

Minutes
OHIO BOARD OF REGENTS
Columbus, Ohio
May 24, 2001

CALL TO ORDER AND ROLL CALL

The meeting was called to order by the Chair, Jeanette Grasselli Brown.

The roll was called by the Secretary, Gerald H. Gordon. Those present were:

Edmund J. Adams
Jeanette G. Brown
Gerald H. Gordon

Gerald M. Miller
Thomas W. Noe

Regent Gordon stated "the record should show that notice of this meeting has been given in accordance with provisions of the Board of Regents' Rule 3333-1-14, which rule itself was adopted in accordance with Section 121.22(F) of the Ohio Revised Code and of the State Administrative Procedures Act."

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.

APPROVAL OF MINUTES OF APRIL 19, 2001

A motion was made by Regent Gordon to approve the Minutes of the April 19, 2001, meeting of the Board. Regent Noe seconded the motion and it was unanimously passed.

COMMITTEE REPORTS AND SUMMARY OF DELIBERATIONS

The Board committees did not meet. Staff members reported on the status of agenda items.

Communications Committee - Vice Chancellor Mackey: A status update will be provided on the Success Express at the next committee meeting. There are no action items on the agenda for the Communications Committee.

Resources Committee - Vice Chancellor Petrick: There are four action items on the May agenda. Items 3.13 and 3.14 are for standard release and distribution of appropriations, and item 3.16 is the standard Controlling Board request. In addition, agenda item 3.15 is a clarification requested by the state bond counsel that permits colleges and universities which receive Board approval for the pledge of student fees to advance refund those notes under certain conditions

mutually agreed upon as appropriate for them. They would notify us in advance of those advance refunds.

Initiatives Committee – Vice Chancellor Walters: There are twelve agenda items on the Initiatives Committee’s agenda for action today. Eleven of these items were discussed in the committee meeting last month. They are: Reauthorization for Baldwin-Wallace College; Reauthorization for the Cincinnati College of Mortuary Science; Reauthorization for the Circleville Bible College; and several new degrees. Finally, the item that was added to the agenda is “Fiscal Agent for the Ohio Eminent Scholars Program.” This is something routinely done because the Eminent Scholars process tends to finish after the state deadlines for fiscal transfers and a fiscal agent is needed to carry those monies forward.

Performance Committee – Associate Vice Chancellor Sheehan: The Performance Committee has no action items on today’s agenda.

Evaluation Committee – Regent Noe: The action item on today’s agenda is for a resignation.

Consent Agenda – A motion was made by Regent Adams to approve agenda items 3.1 through 3.17. Regent Noe seconded the motion and it was unanimously passed.

- 3.1 Baldwin-Wallace College, Institutional Reauthorization
- 3.2 Cincinnati College of Mortuary Science, Institutional Reauthorization
- 3.3 Circleville Bible College, Bachelor of Arts Degree Completion Program Reauthorization
- 3.4 Ashland University, Doctor of Education in Leadership Studies
- 3.5 Lakeland Community College, Associate of Applied Science in American Sign Language Studies
- 3.6 North Central State College, Associate of Applied Science in Electric Utility Technology
- 3.7 North Central State College, Associate of Applied Science in Automotive Technology
- 3.8 Southern State Community College, Associate of Applied Science in Law Enforcement Technology
- 3.9 Bowling Green State University, Master of Music in Ethnomusicology
- 3.10 Bowling Green State University, Master of Science in Criminal Justice
- 3.11 University of Dayton, Educational Specialist in School Psychology
- 3.12 Fiscal Agent for Ohio Eminent Scholars Program
- 3.13 Release and distribution of FY 2001 Police and Fire appropriations
- 3.14 Release and distribution of FY 2001 Student Service appropriations
- 3.15 Clarification of the issue of refinancing outstanding bonds secured by a pledge of student fees
- 3.16 Requests to the Controlling Board for the period April 1, 2001 through April 30, 2001
- 3.17 Personnel Actions

RESOLUTION 2001-113
Agenda Item 3.1

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Initiatives Committee of the Ohio Board of Regents that the following institution be reauthorized through December 31, 2009.

