Minutes
OHIO BOARD OF REGENTS
May 19, 2009

I. Call to Order

Chair Tuschman welcomed the Regents to the University of Toledo meeting of the Ohio Board of Regents. He called the meeting to order and introduced newly appointed Regent Bonnie Milenthal. Regent Milenthal was sworn in as a member of the Ohio Board of Regents. Regent Milenthal said she was honored to be a part of the Board. She said there were many wonderful opportunities for the University System of Ohio (USO) and that she looked forward to "pulling up her sleeves and working as a part of the team."

II. Roll Call

Regent Secretary Reiling called the roll. Those present were:

Bruce R. Beeghly
Timothy M. Burke
Bonnie K. Milenthal
Lana Z. Moresky
James F. Patterson
Walter A. Reiling, Jr.
James M. Tuschman

Donna M. Alvarado participated by audio conference.

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.

Chair Tuschman stated that Regent Alvarado will be joining the meeting by audio conference and Regent Hurwitz could not attend due to a business commitment.

III. Approval of Minutes

A motion was made by Regent Reiling and seconded by Regent Beeghly to approve the minutes of the April 22, 2009 Board meeting. All Regents voted in favor of the motion. The minutes were approved.

IV. Opening Remarks from the Regent Chair

Chair Tuschman said the Regents were appreciative of the opportunity to see the medical campus, the new campus for alternative energy, and the main campus of The University of Toledo. All the points visited by the Regents tied into the Chancellor's Strategic Plan and his emphasis on affordability and economic development. The focus of the Regents meeting will be on economic development. Chair Tuschman gave as an example of higher education working with the community the involvement of The University of Toledo with the regional task force on intermodular transportation to bring in federal and state monies to build transportation hubs and purchase equipment to move freight. The State of Ohio said the impact study prepared by the university was the "best impact study it had ever seen." The University of Toledo and its president, Dr. Lloyd Jacobs have taken a very active role in fostering economic development in the region.

V. Economic Development

Chancellor Fingerhut said he has long believed that a university system of higher education could be the catalyst of state economic growth and gave North Carolina as a good example of systemic thinking over a period of time by a state in partnership with its universities. The Strategic Plan provides a matrix of success as it relates to economic growth and economic leadership, and this is one of the cornerstones of the Strategic Plan for the next ten years. He would like to hire a Vice Chancellor for Economic Advancement in the next biennium if the budget and other matters will allow. Mark Coticchia, Senior VP for Research and Technology Management at Case Western Reserve University is a nationally known leader in the field of economic advancement and has been working with Noah Sudow of the Chancellor's staff to look at best practices, important issues and the organization of an economic advancement division. The mission is to work with the universities and community colleges and all of higher education across the state to really leverage the work they are doing and to partner with the Ohio Department of Development and other state agencies to help the state's economy.

Noah Sudow, Associate Director, Economic Advancement, gave a PowerPoint presentation detailing the goals and mission of the economic advancement division. Immediate action items include the development of the division and achieving pre-determined goals and metrics; development of a list of immediate action items that require little or no additional resources to boost the economy; development an understanding of the current status of the USO through surveys, visits and symposiums; and engagement of worldwide experts to meet the goals.

He said there were five key focus areas for the Division: Technology transfer and commercialization; economic entrepreneurship, workforce development, community development and global relations. The Chancellor's staff will work with higher education institutions to provide education training and help find new jobs and careers. They would like to attract new companies to use facilities of businesses that have transferred from the area. As these efforts take place, communities would be developed around the campuses offering the training.

He shared the results of some of the surveys they have taken to determine the strengths and weaknesses of the institutions as they continue to reach out to the international community. He said they are working closely with the Ohio Department of Development's international offices and are developing an international brochure regarding the USO. Other surveys will include a comprehensive survey of the business community to develop recommendations on how the economic advancement division can work with them.

He presented a list of immediate action items and long term goals that include setting up matrixes within each of the five focus areas. They would also like to increase student participation in internships as a part of workforce development. Businesses are partnering with Ohio's institutions and are investing in the research facilities of the universities. It is a great opportunity but is also a serious challenge to bring business economic activity to places of research.

Chair Tuschman asked that a copy of the presentation be sent to the members of the Board of Regents.

Chair Tuschman welcomed Dr. Christa Adams, President and Paul Unger, Executive Vice President/Provost of Owens Community College to the meeting.

VI. The University of Toledo Presentation/Status Report

Dr. Lloyd Jacobs, President of The University of Toledo commented that after a number of discussions with the Ohio Attorney General's Office about holding equity in business, the university felt it could not wait for legislation to be enacted and created a 501(c)(3) organization to hold the university's equity which seems to be working. He thanked Regent Chair Tuschman for his support and guidance.

