

Minutes
OHIO BOARD OF REGENTS
June 17, 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:

Edmund J. Adams	Thomas W. Noe
Jeanette G. Brown	J. Gilbert Reese
Gerald M. Miller	Ralph E. Schey

Regent Reese stated "the record reflects that notice of this meeting was given in accordance with provisions of the Board of Regents' Administrative Rule 3333-1-14, which rule was adopted in accordance with section 121.22(F) of the Ohio Revised Code."

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

No changes were made to the agenda.

Approval of minutes of the April 22, 2004 meeting of the Ohio Board of Regents.

A motion was made by Regent Brown to approve the minutes of the April 22, 2004 meeting of the Board. The motion was seconded by Regent Miller and passed unanimously.

COMMITTEE REPORTS AND SUMMARY OF DELIBERATIONS

Access Committee - Regent Miller – Associate Vice Chancellor Deborah Gavlik briefed the committee on the Capital Bill timeline and explained how delay could negatively impact Ohio's colleges and universities.

Introduction and passage after November would be problematic for colleges and universities dealing with deferred maintenance, health and safety issues, increased costs in construction, higher interest rates, and postponed campus efforts to improve technology infrastructure.

Margie Rolf, Assistant Vice President for Governmental Relations at the University of Cincinnati, echoed Deborah's concerns and provided a university perspective. The University of Cincinnati could suffer from higher interest rates (around \$50,000 a month putting pressure on tuition) and increased borrowing in order to continue projects currently underway.

Associate Vice Chancellor Gavlik updated the committee on House Bill 511 introduced by Representative Jim McGregor. This bill proposes to expand the Ohio Board of Regents' authority to regulate the programs and resources of state institutions of higher education. It requires the Board to adopt rules to:

- a) eliminate duplicative practices,
- b) conserve campus administration and resources,
- c) authorize the acquisition and construction of buildings necessary for the education of students and for research,
- d) produce an efficient and affordable system of state colleges and universities, and
- e) increase and decrease the number of students graduating with certain degrees in order to meet the needs of the state's employment market.

The bill created concerns expressed by Regents over expansion of their operations and oversight responsibilities. Regent Noe suggested the creation of a sub-committee to promote ongoing dialogue with Representative McGregor. The committee also recommended supplying Representative McGregor and co-sponsors of the bill with statistics and cost estimates for implementing the legislation.

Vice Chancellor Jon Tafel briefed the committee on the Partial Release of Technology Initiatives Program Funds – Consent Agenda Item 3.1. Technology initiatives include:

- Award of \$41,699 to the Northeastern Ohio Universities College of Medicine to enhance an existing “Ohio Banner Schools Higher Education Information Data Reporting Collaborative” program, and
- Award of \$41,699 to the Ohio State University to enhance their existing “Distributed Disaster Recovery for Ohio Higher Education Institutions” program.

Vice Chancellor Tafel updated the committee on the Student Access and Success Coordinating Council of Ohio (SASCCO). SASCCO is currently exploring ways to market higher education access to more Ohioans and developing matrices to gauge recruiting efforts and student performance.

Vice Chancellor Kristina Frost shared with the committee plans for a marketing consultation guided by SASCCO. Many higher education entities have strong marketing campaigns underway and we plan to consult with campuses to identify what works. The consultation will look at common messages that can be used throughout the state. Invited participants in the consultation will include OTTA, OCAN, ODE and others.

Assistant Director for Communications Jamie Abel provided the committee with an update on the Third Frontier Network rollout. The April Third Frontier event in Cincinnati and the June event in Toledo were both

successful. The next Third Frontier event is scheduled for July. Hopefully it will occur at NASA-Glen Research Center in Cleveland.

The statewide media roundup included issues surrounding tuition increases, budget problems, remedial education, OSU, KSU airport, neighborhood issues, Columbus State campus expansion into Delaware County, Warren County Community College pilot planning, co-located campus study and report, electric slots for scholarships proposal, and tuition reciprocity agreements with Indiana.