Baldwin-Wallace College

RESOLUTION 2001-114
Agenda Item 3.2

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Initiatives Committee of the Ohio Board of Regents that the following institution be reauthorized through December 31, 2011.

Cincinnati College of Mortuary Science

RESOLUTION 2001-115
Agenda Item 3.3

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Initiatives Committee of the Ohio Board of Regents that the following program be authorized through June 30, 2007.

Circleville Bible College
Bachelor of Arts Adult Degree Completion Program

RESOLUTION 2001-116
Agenda Item 3.4

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Initiatives Committee of the Ohio Board of Regents that the following degree program be fully authorized through December 31, 2008, with a progress report to be submitted to the Ohio Board of Regents by December 31, 2003.

Ashland University

RESOLUTION 2001-117
Agenda Item 3.5

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Initiatives Committee of the Ohio Board of Regents that the following new degree program is approved:

Lakeland Community College
Associate of Applied Science degree in
Applied American Sign Language Studies

RESOLUTION 2001-118
Agenda Item 3.6

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Initiatives Committee of the Ohio Board of Regents that the following new degree program is approved:

North Central State College
Associate of Applied Science degree in Electric Utility Technology

RESOLUTION 2001-119
Agenda Item 3.7

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Initiatives Committee of the Ohio Board of Regents that the following new degree program is approved:

North Central State College
Associate of Applied Science degree in Automotive Technology

RESOLUTION 2001-120
Agenda Item 3.8

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Initiatives Committee of the Ohio Board of Regents that the following new degree program is approved:

Southern State Community College
Associate of Applied Science degree in Law Enforcement

RESOLUTION 2001-121
Agenda Item 3.9

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Regents' Advisory Committee on Graduate Study as well as the Initiatives Committee of the Ohio Board of Regents that the following new degree program is approved:

Bowling Green State University
Master of Music in Ethnomusicology

AGENDA ITEM 2001-122
Agenda Item 3.10

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Regents' Advisory Committee on Graduate Study as well as the Initiatives Committee of the Ohio Board of Regents that the following new degree program is approved:

Bowling Green State University
Master of Science in Criminal Justice

RESOLUTION 2001-123
Agenda Item 3.11

WHEREAS, the institution has made application for an amended certificate of authorization for a new graduate degree program in conformance with the procedural requirements established by the Ohio Board of Regents;

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Regents' Advisory Committee on Graduate Study as well as the Initiatives Committee of the Ohio Board of Regents that the following new degree program is approved:

University of Dayton
Educational Specialist in School Psychology

RESOLUTION 2001-124
Agenda Item 3.12

WHEREAS, the funding stream and the selection process for the Eminent Scholar program is concluded at the end of a biennium; and

WHEREAS, the Ohio Board of Regents' award of Eminent Scholar funding to universities has been traditionally taken after the closure date for fiscal transfers; and

WHEREAS, the selection process has been extended as a result of scheduling conflicts with the panel of reviewers; and

WHEREAS, the use of a fiscal agent is the most efficient and effective mechanism to facilitate an orderly award process;

NOW, THEREFORE,

BE IT RESOLVED: that the amount of \$5.2 million is hereby transferred to Sinclair Community College as the named fiscal agent for this program. Sinclair shall hold these funds as a fiscal agent and shall release the funds upon notification from the Ohio Board of Regents of the awardees in July 2001.

RESOLUTION 2001-125
Agenda Item 3.13

WHEREAS, the Ohio Board of Regents is mandated by the Ohio General Assembly to administer the distribution of various line item appropriations included in Am. Sub. H.B. 282 of the 123rd General Assembly.

