

**Resources Committee
Ohio Board of Regents
Minutes of the Meeting of May 22, 2003**

The meeting of the Resources Committee of the Ohio Board of Regents was held at the Regents' offices in Columbus, Ohio. In attendance were the following:

Ohio Board of Regents members:

Edmund Adams
Donna Alvarado
Bruce Beeghly
Jeanette Brown
Gerald Miller (Committee Chair)
Edwin Rigaud
Ralph Schey

Ohio Board of Regents staff:

Jamie Abel, Assistant Director, Media Relations
Roderick Chu, Chancellor
Bret Crow, Assistant Director, Communications
Jocelyn Frasier, Assistant Director, Ohio Innovation Alliance
Deborah Gavlik, Associate Vice Chancellor, Government Relations
Darrell Glenn, Director for Performance Reporting & Analysis
Jay Johnson, Assistant Director, HEI
Neal McNally, Assistant Director, Budget & Resource Planning
James Nargang, Assistant Director, Capital Development
Richard Petrick, Vice Chancellor for Finance
Tom Rudd, Director, Student Financial Access
Yavonne Stertzler, Analyst, Budget & Government Relations
Bill Wagner, Research Analyst

Guests:

Blake Andrea, Great Lakes Science Center
Jim Buck, Southern State Community College
John Buttelerwerth, Cincinnati State Technical & Community College
Larry Christman, Association of Independent Colleges & Universities of Ohio
Laurie Day, Ohio State University
Eric Harrell, Ohio Attorney General's office
John Hoopingarner, Muskingum Watershed Conservancy District
Jim Johnson, Sinclair Community College/Ohio Faculty Senate
Earl Keese, President, James Rhodes State College
Pat Myers, Kent State University
Bill Napier, Ohio State University
Ron Pratt, Muskingum Area Technical College
Alvin Rodack, Ohio State University
Terry Thomas, Ohio Association of Community Colleges
Jerry Wareham, Ideastream
Sanali Wilson, Cleveland State University
John Zoilo, Great Lakes Science Center

The meeting was called to order by Regent Miller and the minutes of the April 2003 Committee meeting were approved without objection.

Updates and reports

Vice Chancellor Rich Petrick told the Committee that the first capital consultation would convene on May 27th, to begin planning for the next capital cycle. He said that a comprehensive report on the capital process would be presented to the Board later in the year.

Items for review in May, action in June

Ron Pratt and John Hoopingarner briefed the Committee on the proposed joint-use agreement between Muskingum Area Technical College and the Muskingum Watershed Conservancy District for \$250,000. According to Mr. Hoopingarner, the agreement would allow the College to utilize the Conservancy's facilities for educational endeavors. He also stated that the agreement is supported by the local community and would lead to job creation in the local area.

Al Rodack briefed the Committee Ohio State University's forthcoming request for approval to pledge student fees in support of a \$597 million bond issuance. Mr. Rodack stated that a portion of the debt would be issued as commercial paper, which would allow OSU to borrow funds as needed in a short-term market, thereby saving OSU significant interest costs. Mr. Rodack stated that the university has saved an estimated \$5.5 million since OSU began the practice of issuing commercial paper. This debt issuance would be used to finance 35 capital projects on campus, including the construction of a new biomedical research tower, the Ross Heart Hospital, and the replacement of Larkins Hall. Vice Chancellor Petrick noted that issuing debt in this manner has been an effective way for OSU to manage its deferred maintenance problem.

May consent agenda items

John Zoilo and Blake Andreas briefed the Committee on the proposed joint-use agreement between Cleveland State University and the Great Lakes Science Center. Regent Brown noted that as the chair of the Science Center's education committee, she can attest to the Center's effectiveness in generating interest in science among students.

Sanali Wilson briefed the Committee on another joint-use agreement between Cleveland State University and Ideastream. Jerry Wareham told the Committee that Ideastream was created in 2001 as a public service multi-media network designed to converge the assets of smaller media outlets into a more widely available digital format. Regent Schey asked if Ideastream produces revenues. Mr. Wareham stated that Ideastream does in fact generate revenues, and Regent Brown noted the revenue-producing contracts Ideastream has with public schools for teacher training programs. Regent Brown stated that this proposal represents an ideal joint-use agreement.

Jim Buck briefed the Committee on a request from Southern State Community College to pledge student fees in support of a \$2,581,000 bond issuance to be used to finance the construction of a new student wellness center at the College's central campus in Hillsboro. Mr. Buck noted that this would be the first bond issuance for the College, and that the last capital bill included a \$1 million appropriation for the new facility. He stated that Southern State would raise tuition by \$2 per credit hour or 3% in the fall to help cover the operating costs and debt service obligation of the new facility. Mr. Buck also noted that Southern State's enrollments have grown by 58% over the past five years, while state support per student has declined by 19% during this period. Vice Chancellor Petrick told the Committee that Southern State's bonds would be insured, alleviating the need for a bond-rating agency to review the College's debt.

Vice Chancellor Petrick briefed the Committee on the release and distribution of remaining FY 2003 Primary Care and Family Practice appropriations. These funds are distributed on a formula basis that has been approved by the deans of Ohio's medical colleges. *[Editor's note: There was an error in the Primary Care allocation approved by the Board in May. The revised and corrected version of this distribution is attached to these notes.]* Mr. Petrick also noted the release and distribution of FY 2003 Student Support Services appropriations, which cover a portion of the disproportionate costs some campuses experience in the provision of services to disabled students. Finally, the Controlling Board items for April were noted. Mr. Petrick told the Committee that some members of the Controlling Board have expressed concern over requests from some campuses to transfer funds from previously-approved programs/purposes. He said that the Board traditionally has not taken a position on these transfers, in deference to the General Assembly's prerogative to make appropriations. Mr. Petrick said we will monitor these requests and report back as needed.

Regent Miller acknowledged Mr. Petrick and his staff for their work during the budget process. Regent Miller made a motion to approve all of the items on the May consent agenda. The motion was seconded and carried.

The meeting was adjourned.

Medical School	1st Allocation, August 2002	Remaining Allocation, June 2003	Total Allocation
Case Western Reserve	\$108,132	\$337,769	\$445,901
Univ. of Cincinnati	\$101,243	\$292,745	\$393,988
Medical College of Ohio	\$111,106	\$258,504	\$369,610
NEOUCOM	\$106,644	\$332,218	\$438,862
Ohio State University	\$125,547	\$267,834	\$393,381
Ohio University	\$122,042	\$350,367	\$472,409
Wright State University	\$132,657	\$313,021	\$445,678
TOTAL	\$807,371	\$2,152,458	\$2,959,829

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