Associate Vice Chancellor Gavlik presented the June edition of *The Issue* entitled, "Are Your High School Constituents Successful in College?" This edition focused on the results of "Making the Transition from High School to College in Ohio, 2003" report, released by the Board of Regents in May 2004.

The committee recommended approval of item 3.1 for the June consent agenda.

Resources & System Efficiency Committee - Regent Adams - The Committee was given an update by Dr. Stephanie McCann, Assistant Director of HEI, on the Capacity Report. This report studies the physical capacity of Ohio's higher education institutions. It shows that Ohio's public campuses are at or near capacity, disputing the claim that Ohio has too many college campuses.

Updates were provided on developments of the FY 2006-2007 operating budget recommendations. Three important groups, the Higher Education Funding Commission, and the Financial Aid and SSI Consultations, met over the past two months to begin formulating the guiding principles and policies for Regents' budget recommendations.

The Financial Aid Consultation is working on revisions to the need-based grant program. While these revisions will improve the grant program, they will be expensive. The SSI Consultation is reviewing possible technical changes to the SSI formula. These changes would make the formula more understandable and equitable. The Higher Education Funding Commission was broken into three subcommittees to address technical funding issues, entrepreneurial issues, and marketing strategies for higher education.

The Committee received a briefing from University of Cincinnati's Jim Plummer on their proposed \$25 million bond issuance to finance the replacement of an 18-year old information system with a new SAP system. Mr. Plummer noted that although UC's long-term plant debt is the highest among Ohio's public universities, most of this debt is self-financed by auxiliary and research revenues. UC maintains a strong bond rating.

Gaylyn Finn from Bowling Green State University explained a proposed \$62 million bond issuance to fund several capital projects on campus, including a new PeopleSoft information system. Bowling Green is collaborating with three other campuses, the University of Toledo, the

Medical College of Ohio and Youngstown State, implementing similar systems. These campuses may be able to look at the possibility of sharing services and reducing costs.

The Committee reviewed a distribution of \$835,848 in FY 2004 Student Support Service appropriations. These funds are distributed to campuses to support instruction and other services for students with disabilities.

The committee was briefed by representatives from Ohio State University and the Cleveland Botanical Gardens on a \$2.5 million joint-use agreement between OSU and the Botanical Gardens.

President Val Moeller of Columbus State Community College, explained their proposed land purchase in Delaware County. The purchase will allow the college to expand its service in that region. Regent Noe cited the examples of Owens Community College and Cuyahoga Community College. Both institutions experienced great success when they expanded and built new campuses. The Committee expressed its support for the proposal purchase and noted the Governor's Commission on Higher Education & the Economy's recommendation to increase Ohio's college enrollments by 30%.

The committee reviewed the April and May 2004 Controlling Board items and recommended approval of items 3.11 and 3.12 for the June consent agenda.

Program Effectiveness, Research & Technology Committee – Regent Brown
The Committee was briefed by staff on fourteen programs to be considered for the July consent agenda. The programs include new technology areas where communities can create new jobs.

The committee reviewed the Co-located Campus Committee Report. This committee responded to a legislative mandate to review the relationship and needs of Ohio co-located or shared campuses. The committee worked over the past 10 months to identify community needs, to assess whether the shared campuses were meeting those needs and to determine how the shared campuses could improve their internal relationships and improve their service to the communities. Chaired by Regent Alvarado, the committee was made up of community and shared campus leaders. The Committee recommendations, as reflected in the report, were accepted by the PERT committee and recommended for full board approval with the caveat that the Report's #4 recommendation become the first recommendation.

The committee then discussed the Pilot Partnership Plan proposed by the Warren County Joint Vocational School Board, pursuant to Am. Sub. H. B. 95. Staff reviewed the plan and raised questions about the marketing effort, career pathway plans, as well as overall operations and evaluation plans. Staff is working closely with Warren County to resolve these questions and recommends provisional approval of the Pilot Partnership Program. By July 6, 2004, staff hopes to receive a revised plan from the Warren County Joint

Vocational Board. Upon receipt, staff will review and be prepared to recommend action at the July 2004 board meeting. The resolution considered at the June meeting was revised to read:

President Joseph Bukowski, Belmont Technical College (BTC) summarized the comprehensive report and proposal for BTC to become a community college. The BTC proposal had been received by OBR staff the prior week and staff is reviewing it. Ohio University/Eastern Campus representative William Willan responded to the BTC proposal. Regents requested a meeting of both campuses to assess the proposal as well as to determine how best to meet the community's needs.