WHEREAS, certain of these funds are provided for a specific purpose and others are to be distributed at the discretion of the Board; and

WHEREAS, the \$244,996 appropriation for Police and Fire Protection was created to assist local governments in the provision of police and fire protection for the central campuses of the state-affiliated universities located in the municipalities of Kent, Athens, Oxford, Fairborn, Bowling Green, Portsmouth, Xenia Township, and Rootstown Township; and

WHEREAS, this appropriation is distributed to each state-affiliated university located in the above mentioned municipalities through a formula that recognizes the overburden that full-time equivalent students have on local governments in providing police and fire protection; and

WHEREAS, each of the state-affiliated universities receiving these funds shall receive no less than \$5,000 of the Police and Fire Protection appropriation;

NOW, THEREFORE,

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Resources Committee of the Ohio Board of Regents, that the FY 2001 appropriation for Police and Fire Protection be approved for distribution.

RESOLUTION 2001-126
Agenda Item 3.14

WHEREAS, the Ohio Board of Regents is mandated by the Ohio General Assembly to administer the distribution of various line item appropriations included in Am. Sub. H.B. 282 of the 123rd General Assembly; and

WHEREAS, certain of these funds are provided for a specific purpose and others are to be distributed at the discretion of the Board; and

WHEREAS, the \$1,033,059 Student Support Service appropriation was created to support campus efforts to serve students who are differently-abled as defined by the Americans with Disabilities Act; and

WHEREAS, the Student Support Services appropriations are distributed in accordance to a formula that recognizes the disproportionate operating costs that campuses experience when providing educational and administrative services to students who are differently-abled.

NOW, THEREFORE,

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Resources Committee of the Ohio Board of Regents, that the FY 2001 appropriations for Student Support Services be approved for distribution.

RESOLUTION 2001-127
Agenda Item 3.15

WHEREAS, Section 7.06 of Am. Sub. H.B. 282 of the 123rd General Assembly provides that Board of Regents approval is required for the pledge of fees by a state-assisted institution of higher education to be effective to secure bonds or notes of the institution for a project for which bonds or notes were not previously outstanding, unless approved in a previous biennium; and

WHEREAS, the same provision has been included in the main appropriations acts for many prior bienniums and is included in the appropriations bill for the FY 2002-2003 biennium (H.B. 94 of the 124th General Assembly); and

WHEREAS, given prior Regents' approval of a fee pledge to secure bonds for a project, it is permissible under that provision for the institution to refinance those bonds by the issuance of refunding bonds without additional Regents' approval; and

WHEREAS, approving resolutions adopted by the Regents often contain references to a "not to exceed" principal amount of bonds initially to be issued; and

WHEREAS, most refinancings involve an "advance refunding" because the bonds to be refinanced, by their terms, are not prepayable immediately or in the near term, and in most cases are not callable for 10 or more years after issuance, and thus the structure of an advance refunding often requires the issuance of a larger principal amount of refunding bonds than the then outstanding principal amount of bonds that are to be refinanced; and

WHEREAS, even if the principal amount of the refunding bonds exceeds the principal amount of the outstanding bonds being refunded, the institution

will usually realize annual and total debt service savings because of the lower interest rates on the refunding bonds; and

WHEREAS, institutions require certainty on this subject in order to react in a timely fashion to rapidly changing bond market conditions to accomplish a desirable refinancing, which requires commitments between the institution and investment banking firms to be made within a very brief period of time;

NOW, THEREFORE,

BE IT RESOLVED, upon the recommendation of the Chancellor and with the concurrence of the Resources Committee of the Board of Regents, that the Board confirms that a state-assisted institution of higher education may without any additional Board approval pledge fees to secure refunding bonds or notes issued by the institution to refund outstanding bonds or notes secured by a pledge of fees previously approved by the Regents. In a case of a refinancing resulting in an aggregate amount of outstanding bonds (those previously issued and not being refunded and those to be issued for the refunding) being higher than the amount referred to in the prior Regents resolution, additional Board approval is not required so long as the following two conditions are met and certified by the institution's fiscal officer to the Regents in advance of the delivery of the refunding obligations:

- (1) the refunding results in net present value total debt service savings to the institution, and
- (2) the weighted average maturity of the refunding obligations does not exceed the then remaining weighted average useful life of the capital facilities originally financed.

