

Minutes
OHIO BOARD OF REGENTS
March 18, 2009

I. Call to Order

Regent Chair Tuschman called the meeting to order at 8:30 a.m. and asked that the roll be read.

II. Roll Call

Regent Secretary Reiling called the roll. Those present were:

Donna M. Alvarado

Bruce R. Beeghly

Timothy M. Burke

Lana Z. Moresky

James F. Patterson

Walter A. Reiling, Jr.

James M. Tuschman

Regent Gary Cates arrived after the roll was called.

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

III. Approval of Minutes

A motion was made by Regent Burke and seconded by Regent Moresky to approve the minutes of the February 18, 2009 Board meeting. All Regents voted in favor of the motion.

IV. Organization Remarks

Chairman Tuschman stated that he and Regents Moresky, Patterson and Reiling met with the legislative leadership to highlight the Condition Report. They met with Tom Neihaus, President Pro Tempore of the Senate and Brian Williams, Chair of the House Education Committee. Copies of the Condition Report were also given to Representative Ted Celeste, Senator Tom Sawyer, Governor's Counsel and Special Assistant Jan Allen, and Speaker Armond Budish. Next year the Regents would like to meet with the Governor, President of the Senate, Speaker of the House and other available legislative leaders to stress the importance of the Condition Report and the information it contains. He expressed his appreciation to Charles See, for scheduling the meetings into the busy schedules of the legislators.

V. Trustee Engagement Update

Chairman Tuschman read a letter he received from G. Gilbert Cloyd, Chair of the Ohio State University Board of Trustees inviting the Regents to meet for a half day retreat to discuss trustee engagement matters. The Regents approved the idea and asked the Chancellor's staff to arrange the meeting with the OSU trustees and the academic affairs committee. Several trustees from other institutions also asked the Regents to meet with their boards. The Regents will arrange for the Regent Board meetings to be held at various campuses throughout the year and will schedule a meeting with the trustees the evening prior to the Board meeting. The Regents will continue to use multiple means to interact with trustees such as trustee conferences and trustee engagement meetings. Discussion was held regarding engaging trustees as a unit on their campuses and the need to continue to invite individual trustees to the trustee engagement forums.

Regent Cates joined the board meeting. Chair Tuschman welcomed him and thanked him for his involvement. He said it was important to have input from the Senate in the group.

Chancellor Fingerhut said he was open to making changes to the trustee videoconferences as they continue to encourage trustee involvement. The University System of Ohio (USO) is less than two years old and the response to it has been very positive. The trustee engagement sessions are another level of communication with the trustees as the Regents serve as ambassadors on behalf of the USO. The trustees need to be encouraged to access the Chancellor's strategic plan and the condition reports to find out what is happening in higher education. A letter will be sent to the presidents and board chairs asking that the trustees have the Strategic Plan, Condition Reports, and the Executive Summary of the Governor's Report in their libraries. The material will also be placed on the USO website.

The Regents said it was important to have school trustee involvement to move the State forward and to help the economy. Trustees need to be acting trustees and not reacting trustees. Regent Cates said that he would be willing to help find ways for the Regents and the trustees to meet with members of the General Assembly.

Regent Alvarado will lead the trustee engagement effort and will develop specific proposals for the Regents consideration. She would like to take up the trustees' offers to meet at their institutions in addition to scheduling more regional trustee engagement meetings. She suggested creating a web based hosting site where trustees could interact and discuss best practices and ideas.

Discussion was held regarding trustees of two-year institutions and their concerns about losing fiduciary control of their institutions. It was suggested that a forum be held to clarify the issues and address their concerns regarding tuition adjustments. It is important for the Regents to address the changes in the system and to make sure they are understood.

VI. Phone Conference with the Press: Release of the Second Report of the Condition on Higher Education

Representatives from the media participating in person and by audio conference were welcomed to the press conference. Regent Tuschman said that the 127th General Assembly mandated in House Bill 2 that the Ohio Board of Regents produce a report on the condition of higher education. The Second Condition Report has been prepared and the Governor's office and the Legislature were briefed regarding their findings.

An overview of the contents of the Condition Report was given. The report focuses on higher education facilities and technology and can be found on the Ohio Board of Regents website. Questions from the press were answered by the Regents regarding the Strategic Plan and the Condition Report.

The Regents said the Condition Report highlights issues that need attention and challenges higher education to find solutions. The Regents look for a robust set of responses to the Condition Report.

After a short break, Chair Tuschman reconvened the Board Meeting.