The committee reviewed and recommended approval of Items 3.2 – 3.10 for the June board consent agenda.

Consent Agenda: A motion was made by Regent Miller to approve Agenda Items 3.1 –3.12 for the June consent agenda. The motion was seconded by Regent Reese and unanimously passed.

- 3.1 Partial Release of Technology Initiatives Program Funds
- 3.2 Tiffin University, Tiffin, Ohio; Institutional Reauthorization
- 3.3 Tiffin University, Tiffin, Ohio; Authorization for Columbus Sites: Columbus State Community College, Dublin Police Department, State of Ohio Department of Youth Services
- 3.4 Hiram College, Hiram, Ohio; Master of Arts in Interdisciplinary Studies Degree Program
- 3.5 DeVry University, Oakbrook Terrace, Illinois Associate of Applied Science in Network Systems Administration degree program, to be delivered at campuses in Cleveland and Columbus, Ohio
- 3.6 Ohio University; Bachelor of Science in Industrial Technology, offered off-campus at Muskingum Area Technical College¹ and Ohio University - Zanesville
- 3.7 Co-located Campuses Review Project Report
- 3.8 Warren County Joint Vocational – Community College – University Pilot Partnership Plan
- 3.9 Tuition Reciprocity Agreement between: Clark State Community College, Edison Community College, Miami University Hamilton, Miami University Middletown, Rhodes State College, Sinclair Community College, Wright State University Main Campus, Wright State University Lake Campus, in Ohio; and Ball State University, Indiana University East, Ivy Tech State College Region 6 (Muncie/Community College of Indiana), Ivy Tech State College Region 9 (Richmond), Purdue University Statewide Technology in Muncie and Richmond, Vincennes University at Community College of Indiana (Muncie), in Indiana
- 3.10 Resolution Honoring Dr. Katy E. Marre of the University of Dayton
- 3.11 Consideration of a proposed land purchase by Columbus State Community College in Delaware County for a second campus

¹ Muskingum Area Technical College will become Zane State College on June 14, 2004.

3.12 Requests to the Controlling Board for the period April 1, 2004 through May 31, 2004

RESOLUTION 2004-89
Agenda Item 3.1

WHEREAS, H.B. 675 (state capital budget bill) appropriated \$3,650,000 for Technology Initiative Program Fund awards to be used by the Ohio Board of Regents to award grants to publicly-assisted institutions of higher education in Ohio; and

WHEREAS, a process was established and implemented to distribute the money for selective collaborations that address service and instructional needs of the state in four areas: (1) The Ohio Digital Commons, (2) Third Frontier Network Applications, (3) The Distributed Learning Workshop and (4) Back Office Shared Services, and

WHEREAS, a statewide advisory committee made up of representatives from Ohio's state-assisted and private college and university leadership and augmented by representation from the Office of Budget and Management, Legislative Office of Education Oversight, Ohio Learning Network and the Ohio Resource Center/Eisenhower National Clearinghouse reviewed proposals and recommended release of all but \$83,398, and

WHEREAS, two of the recipients of Shared Back Office Services grants have indicated additional need for capital funding and have submitted proposals for the use of additional funds to augment their already existing awards.

NOW, THEREFORE,

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Resource Committee, the amount of \$41,699 be allocated to the Northeastern Ohio Universities College of Medicine to augment an existing "Ohio Banner Schools Higher Education Information Data Reporting Collaborative" Technology Initiatives Program award and the amount of \$41,699 be allocated to The Ohio State University to augment their existing "Distributed Disaster Recovery for Ohio Higher Education Institutions" Technology Initiatives Program award.

RESOLUTION 2004-90
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, 2011.

