

**Performance Committee
Ohio Board of Regents
Minutes of the Meeting of December 14, 2000**

The meeting of the Performance Committee of the Ohio Board of Regents was held at the Regents' main offices on the 36th floor of the Rhodes State Office Tower in Columbus, Ohio. In attendance were the following:

Ohio Board of Regents members:

Edmund Adams, Committee Chair
Jeanette Grasselli Brown
Gerald Miller
Ralph Schey

Ohio Board of Regents staff:

Harold Horton, Director, Higher Education Information System
Andy Lechler, Senior Analyst, Higher Education Information System
Earl Mackey, Vice Chancellor for External Relations
Neal McNally, Assistant Director, Budget & Resource Planning
Richard L. Petrick, Vice Chancellor for Finance
Robert Sheehan, Associate Vice Chancellor, Performance Reporting & Analysis

Guests:

Bob Burke, Association of Independent Colleges & Universities of Ohio
Jim Johnson, Ohio Faculty Senate/Sinclair Community College
Jim McCollum, Inter-University Council
Melissa Shearon, Association of Independent Colleges & Universities of Ohio
Terry Thomas, Ohio Association of Community Colleges

The meeting was called to order by Regent Adams. The Committee approved the minutes of its November meeting without objection.

Requested Update on Report on Eliminating Barriers to Competition in Higher Education

Regent Adams asked Vice Chancellor Petrick to update the Committee about the five policies that are under review. The policy review is being conducted in an effort to suggest revisions that would ease restrictions on campuses and eliminate barriers to competition at Ohio's colleges and universities.

1. The first policy mentioned by Vice Chancellor Petrick was the removal and/or modification of caps on tuition. According to Vice Chancellor Petrick, these caps have been in place since the late 1980's and have ranged from 5% to 9%. Vice Chancellor Petrick noted that the tuition caps are currently at 6%. It was noted that campuses appreciate the effort of the Regents to lift these caps. Jim McCollum asserted that tuition-flexibility is related to institutional quality and the ability to sustain institutional operations. Vice Chancellor Petrick also stated that the tuition caps are inequitable because they are uniformly applied to campuses having disparate fees. Associate Vice Chancellor Sheehan noted the inconsistency of the tuition cap policy, which allows campuses to exceed the cap if they identify fee

- increases as the source of revenues to support debt. Regent Adams asked that the aspect of affordability be included in the continuing discussion over tuition caps.
2. Vice Chancellor Petrick outlined the second policy – raising and/or eliminating enrollment caps on residential university campuses, which he described as an obsolete policy. Regent Brown stated that whatever the outcome of these discussions, institutions would be able to maintain enrollment caps as they see fit.
 3. The third policy outlined by Vice Chancellor Petrick was the elimination of Regents' approval for the expansion and/or construction of student housing. Vice Chancellor Petrick stated that if statewide demographics and higher education enrollments are stable, campuses should not need to seek Regents' approval. Regent Adams expressed concern over how Regent Gordon would feel about this goal since Regent Gordon has been very sensitive to over-building on campuses. Vice Chancellor Petrick responded that Regent Gordon's concerns have primarily been over the construction of state-funded educational and general facilities on campuses, rather than student housing, which is funded by student revenues and not by the state.
 4. The fourth policy outlined by Vice Chancellor Petrick was the elimination of service districts for community colleges. According to Vice Chancellor Petrick, the growth of distance learning technology in higher education makes the concept of service districts somewhat obsolete, although community colleges with local levies still find service districts quite significant.
 5. The fifth and final policy outlined by Vice Chancellor Petrick was the elimination of academic program approval by the Regents. Vice Chancellor Petrick stated that this issue would need to be approached much more tentatively and would likely take more time to achieve. Vice Chancellor Petrick noted that he had spoke with Vice Chancellor Garry Walters about this issue, and they agree that program approval by the Regents increasingly seemed unnecessary especially since the Regents rarely disapprove of a new program. Vice Chancellor Petrick said this issue needs to be considered carefully because despite being an issue of micro-management, program approval is also part of the Regents' important role of consumer protection. Regent Adams asked if any data are available on how other states review proposals for new academic programs. Vice Chancellor Petrick said that he would look into other states' procedures. Jim McCollum asserted that if program approval could not be eliminated entirely, perhaps the process could at least be expedited. Regent Brown suggested that the program approval policy should be differentiated for undergraduate and graduate programs. Associate Vice Chancellor Sheehan noted that this represents an institutional governance issue because once a program is approved and implemented, it becomes entrenched and very difficult to dissolve even when student demand declines. Regent Adams asked that this issue be a major agenda item for the Committee's next meeting in January.

