

Minutes
OHIO BOARD OF REGENTS
November 20, 2008

The public board meeting was called to order by Chair Donna Alvarado at 8:30 a.m. She welcomed everyone to the meeting and thanked Dean Greg Rose of The Ohio State University Marion campus and President J. Richard Bryson of Marion Technical College for hosting the meeting.

Regent Bruce Beeghly joined the meeting via video conference.

Dean Rose welcomed the Regents to the campus. He introduced Jack and Grata Bull and said the boardroom in which the Regents were meeting was named in their honor. He also said this year was the 40th anniversary of OSU-Marion and also called attention to the "Beat Michigan" events taking place on the campus.

President Bryson extended a welcome to the Regents. He said that Marion Technical College had prepared answers to the questions sent to them by the Regents and that the college will do everything in the Regents report more effectively, efficiently, cheaper, better and, for their campus, more creatively.

The first official order of business was the swearing in of newly appointed regents Tim Burke and Lana Moresky. After an introduction and swearing in by Chair Alvarado, Regent Burke and Regent Moresky said they looked forward to working with the Regents.

Chair Alvarado said the main considerations of the meeting would be the key issues being considered by the governor and state legislature with a focus on the state facilities, infrastructure and capital financing. Vice Chair Beeghly and consultant Brenda Albright will be preparing the second annual condition report.

The roll was called by Secretary James M. Tuschman. 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 Tuschman stated that "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.

Regent Beeghly stated the Regents were in the midst of working on the second condition report. The report is focusing on the capital needs of the higher education institutions of the state. The three main topics of the report were the institutions' condition, financing, and their use of technology. Brenda Albright stated the report is due to the general assembly on March 31, 2009 and the Regents should take final action on the report in February. For the past several months they have been gathering information from institutions on the identified topics

and will be gathering more information on the topics through today's presentations and follow-up of the key issues of the Regents.

Mike Mayher, Vice-President, Administrative Services and Treasurer, Lakeland Community College, gave a PowerPoint presentation regarding energy management at Lakeland. He said about 5 years ago Lakeland began to focus on ways to meet the potential energy crisis. The college spent \$1.7M or 4% of its total operating costs on energy. He said the Lakeland has set a goal to reduce energy consumption by forty percent in two years and then another ten percent after that. He noted that Lakeland is taking a holistic approach and looking at energy from a continuous improvement point so that everything they do makes good economic sense. He also said that Lakeland will apply energy efficiency requirements to all new projects. Discussion followed the presentation regarding sustaining the energy savings through utilization of the facilities and work force development efforts. Mr. Mayher said Lakeland Community College is looking at other sources of power and will be looking at a county master plan in the future. The model is exportable to other institutions in Ohio.

Bill Shkurti, Sr. Vice President of Business and Finance for The Ohio State University, gave a video conference presentation regarding deferred maintenance issues and the condition report. He said OSU has a very comprehensive capital plan to maintain their buildings with OSU self funding eighty percent of the capital expenditures and the state funding twenty percent. The average age of the buildings on the campus is thirty-one years and it will take an estimated \$1B or fifteen percent of the replacement value of the buildings to catch up on the maintenance of the buildings. He said it was hard to find additional revenues to maintain academic buildings because of demographics, timing and budget cuts but replacement and renovation are still top priorities. He said the university is taxing itself to address maintenance issues by including a maintenance charge with the academic units. They are working to build up an endowment to maintain space, and they are working toward an integrated physical planning process and sustaining the buildings as energy efficient. He said the university supports performance standards and is participating in the academic plan initiative. He discussed the challenge of keeping data updated and current. Discussion followed his presentation.

Chancellor Fingerhut thanked Mr. Shkurti for his report and said he heard the problem of report fatigue. He said the Regents have more information needs than they have ever had. He said that OSU is the 9th largest research facility in the nation and the Regents want to support and encourage this growth. Discussion was held regarding the flexibility that must be incorporated into new research structures and the challenges of funding these buildings.

Dean Rose gave a PowerPoint presentation regarding the issues of funding for new buildings, for basic and deferred maintenance, and for technology. Dean Rose said student perspective on buildings and facilities have changes over the past 40 years. He said OSU Marion needs private donations for their buildings and said the science building to be constructed in 2012 will need twenty percent of the cost to come from private funding and donations. Community support has been good, but OSU Marion must be realistic about what the community can support. He said OSU Marion has no deferred maintenance issues. They have made improvements for energy efficiency and have a list of fifteen items they will need to focus on in the future. He said students want instructional technology with its associated costs such as high speed internet access. He said in the short term Ohio State Marion can support current enrollment but it is looking at new buildings in the future. He said the computer facilities have received updates and that the Delaware Center is almost at capacity because of good enrollment. He said Ohio State Marion is looking at student and faculty expectations for technology, the maintaining of a network to support internal links, keeping equipment up to date,

and meeting the needs for a high level of connectivity for distance learning and video conferencing.