Tiffin University
Tiffin, Ohio
Institutional Reauthorization

RESOLUTION 2004-91
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 institution be granted Authorization to deliver programming to sites in Columbus. Yearly Progress Reports must be submitted to the Ohio Board of Regents prior to December 31, 2004, 2005, and 2006.

Tiffin University - Tiffin, Ohio

Columbus Sites Authorization

Columbus State Community College:
Bachelor of Arts in Human Services
Bachelor of Criminal Justice in Justice Administration

Dublin Police Department:
Master of Criminal Justice

State of Ohio Department of Youth Services:
Bachelor of Criminal Justice in Justice Administration

RESOLUTION 2004-92
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 program be granted provisional authorization through December 31, 2007, with yearly progress reports due by December 31, 2004, 2005, and 2006. A follow up review will be conducted prior to December 31, 2007 to determine full authorization.

Hiram College
Hiram, Ohio
Provisional Authorization
Master of Arts in Interdisciplinary Studies Degree Program

RESOLUTION 2004-93
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 approved through December 31, 2013. Progress reports will be submitted to the Ohio Board of Regents by December 31 2004, 2005, and 2006.

DeVry University, Oakbrook Terrace, Illinois
Associate of Applied Science in Network Systems Administration
To be delivered at campuses in Cleveland and Columbus, Ohio

RESOLUTION 2004-94
Agenda Item 3.6

BE IT RESOLVED: upon the recommendation of the Chancellor and the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following off-campus degree program is approved, on a site and time specific basis, from Spring Term 2004 through Spring Term 2009:

Ohio University
Bachelor of Science in Industrial Technology, offered off-campus at Muskingum Area Technical College and Ohio University - Zanesville

RESOLUTION 2004-95
Agenda Item 3.7

BE IT RESOLVED: upon recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research and Technology Committee of the Ohio Board of Regents, that the *Co-located Campus Review Project Report* is approved.

Co-located Campuses Review Project Report:
A Review of Operations and Effectiveness of
Co-Located Technical Colleges and
University Regional Campuses

RESOLUTION 2004-96
Agenda Item 3.8

BE IT RESOLVED: upon recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research and Technology Committee of the Ohio Board of Regents that the Warren County Joint Vocational – Community College - University Pilot Partnership Plan is provisionally approved. The provisional status of the recommended approval will be removed upon staff receipt of a revised plan by July 6th incorporating information requested by Regents staff and after it is determined that the information is complete.

Warren County Joint Vocational – Community College
University Pilot Partnership Plan

RESOLUTION 2004-97
Agenda Item 3.9

WHEREAS, a Tuition Reciprocity Agreement between Clark State Community College, Edison Community College, Miami University Hamilton, Miami University Middletown, Rhodes State College, Sinclair Community College, Wright State University Main Campus, Wright State University Lake Campus, in Ohio; and Ball State University, Indiana University East, Ivy Tech State College Region 6 (Muncie/Community College of Indiana), Ivy Tech State College Region 9 (Richmond), Purdue University Statewide Technology in Muncie and Richmond, and Vincennes University at Community College of Indiana (Muncie), in Indiana be established;

WHEREAS, under the proposed Agreement any eligible resident of Adams, Blackford, Delaware, Fayette, Franklin, Henry, Jay, Randolph, Rush, Union, Wayne, and Wells counties of Indiana who enrolls and who satisfies all regular admission requirements (including those requirements of the specific course or program in which admission is sought) at Clark State Community College, Edison Community College, Miami University Hamilton, Miami University Middletown, Rhodes State College, Sinclair Community College, Wright State University Main Campus, and Wright State University Lake Campus in the courses or programs not specifically excluded from this Agreement at in-state tuition rates;

WHEREAS, any eligible resident of Butler, Darke, Mercer, Preble, Shelby, and Van Wert counties of Ohio who enrolls and who satisfies all regular admission requirements (including those requirements of the specific course or program in which admission is sought) at Ball State University, Indiana University East, Ivy Tech State College Region 6 (Muncie/Community College of Indiana), Ivy Tech State College Region 9 (Richmond), Purdue University Statewide Technology in Muncie and Richmond, and Vincennes University at

Community College of Indiana (Muncie) in the courses or programs not specifically excluded from this Agreement at in-state tuition rates;

NOW, THEREFORE,

BE IT RESOLVED: that the Tuition Reciprocity Agreement attached is approved, beginning July 1, 2004 and ending June 30, 2005, to coincide with Ohio's biennial budget time period.

