

**Performance Committee
Ohio Board of Regents
Minutes of the Meeting of May 18, 2000**

The meeting of the Performance Committee of the Ohio Board of Regents was held at Kent State University's Trumbull County branch campus in Warren, Ohio. In attendance were the following:

Ohio Board of Regents members:

Edmund Adams, Committee Chair
Jeanette Grasselli Brown
Gerald Miller

Ohio Board of Regents staff:

Roderick G.W. Chu, Chancellor
Matthew Filipic, Senior Vice Chancellor
Earl Mackey, Vice Chancellor for External Relations
Richard Petrick, Vice Chancellor for Finance
Kristina Frost, Director of Operations
Deborah Gavlik, Director of Budgets & Resource Planning
Neal McNally, Administrator for Financial Analysis
Robert Sheehan, HEI Project Director

Guests:

Sally Perz, University of Toledo
Jessica Poprocki, Association of Independent Colleges & Universities of Ohio

The meeting was called to order by Regent Adams. The minutes of the March 23rd meeting were approved without objection.

Graduate Funding Commission update

Senior Vice Chancellor Filipic briefed the Committee on the work of the Graduate Funding Commission, which reconvened to address several issues, including the budgetary distinction for Masters and Professional-level vs. doctoral level students, as opposed to the academic distinction of these students. Senior Vice Chancellor Filipic stated that when the Commission previously convened two years earlier, the focus had been on quality and, consequently, funding for doctoral-level programs was at least partially uncoupled from enrollments. Senior Vice Chancellor Filipic stated the Commission, in developing this new approach to doctoral funding, had also partially addressed the "Toledo problem" two years ago. With respect to doctoral students, we are no longer subject to the criticism that had arisen from a Toledo *Blade* report that the University of Toledo was attempting to maximize subsidy earnings by providing fee waivers to foreign graduate students. The Graduate Funding Commission is now looking at the funding of master's level programs. The Commission is now focused on identifying the benefits of graduate education and the need to place highly-trained workers in the Ohio economy. According to Senior Vice Chancellor Filipic, the Commission's overall goal is to replace perverse incentives with positive incentives. Therefore, the Commission has been presented with a recommendation to divide Masters-level programs into two groups: (1) programs with a national or international draw that are not expected to aggregately grow in enrollments; and (2) locally-oriented programs intended to grow to meet the needs of the Ohio Economy. The funding for the latter of these two groups would be biased toward Ohio residents and would focus

on placing graduates in the Ohio workforce. Noting that many campuses have provided thoughtful insights, Senior Vice Chancellor Filipic said that the Commission's underlying goal is to try to solve a problem without dictating solutions. Regent Adams asked if the Commission had discussed the law school issue. Senior Vice Chancellor Filipic responded that there is in fact interest from OSU and perhaps other campuses to identify performance measures for law schools. Senior Vice Chancellor Filipic noted that as law schools work to decrease their enrollments, the costs per FTE will correspondingly increase. Senior Vice Chancellor Filipic said that one way to deal with the law school issue would be to create a separate subsidy model for law in which only Ohio residents would be funded on an enrollment basis, thereby making funds available to reward law schools on the basis of bar exam passage rates. Regent Adams cautioned that this option might represent a disincentive to enroll out-of-state students, which could adversely affect the quality of Ohio's law schools. Senior Vice Chancellor Filipic said that it would not be desirable for campuses to adjust their budgets simply by increasing their FTEs and, thus, state subsidy. Regent Brown stated that she is intuitively uncomfortable by the notion of creating two segments of in-state and out-of-state students. Regent Brown said that in order to address the "brain-drain" problem, there need to be incentives for graduates to remain in the state and to join the Ohio workforce. Chancellor Chu stated that OBR is working with the Ohio Department of Education to more effectively connect higher education with business and industry. Regent Brown expressed concern that legislators do not fully understand the value of and need for college-educated workers and out-of-state students. Senior Vice Chancellor Filipic said that this case can be made to the legislature but that the status quo cannot be defended.