Professor Mary Jo Fresch demonstrated an online course and discussed the benefits online learning provides to students. She said technology is the great equalizer. Professor Maryjo Munday spoke regarding work force resources. She said companies have indicated they want a blend of online and classroom learning. She said the university developed a global website, OSUtrainingtogo.com as a resource companies can use to purchase classes for their employees. She said in the last five years the size of this program has doubled.

Dennis Budkowski, Vice President, Instructional Services, Jay McCreary, Executive Director, Center for Workforce Development, and Robert Haas, Assistant Dean/Professor, Business and Information of Marion Technology College gave a PowerPoint presentation regarding workforce development in Ohio. They shared the results of a recent survey of eighty regional manufacturers that showed that many planned to add staff and new equipment that would require learning new skills. He said manufacturers want short term/high intensity training with a short turn around time and the companies are more interested in the level of competency of their workforce to do the job than in degrees or grades. This provides challenges to Marion Technical College because their facilities were designed for traditional courses and do not have the flexible seating or the means to power industrial equipment. Some of these needs have been addressed by leasing space from the community and working in partnership with industries to use their training facilities and receiving federal training grants. They stated that online learning will not replace face-to-face training and hands-on labs. They stated that Marion Technical College is looking at the building plans for new facilities to make sure they meet future needs. Robert Haas stated that the online student presence has outpaced the normal college enrollment growth. He said he received his Master's Degree online and the only technology available to him as an undergraduate was a slide rule. He said he has seen the increase of online courses and an increase of the use of technology in face-to-face classes by the use of blended sessions, BlackBoard sessions, podcasts, smart boards, etc. He said that textbook publishers provided online supplemental materials and that PowerCampus is a program that allows students to check classes, pay bills, etc. He said challenges include providing sufficient bandwidth to both homes and businesses, accessing computer simulation software, and providing video conferencing to businesses. They also stated Marion Technical College must work with the different techno-literacy levels of their students and with the varying ability of students to afford the internet. The institution is moving toward a 24/7/365 model for IT support for students. He summed up the presentation by saying the community was their classroom and their lab. They work with the students and community through internships, hands-on-learning, applied learning clinics and co-ops.

Chancellor Fingerhut introduced David Barber, Interim Executive Director of eTech Ohio, and Barbara Danley, Vice-Chancellor for Academic Affairs and System Integration, Charles See, Government Affairs Liaison at the Ohio Board of Regents, and Dora Dean, Administrative Assistant from eTech Ohio.

Chancellor Fingerhut, Interim Executive Director Barber and Vice-Chancellor Danley gave a statewide perspective on technology needs for the University System of Ohio. They stated that technology standards need to be set for teachers and administrators and that faculty must be comfortable with technology so that they will incorporate it into their classrooms. It was also stated that the University System of Ohio needs to be better prepared to meet the needs of adult learners who are technology astute. Interim Executive Director Barber stated that the State's Broadband Council is looking into providing internet access to all communities. He said

this is a long term answer, while colleges are looking for short term answers. He said eTech Ohio currently has a technology conference for K-12, and is planning to bring Higher Education and K-12 officials together for a technology conference next year.

Chancellor Fingerhut said that he and the Board of Regents will take into consideration the comment that companies are more interested in the competency level as opposed to degree and grades. He said this will be an important consideration for the strategic plan. He said that businesses ask how many workers have degrees before they move into a community and suggested that certificate based programs be validated to give them credit value.

Chancellor Fingerhut said that the state is moving toward technology integration of their agencies in order to build a coordinated system. He said state agencies are being collapsed together to provide efficient use of technology.

Vice-Chancellor Danley spoke to the need of breaking down firewalls between Higher Education and K-12 to help students get ready for college and for dual enrollment. She said technology is available to help the learning system incorporate much richer student records.

Chancellor Fingerhut invited the panel participants up to the table. Discussion was held regarding the struggle to incorporate online learning and technology into higher education. They said many high schools are better equipped with technology than many colleges. High schools are incorporating help from colleges to design ways to teach to students to prepare them for college. One of the visions of the strategic plan is to give high school students at least one year of college credit before they graduate. Funding challenges need to be addressed so that schools are not penalized if they use a college. It was suggested that space at the institutions be shared for better utilization and flexibility of hours.

A poll was taken from the participants regarding what was gleaned from the discussion. Participants said facilities need to be adequate to meet the technology needs of the students and the rapid changes in technology. Participants were also concerned about the condition of institutional facilities, the debt institutions were taking on, and the new matrix of distance learning. They said that buildings can be better utilized than in the past.