RESOLUTION 2004-98
Agenda Item 3.10

WHEREAS Dr. Katy E. Marre, Associate Vice President for Graduate Studies and Research, at the University of Dayton, has served continuously and with distinction as a member of the Regents' Advisory Committee on Graduate Study (RACGS) from July 1, 1983 through May 28, 2004, and as RACGS Chair during AY 2002-03; and

WHEREAS Dr. Katy E. Marre has consistently shown how access to quality graduate education can make a significant difference in the lives of individual Ohio citizens and simultaneously connect the best work of Ohio's universities with the State's critical needs; and

WHEREAS Dr. Katy E. Marre has done an exemplary job of assisting the Board of Regents and the Ohio graduate deans develop new graduate degree programs that maintain the highest standards of academic excellence; and

NOW, THEREFORE,

BE IT RESOLVED that members of the Ohio Board of Regents, the Chancellor, and the Regents' staff hereby express their sincere appreciation to Dr. Katy E. Marre for her many extraordinary contributions to higher education in the State of Ohio.

RESOLUTION 2004-99
Agenda Item 3.11

WHEREAS, Section 3333.071 of the Ohio Revised Code prohibits an expenditure for land by public institutions of higher education without the approval of the Ohio Board of Regents; and

WHEREAS, the 125th Ohio General Assembly enacted S.B. 189 which includes a specific capital reappropriation of \$936,000 to Columbus State Community College (CSCC) for Land Acquisition; and

WHEREAS, pursuant to the conclusions of a study completed in 2002 by The Strategy Team, the CSCC Board of Trustees asked the college's administration to pursue a business plan for the development of a second

campus in Delaware County, which includes the acquisition of land, to meet the growing demand for CSCC programs in its statutorily-mandated four-county service district and to increase access for students in the CSCC service area; and

WHEREAS, CSCC signed a purchase agreement for a 108.662 acre parcel of land in Delaware County, which will provide for a future second campus as directed by the CSCC Board of Trustees; and

WHEREAS, contingencies in the purchase agreement include the need for CSSS to seek approval for the purchase from the CSCC Board of Trustees, the Ohio Board of Regents, the Liberty Township Zoning Board, and the State Controlling Board; and

WHEREAS, THE CSCC Board of Trustees approved a resolution authorizing the acquisition of land in Delaware County at its meeting on June 7, 2004; and

WHEREAS, CSCC will use the state capital appropriation and local college funds for the land acquisition at the value negotiated in the purchase agreement; and

WHEREAS, CSCC plans to seek partial reimbursement of the local college funds from a future state capital 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 proposed land purchase by Columbus State Community College for a 108.662 acre parcel of land in Delaware County, be approved.

RESOLUTION 2004-100
Agenda Item 3.12

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 April 1, 2004 through May 31, 2004, shown on the sheets attached hereto, are hereby approved and recommended for approval by the Controlling Board.

CHANCELLOR'S REMARKS TO THE BOARD

INTRODUCTION

Thank you, Chairman Noe.

40th ANNIVERSARY

Thanks to the largesse of our individual Regents, last night 80 invited guests celebrated the Ohio Board of Regents' 40 years of impact on higher education in the magnificent setting of Longaberger Alumni House on the Ohio State campus, made available to us through the generosity of President Karen Holbrook.

We were fortunate to have several former Regents, former Chancellors and former Vice Chancellors on hand to help celebrate and receive the tributes due them.

Governor Bob Taft honored the contributions of the current and former regents and their staff with gracious and insightful remarks about the past, present and future of OBR.

Also on hand to help us celebrate were public and independent college and university presidents, members of their association staff and the president of the Ohio Business Roundtable.