Dr. Jacobs distributed an article published in *Academic Medicine* entitled "Merging Two Universities – the Medical University of Ohio and The University of Toledo." He addressed the Regents regarding the merging of the two institutions. He said the cultures of the two institutions differed immensely and he shared many of the differences between the institutions. These differences have not been resolved, but the significant movement toward one another has strengthened each institution as they unify into one institution. The process was not without pain and has been enlightening. He said the merger has been a resounding success.

Discussion was held regarding the merger. Regent Chair Tuschman said that the merger has been a great asset to the University of Toledo. The fact that the schools were able to overcome their disagreements and bring two boards together was remarkable. The two alumni associations were also able to merge together. He noted the important of the leadership at the presidential level in the merger.

Discussion was also held regarding the tuition differences between the community colleges and four year institutions. It was said that scale can have an impact on efficiency, but is only one of several determinants such as work ethic and organization structure. Dr. Adams discussed how the community colleges reacted to the Chancellor's emphasis on efficiencies. She said out of their concern on how the efficiencies will affect them, the community colleges have created partnerships. Universities and colleges are talking together to reach the same end goals and mission. The Chancellor said the Strategic Plan does not call for greater centralization, but does encourage institutions to work together on some goals and go into new areas by themselves.

Further discussion was held regarding the role of the institutions in promoting economic development. Dr. Lloyd has encouraged The University of Toledo to take a leadership role in the area because of his belief that great universities lift up the community. Dr. Unger said that one of Owens Community College's major sources of energy and support for economic development is the retraining and maintenance of the workforce, dealing with the unemployed, and preparing people as technicians in the workforce. Owens Community College is working with The University of Toledo, Bowling Green State University and other institutions on alternative energy solutions and joint associate degrees. The University of Toledo is very active in the field of alternative energy.

VII. Chancellor's Report

The Chancellor said much of his report would be centered around the biennial budget. The budget was passed by the House of Representatives. Most of the budget priorities remained intact and the basic core financial proposals were kept. He noted that a number of programs that were recommended for reduction or eliminated were restored by the House. The Ohio Tuition Trust Authority was transferred from its status as an independent agency to within the office of the Chancellor. He believes the Senate will have a strong support for the core proposals but also expects the Senate to make some changes. There is a quite a bit of discussion about the proposal for prospective financial aid to private institutions. The Chancellor had proposed the creation of block grants that the private institutions could use in a flexible manner to support and increase their ability to attract and graduate low income students.

Agreements were reached with the independent private institutions but not with the for-profit institutions. The for-profit institutions are opposing the financial plan in the Senate. He does not think the issue will be resolved until it reaches the conference committee.

The House also gave a lot of support to the Governor's K-12 reform plan. Many of the proposals elements were noncontroversial and passed without much comment. One significant change was the reorganization of the provision to teacher education in Ohio. After a decade of losing the ability to influence the direction of colleges of education, there is now the opportunity to work with the Governor to prepare teachers for a student-centered 21st century school system.

The House also passed without any change the transition from the OGT Ohio Achievement Test to ACT Plus. This will place every student in Ohio on a track to college and will give higher education the ability to assess their readiness for college and assist them with their preparation. This is another example of higher education and the Department of Education working together to transform teaching and learning in the state of Ohio from the preschool level up. They are committed to getting more students in college and helping them succeed there. The State of Ohio will apply for funds from the Recovery Act to use for educational reform to prepare students for college and for teacher education. Ohio is one of five states selected by the Gates Foundation to be given technical assistance in preparing the proposals as we compete with all fifty states for the funding.

Another large piece of the Chancellor's time has been given to the planning for the renewal of the Third Frontier bond issue. This is a very significant issue for higher education and its task partners in economic development and research. He will work closely with the Governor on developing the next generation of the Third Frontier plan and to build support for it.

He reported that state revenues continue to decline as the State will need to use $900 million from the rainy day fund to cover this fiscal year's deficit. The ball park assumption is that the conference committee is going to have to find roughly $3 billion dollars to remove from the biennium budget. The Governor and the General Assembly are committed to the priorities of higher education but the Regents need to be aware of the realities of this budget shortfall.

Discussion was held regarding the institutions collaborating together on a statewide basis. It was said that the Board of Regents needs to take the lead in this effort and ask the institutions for specific areas where they can collaborate. The Chancellor said he would be happy to prepare comments for the next meeting on this topic.

VIII. Trustee Engagement Update

Regent Alvarado presented an action plan for approval by the Board of Regents. She said that there were 330 trustees around the state who carry the long term stewardship for the future of higher education and this long term initiative is to engage the trustees in deeper and broader ways than ever before. The ideas from the previous discussions were condensed into an actionable plan with four major components. The Regents were asked to accept leadership responsibilities to drive each of the components. The four sectors of the plan are as follows:

1. Communications. This working group will enable the Board of Regents and the Chancellor to establish effective, ongoing mechanisms for two-way communications with the trustees to inform them of the issues of the day and to also give them the opportunity for input into key policy decisions at the state level before these decisions are made. The communication tools can include video conference, an annual in-person conference or the initiation of new

communication strategies. This could also include outreach to the individual boards throughout the state.