RESOLUTION 2001-128
Agenda Item 3.16

BE IT RESOLVED: upon the recommendation of the Resources Committee of the Ohio Board of Regents, that the request for release of capital improvements funds received in the period April 1, 2001 through April 30, 2001, shown on the sheets attached hereto, are hereby approved and recommended for approval by the Controlling Board.

RESOLUTION 2001-129
Agenda Item 3.17

BE IT RESOLVED: upon the recommendation of the Chancellor that the following personnel action be approved:

RESIGNATION

EFFECTIVE DATE

Pamela Wine
Administrative Assistant
External Relations

4/20/01

CHANCELLOR'S REPORT

As you know, we had originally scheduled our meeting this month for Shawnee State University, but the critical status of the budget requires us to be close to our state's elected policy makers. I appreciate the understanding of President Jim Chapman and the Shawnee State Board of Trustees for this change, and we look forward to holding a future meeting at Shawnee State University.

An article and subsequent letter in the Cleveland Plain Dealer during the past week sums up the challenges that Ohio faces in our economy – and the opportunities the Regents and Ohio's higher education community have attempted to provide in this biennial operating budget. The Cleveland Plain Dealer last Thursday, May 17th, headlined on its front page 'Young adults fleeing region at fast pace, Census shows.' The article highlighted the brain drain that the greater Cleveland area has suffered in the past decade. The article reported that region lost people in their prime employment years at a rate more than twice the national average, according to the 2000 census.

Then a letter to the editor appeared this Monday from a Cleveland native and young professional named Matthew Booher, who now lives in Cincinnati. The letter really touched me. He wrote:

"The Plain Dealer article on why Cleveland is growing older really hit hard. For three years I've been trying to get back to Cleveland, but the good, high-paying jobs just aren't there."

Mr. Booher continues: "I've been a Web producer for FOXSports.com in New York City, a Web producer/editor in Columbus, and now an Internet product manager in Cincinnati. Every time I start my job search, I start it in Cleveland. It never ends in Cleveland. The best Cleveland typically offers is a job selling insurance or a spot on the line in a factory. ... The census isn't an anomaly. We're out here, and we want to come home. But until Cleveland begins to cultivate technology, such as Akron has in the past 10 years, Cleveland will once again become the old, gray lady by the lake."

Cleveland isn't unusual. Other areas, like Youngstown and Steubenville, have suffered the same fate. Yet successes of Columbus and parts of Cincinnati and Akron provide important lessons. Learning from those lessons, the Regents crafted a budget designed to strengthen Ohio's economy. Unfortunately, the budget bills passed by the House and Senate do virtually nothing to transform the economic destiny of our state – the future of Ohio will continue to look more like Cleveland than Columbus.

As you know, we have now made our case to the Governor, the House, and the Senate in every stage of this lengthy budget process. We deeply appreciate the opportunities that our state decision-makers have given us to testify. We have had long, frank, and honest dialogues about the need for Ohio

to increase its investments in higher education and in its people to secure Ohio's future economic prosperity. Despite these exchanges, we now confront a budget for the next two years that sets us back – it does not strengthen Ohio's economy.

As they finalize the budget in the conference process over the next several days, we must ask our state leaders, first, to restore Access Challenge appropriations to the level of funds provided in the House-passed version of the bill. The Senate reduced Access Challenge by \$7 million below the FY 2001 base. Since these funds were used to reduce student fees this year, their loss will be keenly felt. The cuts will result in extraordinary fee increases, or reductions in campus fund balances, or some combination of the two. Increased fees will especially depress student access and success at our access campuses; decreased fund balances will prevent access campuses from making quality improvements needed to ensure that our students are prepared to compete in the 21st century economy. Either action will move Ohio backward rather than forward economically.

