

**Resources & System Efficiency Committee  
Ohio Board of Regents  
Minutes of the Meeting of November 10, 2005**

The meeting of the Resources & System Efficiency Committee of the Ohio Board of Regents was held at Parker Hannifin Corporation in Cleveland, Ohio. In attendance were the following:

Committee members:

Bruce Beeghly, Committee Chair  
Jerome Tatar, Vice Chair  
Donna Alvarado  
James Tuschman

Other Board members in attendance:

Edmund Adams  
Jeanette Brown  
Roderick Chu, Chancellor  
Anthony Houston  
Walter A. Reiling

The meeting was called to order by Regent Beeghly and the minutes of the October 2005 Committee meeting were approved without objection.

**Reports and updates**

Dr. Darrell Glenn, Director for Performance Reporting, responded to previous questions concerning enrollment trends and net tuition. Dr. Glenn updated the Committee on fall headcount enrollment from 1997 through 2004, noting that Ohio's enrollment increase was roughly comparable to that of its neighboring states, but below the national rate of increase. However, the Committee was reminded that Ohio's slower rate of enrollment increase is due in part to a slower rate of population growth overall compared to the nation. Enrollments increased more sharply at Ohio's private institutions, due largely to growth in the proprietary sector. Regent Alvarado wondered why proprietary institutions are gaining in popularity. Vice Chancellor Rich Petrick noted that part of the explanation is that many two-year public institutions have simply reached capacity, and the enrollments at many public four-year institutions are capped by statute.

Dr. Glenn also shared data showing that average grant aid for Ohio resident students attending public institutions is about 41% of gross tuition; however, he noted that most students do not receive the average grant. In fact, the distribution of financial aid, particularly at two-year institutions, tends to be bi-modal. Regent Alvarado suggested looking at levels of student debt, in addition to net tuition in order to get a better understanding of actual student experiences.

Vice Chancellor Petrick updated the Committee on the activities of the various councils and committees that are currently underway. The Resource Analysis/Taxonomy subcommittee is developing of a more understandable method of assigning programs to models and will make its recommendations to the State Share

of Instruction (SSI) Consultation in December or January. The SSI Consultation is conducting a SWOT (strengths, weaknesses, opportunities, and threats) analysis of the formula, and developing strategies in response to its findings. The Financial Aid Consultation met with representatives from the public and private higher education sectors to kick off the Ohio College Opportunity Grant (OCOG), which begins in FY 2007. A number of technical and outreach personnel have been added to the Regents' staff for the implementation of OCOG. The Out-of-the-Box subcommittee had a very productive meeting which included a brainstorming session that resulted in some very big ideas. Finally, the Higher Education Funding Study Council included a presentation by Chancellor Chu on the Regents' perspective on campus missions, a roundtable discussion with campus trustees, and a presentation by Mr. Dick Pogue on the limitations place on public sector trustees.

Vice Chancellor Petrick provided a status report on the Higher Education capital requests for FY 2007-08. He noted that the capital bill will not be introduced until next fall. Several campuses requested funding for special projects beyond their capital allocations. The formula has no mechanism for funding such requests, although campuses are permitted to exceed their capital allocation provided they pay for it through reductions to their future State Share of Instruction allocations over a 20-year period. Campuses that wish to shift funds from one project to another after appropriations have been made must seek Controlling Board approval. It is estimated that it would cost at least \$350 million per year to keep up with the maintenance needs for the current educational and general space at Ohio's public campuses. Given the large need for capital funds, Regent Tatar suggested, and the Committee agreed, that the Regents' recommendation should include some level of funding above and beyond the \$450 million as a down-payment on a long-term strategic capital plan. Finally, Regent Alvarado requested data on the portion of campus capital expenditures funded by the state and Regent Beeghly requested data on the history of capital appropriations to higher education.

### **Old Business**

The Committee recommended Board approval for the following items that were reviewed in September and October: 1) a revision to the final FY 2006 State Share of Instruction appropriations, 2) a Joint Use Agreement between the University of Cincinnati and the City of Cincinnati for \$2.5 million, and 3) a First Addendum to a Joint Use Agreement between the Ohio Board of Regents and the Cleveland Clinic Foundation.

### **New Business**

The Committee also reviewed and recommended Board approval for a Joint Use Agreement between the University of Cincinnati and the Cleveland Clinic Foundation for \$14,249,847, a First Addendum to a Joint Use Agreement between Wright State University and Development Research Corporation, as well as Controlling Board items for October 2005.

Regent Brown noted that she would abstain from voting on the two Joint Use Agreements involving the Cleveland Clinic Foundation, as she serves on the Board of the Foundation.

The meeting was adjourned by Regent Beeghly.