The nostalgia was helped along with a "Regents Museum" of memorabilia and charts highlighting the advance of education in Ohio, assisted through the efforts of the 4 decades of Regents' efforts. As "past is prologue," the importance of higher education in Ohio to our state's future was put into proper perspective at last night's very special event. Thanks to Vice Chancellor Kris Frost, Patty Klein, Melissa Yahle, Maureen Nedved, Jamie Abel and Bret Crow – and, of course, you, the Regents – for all your efforts to make the 40th Anniversary Dinner such a special event! As Larry Christman, President of the AICUO noted: "This was an event that you didn't have to have but it was very good that you did it."

THIRD FRONTIER PROJECT

Three legislative actions this year point out that Ohio's Third Frontier Project is very much alive and well.

The Jobs Bill, Tobacco Bill and Capital Re-appropriations Bill each contained funding for the Third Frontier – including anticipated funding as well as additional funding above and beyond the \$1.1 billion base funds for the initiative.

Governor Taft signed into law the Jobs Bill on June 9. The bill provides \$10 million in operating funds that will be available through competitive awards to existing Wright Centers of Innovation in Data Management, Fuel Cells and Power and Propulsion and other smaller technology innovation projects. These Wright Centers have been provided funding with state capital dollars and university private investments.

The Governor signed into law the Tobacco Bill on May 28. The bill includes more than \$47 million for this installment of funding to the Biomedical

Research and Technology Transfer Trust Fund. As you know, money for trust fund projects is awarded through a competitive grant process administered by the Third Frontier Commission.

The Governor signed into law the Capital Re-appropriations Bill on March 30. Given the delay in the biennial capital bill, the re-appropriations bill included a new capital appropriation of \$50 million in the Higher Education Improvement Fund for additional Third Frontier Project funding continuing to meet the Governor's ten year \$500 million commitment of capital funding.

I applaud both the Governor and the General Assembly for continuing to demonstrate their commitment to building a brighter future for Ohio through the Third Frontier Project – especially at this time in which the Governor has been forced to make cuts in the current biennium's operating budget.

TRANSITION REPORT

The Ohio Board of Regents released our second annual report on "Making the Transition from High School to College in Ohio" the last week in May.

Two pieces of inter-related information stand out in the report:

1) 39 percent of the recent graduates of Ohio's high schools who attended public colleges in the fall of 2001 enrolled in at least one remedial course in their first year of college. This 39 percent is a slight increase from the 38 percent remediation rate from last year's freshmen and is particularly notable given the State Board of Education's recent decision to set the 10th grade Ohio Graduation Test passing scores in Math and English at 41 and 42 percent, respectively.

2) In the face of these stunningly low cut cores for graduating from Ohio's high schools, the report highlights the benefits of students seeking to achieve at higher levels. The report points out that students taking a minimum core curriculum of four years of English and three years each of math, science and social studies stand a significantly better chance of succeeding in college than students who do not take these courses. Students who go further, and take four years each of English, math and social studies, and three years of science do even better.

The advantage of taking a rigorous high school curriculum is not new and the evidence is undisputable.

But as my colleague Garry Walters pointed out, the bigger question to answer is why some students take harder classes in high school – and why some don't – so that we can move to change it. As he noted, without knowing why, there is little we can do to improve the likelihood of college success by Ohio kids.

Darrell Glenn, our Director of Performance Reporting, will be investigating this question.

MY TRAVELS

Two conferences I attended last month in a self-funded trip I made to Oxford – that’s England, not Ohio – showed that similar issues confront higher education systems around the world.

An afternoon conference at Wolfson College, the graduate school of Oxford University, focused on performance-based funding. It was interesting that the rest of the world would describe Ohio’s base funding formula – the State Share of Instruction – to be somewhat performance-based, given its enrollment basis.