Update on projects

Senior Vice Chancellor Filipic informed the Committee that Howard Gauthier had been contracted to update the market penetration report that he had done while an OBR employee. Senior Vice Chancellor Filipic stated that this report represents a very useful analysis and should be completed by June or July 2000. Noting that Case Western Reserve University has displayed a great interest in the link between higher education and the Ohio economy, Senior Vice Chancellor Filipic informed the Committee that CWRU has been contracted by OBR to analyze migration of recent science and engineering graduates at the state and metropolitan levels. Regent Brown asked if this analysis would use updated census data. Senior Vice Chancellor Filipic responded that the migration analysis does not require census data, but instead employs a special NSF data base. Senior Vice Chancellor Filipic also briefed the committee on the signed contract between OBR and the Ohio Bureau of Employment Services to permit an analysis of enrollments and Ohio employment data, which will show which academic programs are truly placing workers in the state's economy – a useful performance indicator not centrally available now. Dr. Rob Sheehan stated that this analysis will also allow "stopouts" to be identified. Senior Vice Chancellor Filipic noted that whereas the term *dropout* has a negative connotation, stopouts are different in that they stop taking courses after they have accomplished their goal which doesn't necessarily include obtaining a degree. Dr. Sheehan informed the Committee of a pending agreement between OBR and the AICUO to facilitate voluntary participation of independent colleges and universities in HEI, beginning with a practice period in the fall of 2000. Vice Chancellor Petrick noted that the HEI system was recognized by the NCES as setting new standards for higher education data analysis. At Regent Brown's request, Senior Vice Chancellor Filipic described how the HEI system has improved the subsidy calculation process, most notably through all-terms enrollment-counting. Senior Vice Chancellor Filipic outlined the efforts of Ohio State University, Ohio

University, and Wright State University in preparing a report on campus efforts to measure academic performance in terms of the student experience.

Status report on annual performance report

Dr. Sheehan updated the Committee on the higher education performance report requested by Governor Taft. Stating that much progress has been made, Dr. Sheehan said that the performance report subcommittee has established a conceptual model with two levels – a state level and a mission level – and will measure several factors such as graduation rates, time to degree completion, employment outcomes, average class size, and percent of courses taught by full- and part-time faculty. Regent Adams requested the minutes or notes from the performance report subcommittee's last meeting. Responding to Regent Brown's question of whether a rating scale had been established, Dr. Sheehan said that the subcommittee is currently reviewing this issue and looking at parallel efforts employed by the federal government. Regent Miller asked if Ohio's private colleges and universities would participate in the performance report. Jessica Poprocki said that private colleges and universities are interested in participating but will provide only aggregate sector-wide data.

Report on meeting of Cleveland Panel and update on FERPA issue

Vice Chancellor Petrick told the Committee that he had met with a panel in Cleveland to seek clarification on the Federal Education Right to Privacy Act as it relates to HEI data. Vice Chancellor Petrick explained that it is unclear how and to what degree HEI data may be shared and that violating FERPA could cost a campus its federal support. Senior Vice Chancellor Filipic said that the HEI system can provide answers to many of the questions being asked by campuses but that doing so often requires the use of Social Security Numbers, which brings into question issues of privacy rights that are in need of clarification.

Vision/Mission/Goals review and discussion

Senior Vice Chancellor Filipic outlined what he sees as the five most significant items on the Board's Vision, Mission, and Goals agenda. First, Senior Vice Chancellor Filipic noted the importance of monitoring national efforts in higher education improvement such as Zemsky's study of alumni reports at the University of Pennsylvania and the survey of student engagement. Second, Senior Vice Chancellor Filipic cited the use of longitudinal HEI data to measure year to year retention rates by category (i.e., race, gender, program, etc.). The third item identified by Senior Vice Chancellor Filipic is the governor's performance report. Senior Vice Chancellor Filipic stated that the fourth item – Ohio's role in the new economy – represents perhaps the best argument for investing in higher education. The fifth item identified by Senior Vice Chancellor Filipic is the continued effort to find ways of factoring performance measures into funding mechanisms for higher education. Regent Adams asked about the expectations of 4th, 8th, and 12th graders per previous discussions with the state superintendent of public instruction, Susan T. Zelman. Senior Vice Chancellor Filipic stated that he would ask Vice Chancellor Walters to provide a subsequent update on that issue.

The meeting was adjourned.