The Urban Experience in Higher Education

Associate Vice Chancellor Sheehan told the Committee that some universities have expressed concern that the “urban experience” has not been adequately highlighted in the Higher Education Performance Report. Regent Brown asked what type of data could be used to describe the urban experience. Associate Vice Chancellor Sheehan stated that special issues might exist at campuses located in urban areas such as a greater need for remedial instruction. In addition, urban campuses tend to incur more student service costs than do non-urban campuses. Associate Vice Chancellor

Sheehan suggested that this issue be examined more thoroughly. Jim McCollum noted that although most of the at-risk portion of Success Challenge is allocated to the urban universities, these urban campuses do not receive as much at-risk funds as previously expected. Regent Brown stated that this issue should be considered in the context of the funding mechanism. Jim Johnson asserted that at-risk students require more time and resources, and are clearly not limited to only urban campuses. The regents authorized a focused consultation on this issue and asked to be appraised of its deliberations.

Higher Education Performance Report

Associate Vice Chancellor Sheehan told the Committee that the first annual Higher Education Performance Report – prepared at the request of Governor Taft – was submitted to the Governor and was released to the public on December 13, 2000. The Report, which is available on the Regents’ website, presents statewide and campus data on ten performance outcomes and on six measures of the experience of first-year college students. Regent Adams expressed pleasure with the release of the report.

Associate Vice Chancellor Sheehan referenced a recent article appearing in the Columbus *Dispatch* that seemed to call into question the accuracy of some of the data presented in the Performance Report. According to Associate Vice Chancellor Sheehan, the issue is how to properly present the data in the Report. Citing Ohio State University’s method of reporting average class size, Associate Vice Chancellor Sheehan noted that this measure was omitted from the final report because of concerns over how the data was reported by campuses.

Regent Miller questioned how the Performance Report could be compared with other states since reporting standards vary. Vice Chancellor Petrick stated that this first Performance Report would ignite conversations on campuses and empower campuses to begin establishing benchmarks for future reports. Jim McCollum emphasized that any comparative analyses contained in the Report should compare peer institutions having similar characteristics. Mr. McCollum noted that in the *Dispatch* article, Ohio State University was compared to Central State University – two very different institutions.

Associate Vice Chancellor Sheehan expressed regret for not having separately published the Report’s executive summary. Associate Vice Chancellor Sheehan acknowledged and thanked Ohio’s public campuses for their involvement and contributions to the preparation of the final Report. Vice Chancellor Petrick reminded the Committee of the Regents’ Success Express bus scheduled to begin touring the state to raise student aspirations and publicize the fact that higher education has a positive impact on the quality of life and on the earning capacity of all Ohioans. Regent Adams questioned whether the press release announcing the Performance Report had placed too much focus on the effectiveness of remediation in higher education, particularly with regard to math. Regent Adams also asked about short-term plans for future rollouts of additional performance measures. Vice Chancellor Mackey responded that the Performance Report’s consultation committee does intend to discuss this issue, and that members of the General Assembly would also be consulted. Associate Vice Chancellor Sheehan stated that a mechanism would be established to update the Performance Report. Vice Chancellor Petrick suggested that the Report needs to focus on higher education’s role in the state’s economic

development. Regent Brown agreed, stating that the Report should emphasize the direct correlation between higher education attainment and the state's tax base by showing how investments in higher education can increase state income tax revenues. Vice Chancellor Mackey suggested that a smaller, more concise Performance Report be created for members of the General Assembly.

The meeting was adjourned by Regent Adams.

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