do not know how to use technology. She said she would like to address those points in the report. The summary letter should be worded to say that the condition report was very focused on technology and facilities. She said other issues brought up in the stakeholder feedback could be addressed in the next report including factors that lead to attrition at the institutions.

Consultant Albright said there was a global comment from the stakeholders saying there needs to be a comprehensive review of all the facilities and an assessment of whether or not we have all the facilities needed. She said a second comment was the need for wet laboratory space in the northwest part of the state to make education more relevant. Discussion was held regarding viewing wet laboratories as business incubators and as a way of sharing space between institutions with student access to the labs. A more comprehensive view of laboratory space and its impact on the needs of higher education and the needs of economic development is needed. Discussion was held regarding the steps of inquiry needed to determine if a

proposed new project is needed. Vice Chancellor Petrick said there are national guidelines available with benchmarks that can be used to compare Ohio's square footage to other states and their operating standards. Institutions need to be able to explain why a new building is needed.

Regent Reiling stated the Board of Regents meeting was joined by Regent Tuschman at 8:50 a.m. There was quorum present to conduct business.

Regent Patterson said that the sharing of wet laboratory space is an issue that the Board may want to look at in next year's condition report. The Board could also look at the course offerings at the different universities to see how they are being populated. Chair Alvarado thanked the members for their suggestions and said these will be included with the other ideas for next year's report.

Regent Cates joined the meeting at 9:04 a.m. and was welcomed by Chair Alvarado. Chair Alvarado said Regent Cates was a great supporter of higher education and serves as the chair of the Senate Education Committee. Regent Cates said he was pleased to serve on the Board of Regents and that he has pursued a leadership role for higher education in the Senate.

Chancellor Fingerhut said the final version of the stimulus bill did not include a set aside for the higher education infrastructure. He said there was not a specific amount by formula for any extra capital infusion but that the Board of Regents may be able to work with other parts of government that did get a formula.

Discussion was held regarding the usage of higher education facilities. The thinking of how these buildings are used must also include the needs of the adult learner. It was stated that there needs to be more blending of the use of the facilities between higher education and K-12. Communities need to look for comprehensive and holistic ways to use their buildings. Trustees should be encouraged to advocate for this and look for ways to develop dual usage of buildings to create a seamless transition from high school to higher education. It was stated that the Ohio School Facility Commission would be an excellent agency to coordinate this proposal. The State of Ohio is currently behind other states in using technology in education. By incorporating a statewide technology infrastructure and using community based options, the state can meet the need for 230,000 higher education graduates as outlined in the strategic plan. A "community is our classroom" mentality needs to be developed where high schools and businesses and corporate offices are also used for higher education and to increase efficiencies. It was also noted that it is important to have alumni participation in building planning because of their sense of the institutions and how they think about their institution.

Consultant Albright said she will do the needed editing to the report and will add a chart on debt to the report.

A motion was made by Regent Tuschman and seconded by Regent Reiling to refer the final edits to Brenda Albright and the Board officers for final consideration before the report is in final form. All the Regents voted in favor of the motion.

IV. Approval of Minutes for September 17, 2008, December 9, 2008, and January 21, 2009

A motion was made by Regent Reiling and seconded by Regent Tuschman to accept all three sets of minutes as presented to the Board. All Regents voted in favor of the motion.

V. Report of Nominating Committee and Election of Officers

Chair Alvarado thanked Regent Beeghly for chairing the nominating committee. She said the Regents nominated had the talents and leadership to lead the Board and the election would be for a two year term. The nominations were as follows:

Chair: James Tuschman
Vice-Chair: James Patterson
Secretary: Walter Reiling

Chair Alvarado asked if there were any other nominations to the slate that was put forward. A motion to accept the slate of officers as presented was made by Regent Burke and seconded by Regent Moresky. All Regents were in favor of the motion.

Chair Alvarado called for the vote on the election of officers. Chair Alvarado declared the following officers elected by a unanimous vote of the Board.

James Tuschman, Chair
James Patterson, Vice-Chair
Walter Reiling, Secretary

Chair Alvarado thanked the newly elected officers on their willingness to serve and turned the gavel over to Chair Tuschman.

Chair Tuschman thanked the Board for giving him the opportunity to serve as chair and said it was an awesome responsibility. He talked about the previous Chairs and the leadership they brought to the Board. He complimented Regent Alvarado for leading the Board through a difficult time of transition with tact, grace, diplomacy and encouragement. He said the old structure could not have accomplished the solutions and strategies that Chancellor Fingerhut and Governor Strickland have been able to accomplish in these trying times. He said he was privileged to work with Regent Alvarado during the transition and that he hopes to carry on the great work she has accomplished.

Outgoing Chair Alvarado said her trust and respect for Chancellor Fingerhut made her job very productive and enjoyable. She also thanked Regents Beeghly and Tuschman for their support as Board officers and said the Board worked as a team. She thanked Chair Tuschman for his kind words. Chancellor Fingerhut also thanked Regent Alvarado for her personal courtesy and graciousness during the transition time. He said she was an excellent advisor on a wide array of issues and pushed his thinking on personnel and policy decisions.