Second, we ask that our leaders help kick-off The Ohio Plan with a one-time allocation from the state's Rainy Day Fund. We understand and appreciate the need to avoid making continuing commitments from the state's Rainy Day Fund. A \$40 million appropriation from the fund to start The Ohio Plan this year, though, would be a wise one-time investment that would help improve the state's economic future. Other states are far ahead of us in this race, and Ohio may fall irreparably behind if we fail to begin to transform our economy soon. Creating The Ohio Plan would establish a legacy for the state that Ohio and history would not forget.

Third, we seek additional resources to increase the State Share of Instruction. Changes in higher education's basic support, the State Share of Instruction, will be insufficient to pay for enrollment growth and cover essential inflationary cost pressures that all of our campuses will confront. This underfunding will have the same consequences as would the reductions to Access Challenge: reduced student participation and success, more pressure on campus reserves, and possible erosion of quality. None of these effects will help Ohio's economy to be more competitive today or tomorrow.

Finally, we need help to prevent the further diversion of scarce state resources from nonprofit to for-profit entities. The Senate appropriated \$2.4 million in public revenues to for-profit higher education entities in the next biennium, and opened the door for an even larger diversion of public funds by directing that any lapses in the Ohio Instructional Grant program be given to the for-profit entities. It is very difficult to imagine how this action can be justified at a time when resources available for public and nonprofit higher education activities are limited or even reduced. In addition, this action fails to take into consideration the fact that needy students enrolled in for-profit institutions are already eligible for generous amounts of student financial aid through the Ohio Instructional Grant program. In fact, the maximum grant provided to a needy student enrolled in a proprietary school - \$4,374 – is more than double the maximum grant available to a student enrolled in a public

college or university - \$2,070. We need our leaders' help in ensuring that these funds are preserved for need-based aid.

I would like to end my report on an upbeat note. I am pleased to report some very good news about our colleges and universities:

Congratulations to the Ohio Appalachian Center for Higher Education, also known as OACHE, for winning a prestigious national award last week. OACHE, which is based at Shawnee State University in Portsmouth, is the state winner of the annual Public Service Excellence Award sponsored by the Public Employees Roundtable in Washington, D.C. The Roundtable recognizes efforts across the country that highlight the quality of government workers and programs.

OACHE – a partnership of higher education institutions and K-12 schools in Ohio's 20 Appalachian counties – was recognized for increasing the educational attainment of the region's citizens.

An evaluator found that the college-going rate has increased in 77% of OACHE's projects, with an average increase of 16%. OACHE's Ohio model is being replicated in West Virginia and serves as the model for a new Appalachian Regional Commission.

Congratulations again to Executive Director Wayne White and his staff at the Ohio Appalachian Center for Higher Education!

Also in the Appalachian region:

Congratulations go to Ohio University's Southern Campus in Ironton, which along with the Collins Career Center of Lawrence County has established the "Telephony.Ed Training Center."

The center is open and accepting students for a course that will train skilled entry-level workers in the telecommunications installation field. Installers are needed by telecommunications giants such as Ameritech, AT&T, and Sprint.

As a result of this collaboration to meet the needs of a high-tech industry, the Telephony.Ed Training Center qualified for a \$146,000 grant from the Ohio Industrial Training Program administered by the Ohio Department of Development

Working together, OU-Southern Campus and the Collins Career Center will be able to provide the skilled training that local workers will need to compete for the high-tech jobs of the 21st century.

I commend these two fine institutions for their dedication to training a highly skilled workforce. Their partnership will serve the people of Lawrence County and the surrounding area well as they encourage new businesses to locate in South and Southeastern Ohio.

PRESENTATIONS

“Education Challenges of the Coming Decade”
Roderick Chu
Chancellor
Ohio Board of Regents

OTHER BUSINESS

There being no further business to come before the Board, the meeting was adjourned.

The next meeting of the Board of Regents will be held on Thursday, June 21, 2001, at The Ohio State University, Columbus, Ohio, at 1:30 p.m.

Chair

Secretary

Date

Date