2. Trustee Education. This working group would play a role in bringing development and high performing education opportunities to the trustees to help give them a greater understanding of the operations of the higher education institutions. Regent Alvarado volunteered to serve on this working group. Developing best practices, collaboration, setting agendas, and meeting with colleagues from other institutions fall under this category.

3. Governance. At the present time, statutorily the role of the trustee is very specific to their institution and does not reflect any duties to the USO. The governance work group would develop and implement a plan for a commission to study the governance of the USO and explore whether the current governing statutes are adequate and appropriate for achieving the goals of the Strategic Plan. This working group would require a term of twelve to eighteen months to do justice to the level of conversations and inclusiveness necessary for this task.

4. Resources. It is clear that the previous three areas will require professional support and resources that are not available in the current Board of Regents budget. The working assumption of the Board is that it will to look for funding from external sources such as foundations, corporations and individuals who would be interested in the question of governance and engaging trustees.

Chair Tuschman thanked Regent Alvarado for the well thought out and well organized outline of a strategic action plan for trustee engagement and asked the Board for their input and ideas. Regent Patterson said that the Ohio Revised Code needs to be reviewed in terms of the responsibilities of the university trustee and to see if any legislative action would be necessary to expand or clarify the powers of the trustee. Chancellor Fingerhut agreed and said that it should be done in a very deliberate and thorough manner that gives adequate time for input from the trustees.

Regent Reiling said that of the four areas outlined, communications and funding should take initial priority. Regent Alvarado said that the Board needs to work to envision what will be required for all four areas before a funding proposal can be written.

Discussion was held regarding the chairing of the working groups. It was determined that Regents on each working group would serve as co-chairs with Chair Tuschman overseeing all the working groups. Other people could be considered to assist the groups as needed. Chancellor Fingerhut said that if additional funding is received, staffing would be made available to support the activities of the working groups. Regent Alvarado and the Chancellor will confer regarding inviting outside people to assist with this project. The Regents were asked to rank from 1 to 4 their preference for the working groups on which they would like to serve. A detailed action plan for each of the working groups will be presented at the next Board meeting.

IX. Discussion on the Third Annual Report on the Condition of Higher Education

Regent Patterson said the Ohio Revised Code gives to the Regents the two-fold responsibility of developing an annual condition report and preparing an evaluation of the Chancellor. The first report looked at higher education in Ohio as a whole with the plan to revisit the results over a period of time to see if the conditions have changed. The second year the condition report focused on the physical facilities of higher education in Ohio and on the information technology areas as they related to higher education. He recommended that the third condition report consist of two parts with the first part giving an update to the first report in the form of a dashboard. The second part would report on how well Ohio is positioned to deliver

high quality education to lower income college students within the existing resources, how student-centered higher education is in Ohio, and how well Ohio is positioned regarding academic and administrative efficiencies. He asked the Board to email Chair Tuschman or himself with any thoughts they had regarding the report. He will ask Brenda Albright, consultant for the report, to enumerate in greater detail the questions they would be looking at in the condition report. A final draft of the questions to be asked in the condition report will be presented at the June Board meeting.

Discussion followed his report regarding when the Condition Report is delivered and how it is used. The Condition Report is a snapshot in time of how the universities and colleges of Ohio measure up to other states and to show areas where improvement is needed. It should be used by the Legislature and the Governor's office to make decisions, to inform them and to raise their awareness of the areas of greatest need. The Board also discussed several other possible topics for future reports in the area of efficiencies and economic development.

X. Adjourn

Chair Tuschman welcomed Peter Papadimos to the Regents meeting. He said Mr. Papadimos has served as general counsel for The University of Toledo for the past two and one half years.

Chair Tuschman gave the schedule for the June activities for the Board of Regents. June 16, 2009 will include pictures of the Board of Regents, the trustee engagement meeting with Ohio State University trustees and the Board of Regents and the trustee engagement dinner with Sinclair Community College trustees. The Board of Regents monthly meeting will be held June 17, 2009 at Sinclair Community College.

Chair Tuschman asked for a motion to adjourn. Regent Patterson made a motion to adjourn the meeting and Regent Burke seconded the motion. The motion was approved.

The next scheduled Board meeting is Wednesday, June 17, 2009 from 8:30 a.m. to 2:30 p.m. at the Sinclair Community College, Dayton, Ohio.

Ohio Board of Regents

June 17, 2009
Date