IV. Trustee Engagement Update

An update on the planning for the trustee engagement meetings was given by Regent Alvarado. The Regents handout packet included a draft letter of invitation to the trustees. The Board is looking for a cadre of leaders who are trustees to develop their role as statewide advocates for higher education. Chair Tuschman and Regent Alvarado will host the initial meetings in March. A list of conversation topics will be included as an attachment to the invitation. Chair Tuschman read a list of potential invitees to the northern engagement and asked for suggestions of other trustees to invite. He encouraged the Regents to attend the meetings and to serve as scribes and listeners to the thoughts and ideas of the trustees. Charles See will work with him to set the engagement date and find a location for the northern tier meeting. A letter will be sent to the institution presidents and chairs explaining the nature of the listening initiatives and inviting the chairs to attend if they so desire. The goal is to include all trustees and these first meetings are just the beginning of the initiative.

The Chancellor thanked the Regents for moving in this direction, and said he truly believed that this is a substantially important effort to engage the trustees and interact with leaders that will last beyond the terms of the Regents and the Chancellor. The Chancellor's staff will be supportive of this endeavor and will respond with information as needed by the Regents.

Chancellor Fingerhut invited the Regents to attend the Trustee Conference on March 5 through webcast. The topics will be the budget and the stimulus package. He asked Charles See to send a list of the video sites to the Regents. Discussion was held regarding the trustee video conferences and how they are conducted. The Chancellor explained that two of the conferences are by video, one is in-person, and the last one involves the Condition Report. The in-person conference is scheduled for September. The Chancellor would be open to changing anything about the conferences if the trustees indicate any other strategies or means of communicating would be helpful.

The Regents recessed for a brief break.

VII. Chancellor's Report

The Chancellor reported on the budget testimony before the House Finance and Appropriations Committee. A copy of the testimony was included in the Regents handout packet. He gave a brief reference to the federal stimulus bill and said the final state stabilization fund is adequate to support the budget bill as introduced by the Governor. He said the building blocks of the budget may change, but the amount of money will not change.

Chancellor Fingerhut stated the increase to the Pell Grant in the federal bill is a substantial benefit to the families in Ohio and relieves some of the pressure on the reduction of funds. The Chancellor's staff is analyzing the benefits to the families. The federal stimulus bill did not contain a designated higher education infrastructure fund however the Chancellor's staff will work closely with mayors and other development officers in the communities where campuses are located to help in the rebuilding of the communities. They will work with the Governor's office to aggressively look to identify opportunities to apply for competitive grants in Washington D.C. The tuition freeze is still in place for the first year although the Governor has not formally said the freeze will remain intact for the second year. He said the tuition freeze may not be the long term answer, but it is needed in the current environment. He said affordability is the right approach.

Chancellor Fingerhut said the budget requests full funding of cooperatives and internships. This will help keep students in Ohio and create a link to businesses. There is a strong legislative interest in this plan and people are engaged in it. He said the Choose Ohio First Scholarship is fully funded with sufficient funds to recruit students. The bill contains five million dollars for the STEM program. It will take a number of years for the full engagement of the program. He also said that the budget was unable to invest as much as it would have liked into research. They will need to get money from the stimulus bill funds to get federal research dollars.

The Chancellor said the budget focuses on affordability and giving support to state institutions. The budget eliminated twenty line items for administration of programs. The budget money went to the students and to keep tuition down. He will provide a list of the line items that were deleted to the Regents. Financial aid changes the overall funds to slightly less than in previous years. He stated that financial aid will be need based and will include both state and federal funds. He explained how financial aid is distributed to the students and how

the changes to the calculations of the Pell First Grant will impact student aid. The change to give the Pell Grant before state aid is awarded will help give more financial aid to more students. He said the risk is that students may not get money for living expenses, however, more students may be eligible for the Stafford loans. Statistics show that only 13.5% of students live on campus. They are still looking at a tuition income tax credit. He is aggressively reaching out to partner with state agencies to help pay expenses for individuals who are receiving/learning new skills. He noted the agency will pay a larger share of students' tuition, books and transportation because of state and federal aid. This financial aid shift will require lots of discussion with the General Assembly. Discussion was held regarding the new financial aid formula and how this will be communicated to students. He said the positive affordability message will be put out through communications with schools affected by the change. Public service advertisements and other special marketing plans are needed, but funding of these plans is a problem. Discussion was held regarding the impact the financial aid changes will have on the state's private institutions. The changes could be positive as the needs based funds were not cut.

VIII. Executive Session

A motion was made by Regent Tuschman and seconded by Regent Alvarado to go into executive session regarding a personnel matter. A roll call vote was taken as follows: Regent Alvarado – aye; Regent Burke – aye; Regent Moresky – aye; Regent Reiling – aye; Regent Tuschman – aye. The vote was unanimous to go into executive session. The Board of Regents went into executive session at 11:30 a.m.

Chair Tuschman asked for a motion to call the Regents meeting back into session. A motion was made by Regent Reiling and seconded by Regent Burke to reconvene the Regents meeting.

IX. Adjournment

Chair Tuschman asked if there was any new business. There being no new business he declared the meeting adjourned.

Walter A. Reiling Jr MD
Ohio Board of Regents

March 12, 2009
Date