The Regents said that the third year report has an increased emphasis on technologies impact on the institutions. The Regents can go further in technology with a possible third year report, or an increased emphasis in this year's report. The report could identify areas of innovation and point out boundaries and obstacles to forward growth.

The Board recessed for lunch.

Chair Alvarado called the meeting back to order at 1:15 p.m.

Chancellor Fingerhut gave a PowerPoint presentation on the goals and strategies needed to raise the overall educational level of Ohio's workforce at a rate faster than our competitors. He said we must do more than just graduate students. He said Ohio must also keep graduates in the state and work to attract new talent from outside the state. He listed several key strategies to meet this goal such as Seniors to Sophomores, GI Promise Post 9-11 Bill, textbook initiatives to lower costs, the 30 mile promise, efficiency benchmarking/continuous improvement and a voluntary nationwide system of accountability. He said the Ohio Board of Regents staff is working closely with the Department of Development to align our goals and to focus on our customers.

Chancellor Fingerhut said there has been a significant increase in state support with mandated efficiencies, increased financial aid, and the creation of a strategic plan that includes the first ever statewide goals for education. He said every institution is preparing a report on how they will meet these goals. He showed the comparison of Ohio with other states in tuition and enrollment. He said another core goal was to see what students actually pay for their education. He said forty-six percent pay less than \$5,000 and thirty-eight percent have zero tuition costs. He said states that keep tuition low and keep their graduates in the state are better able to attract new businesses. He said Ohio is sixth in the nation on collective research and ninth overall in private and public colleges in academic research. He said trends are in the right direction in educational attainment for Ohio.

He stated that Ohio needs to look at the international student barometer to see where it can do better and use it as a marketing tool. He said Ohio needs to address the need of work force supply and demand.

Chancellor Fingerhut said the priorities for the coming weeks are working with the Governor's office on the FY10-11 budget, beginning Phase 2 of the goal setting process, implementing a new co-op internship program, accelerating P-16 integration plans, and working with the new superintendent of the Department of Education. He said integration of the P-16 system can improve services and save the state money. There are three areas of integration: educator quality, education technology and college readiness and aspiration.

Chair Alvarado asked for anyone who wanted to serve on the Commission Advisory Committee to let her know.

Rich Petrick, Vice-Chancellor for Finance, gave a review of the ten year trend line in financial ratio analyses. He presented a one page document on statewide long term local debt and how the debt is played out by institution. He said OSU and the University of Cincinnati have high debt levels because they are older and have more auxiliaries, research institutions and medical facilities. He said the Board of Regents' staff monitors campus financial health and explained the viability ration and how it can change over time. Discussion was held regarding the debt of the universities. He said the 2008 report ratios will likely go down because the universities' assets have dropped because endowment investments are down. Chair Alvarado asked what the top three financial risks facing institutions in the next ten years were and what strategies were in place to mitigate these risks. Vice Chancellor Petrick said he would need to research the answer and get back to her.

A discussion regarding stakeholder feedback for the condition report was held. On December 9 a trustee video conference will be held at which time the trustees can ask questions and give comments. An advance mailing of topics and questions to be addresses were sent out and trustee participation was invited. There are eight sites this year to give more people a chance to talk and to get greater feedback. Trustees who participate by online streaming can send in their comments.

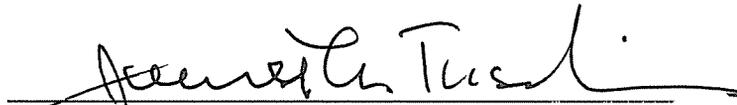
Chair Alvarado asked if there was a list of stakeholders who will be on the December agenda. She said she wanted to hear input from voices both inside and outside the system so that more than just the traditional sources are heard.

Vice Chair Beeghly said the nominating report would be continued until the December Board of Regents meeting so that he would have time to connect with the new trustees. He said new officers would be elected in December.

Secretary Tuschman said a list of suggested dates was included in the Regents' handouts. He said the dates include a dinner on the evening prior to the Board meeting. He asked the board members to email their availability on the dates offered. He said they wanted dates for all year; however, the Board may not meet every month. He asked the Regents to check their calendars for a two day retreat in September. He also said that some of the meetings will be held at various private and public campuses. Meeting dates will be finalized at the December meeting.

It was stated that Deborah Gavlik will continue to serve the Board of Regents through December 31st and will be present at the December 9th meeting.

A motion to adjourn was made by Regent Reiling and seconded by Regent Tuschman. The meeting was adjourned.



Secretary Regent

12/09/08

Date