That conference was a prelude to a two-day Multilateral Higher Education Policy Forum hosted by the Higher Education Funding Council for England that attracted national and institutional higher education representatives from Australia, Canada, Ireland, New Zealand, Scotland, England and the United States. I was one of four members of the U.S. delegation invited to participate in this conference. We discussed:

- a) the changing face of higher education investors;
- b) how to close the equality gap;
- c) the impact of higher education on regional development; and
- d) the need to recognize differences and build on strengths in a competitive higher education sector

The British and Irish contingents expressed their need to focus on increasing funding for research and participation in higher education. They see the crucial need to develop science and technical education and research in their nations, in order to catch-up with the United States. Yet my fear is that with the declining focus on science and math education and achievement, this could be an Aesop tale of the US hare *vs.* non-US tortoise.

The most thought-provoking presentation was on "Securing a Sustainable Future for Higher Education" – a project of the Organization for Economic Cooperation and Development (OECD) of which the United States is a member. The project’s questions parallel those tackled by the Governor’s Commission on Higher Education and the Economy:

- a) How can governments achieve their education, social and economic goals through higher education institutions?
- b) How can institutions protect their long-term academic and financial viability?
- c) How can both objectives be achieved in a sustainable way – not one at the expense of the other.

The project has noted that a higher education institution can be sustainable only if it is recovering full economic costs, managing its activity and financing portfolio, and investing for the future in line with a strategic plan. Maintaining quality and academic vitality is presumed. Specifically, to be sustainable a higher education institution must:

- a) have a strategic plan to guide investment and decisions;
- b) know the full economic costs of activities, manage its portfolio of activity and manage its projects and activity to recover full costs;
- c) generally avoid accepting funding or prices below the costs of the activity to the institution;
- d) invest enough to maintain productive capacity; and
- e) have the uncommitted cash and freedom to act in a timely and flexible manner.

This question of sustainability is an important one, given the state's reimposition of fee caps at a time of declining state support for each student. For those who challenge colleges and universities to run more like a business this sustainability question invokes the old business maxim: "You can't lose money on every transaction and make it up in the volume."

Complicating the sustainability question is the fundamental shift in the relationship between the state and higher education. Sir Howard Newby, chief executive of the Higher Education Funding Council for England, described the changing relationship this way:

- a) "It was once the role of Governments to provide for the purpose of universities; it is now the role of universities to provide for the purpose of Governments."

The question of sustainability of higher education's future is a key one. OECD's and the conference participants' shared concerns about sustainable quality higher education are notable. We must give serious thought and effort to ensure the sustainability of Ohio's colleges and universities because they form the foundation of our state's economic future.

WELCOME

Welcome to Mark Huddleston, the new president at Ohio Wesleyan University. Dr. Huddleston comes to Ohio Wesleyan from his post as dean of the College of Arts and Sciences at the University of Delaware. He succeeds Thomas Courtice who announced in January that he would leave at the end of July after 10 years as president. Dr. Huddleston starts August 1st.

Welcome to Carlos Bing, Financial Aid Specialist in OBR's State Grants and Scholarships division. Carlos joined OBR on April 12. His primary responsibility is to administer the Nurse Education Assistance Loan Program and the Physician Loan Payment Program while assisting HEI staff with program conversion activities.

KUDOS

Kudos to Regent Ed Adams who was honored by the Notre Dame Club of Greater Cincinnati on May 19, receiving the club’s 2004 Award of the Year. As the club’s highest honor, the award recognizes a local graduate of the University of Notre Dame who has made extraordinary contributions to the community and Notre Dame and especially through the local club. Ed’s involvement with the club goes all the way back to the 1960s and he served as president in 1999.

Finally, I was honored to be invited back to the site of our March meeting, Shawnee State University, to deliver the commencement address and receive an honorary doctor of humane letters degree.

In my address, I noted that this year’s graduating class has among their number the first members of a new generation, dubbed “The Millennial Generation” by authors Neil Howe and William Strauss.

Howe and Strauss look positively on this new, post-Generation X generation as the inheritors of the mantle of what Tom Brokaw has described as “The Greatest Generation,” whose World War II members we honored at the start of last week on the 60th anniversary of D-Day and with the funeral of another member of that generation, President Ronald Reagan.

CONCLUSION

Chairman Noe, that concludes my report for this month.

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, July 15, 2004, at Cleveland State University, Cleveland, Ohio @ 1:30 p.m.

Chair

Secretary

Date

Date