The Regents continued their discussion on the trustee engagement. The Regents would like to visit one four-year institution and two two-year institutions this year. The Chancellor said

the trustees are an untapped resource for the state. The trustees could help answer the question of how Ohio can give every citizen the opportunity for a low cost, high quality community education. Trustees do want to make a difference and not be constrained by their school's administration. Discussion was held regarding expanding the responsibilities of the trustees and redesigning the individual missions of the institutions to include the responsibility for a statewide macro plan for higher education. It was suggested that the Ohio Revised Code be used to redefine the responsibility of the trustee.

VII. Discussion on the next Report on the Condition of Higher Education

Chair Tuschman led a discussion regarding how the Second Condition Report could be distributed to those that need to see it. A letter will be sent to the presidents and trustee chairs regarding the Condition Report to encourage them and their boards to read it.

Discussion was held regarding the use of federal stimulus monies to maintain higher education facilities. Concern was expressed about the effect of the stimulus dollars on tuition in two years. The Chancellor explained that school efficiencies will help the institutions with the tuition freeze. He said the market place approach with varying costs for the courses may need to be implemented. Enrollment growth will bring in some additional revenue. The budget proposes a 6 percent increase for the first year for the institutions to offset the tuition freeze. It also proposes a slight budget increase the second year for community colleges and regional campuses as they maintain the budget freeze. Main campuses will receive no increase in their budgets but have indicated they will only raise tuition by 3.5 percent. Discussion was held regarding the effect of the State's economy on tuition rates in the next two years. Chancellor Fingerhut said that he approved the first tuition waiver for Friday afternoons for Northwest State Community College. He said this would be a good topic for the trustee meetings.

Regent Patterson will assume responsibility for the Third Condition Report. He will confer with Consultant Brenda Albright and make recommendations on possible topics at the next Board meeting.

VIII. Chancellor's Report

Chancellor Fingerhut said his testimony before the Higher Education Subcommittee of the House Finance and Appropriations Committee gave details on the matters he has been dealing with. He reviewed the testimony with the Regents and highlighted several sections of the report. He drew their attention to Appendix A that presents the overall numbers involved in state support. It includes the 6 percent increase in the first year of the new budget and shows how it breaks down in the various campus sectors. The second budget year shows no increase in the main campus sector but the branch campuses and the community colleges do receive increases that are tied to the tuition freeze. The budget as shown is based on a performance based formula. He said the charts also show the sectors broken down by individual schools that help to explain the funding changes for FY10 and FY11. They are continuing to focus on funding for STEM and technical courses. The FY11 numbers will be updated as data comes in. He also explained the various charts showing the various factors that relate to enrollment growth on the campuses and overall degree attainment.

Chancellor Fingerhut also addressed the changes made in financial aid in the college opportunity grant program. He noted that for many of those enrolled in community colleges the grants cover more than the state cost of attendance. For students enrolled in the universities the grants do not cover the state cost of attendance. The budget attempts to increase the amount of grants they receive and decrease the amount they would need to borrow for their education. He said it was important to cover the cost of education for the low income students.

Discussion was held regarding how the financial aid relates to the student who is out of work and returning to school. The Chancellor said these students are not eligible for financial aid under FAFSA that is one reason why the tuition restraint is so important. Some retraining funds are available to students, but they are not eligible for the Pell grant or other financial aid. He will continue to address the tuition differential between the community colleges. He said living expenses have many variables, therefore, his staff is focusing on helping the student pay for the cost of attending college.

The Chancellor reported that overall the budget hearings are going well and he has received positive reaction to the proposals. The hearings give him an opportunity to have robust conversations regarding higher education.

He said that progress has been made in the Ohio Skills Bank linking jobs to education.

The Chancellor briefly reported on the RFP for the Ohio Co-operative Education and Internship Program. It is proposed to be fully funded in H.B. 1 and the Chancellor's goal is to have the first round of awards made prior to July 1 so that when funding is approved the programs have already been selected.

Regent Patterson asked if the Chancellor's staff should apply for federal stimulus monies to address the most critical maintenance issues on the campuses. He said this would put Ohioans to work and help the State. The Chancellor said he has asked the colleges and universities to work closely with their communities and to be a part of the community's priority requests. He said his staff could consider applying for the stimulus funds. Discussion was held regarding the stimulus funding categories.

IX. Adjournment

Chair Tuschman asked for a motion to adjourn and said a discussion regarding the Regent Board meeting dates would be held at lunch. Regent Patterson made a motion to adjourn the meeting and Regent Beeghly seconded the motion. The motion was approved. The meeting was adjourned at 12:15 p.m.

The next scheduled Board meeting is Thursday, April 22, 2009, from 8:30 a.m. to 2:30 p.m. at the Ohio Board of Regents.

Walter A. Reilley, Jr.
Ohio Board of Regents

4/22/09
Date