

**Resources Committee  
Ohio Board of Regents  
Minutes of the Meeting of September 21, 2000**

The meeting of the Resources Committee of the Ohio Board of Regents was held in the Seton Center on the campus of the College of Mount St. Joseph in Cincinnati, Ohio. In attendance were the following:

Ohio Board of Regents members:

Ralph Schey, Committee Chair  
Tahlman Krumm  
Stephen Perry

Ohio Board of Regents staff:

Richard Petrick, Vice Chancellor for Finance  
Clyde Eberhardt III, Director for Capital Development  
Deborah Gavlik, Director for Budget & Resource Planning  
Neal McNally, Administrator for Financial Analysis  
Tom Rudd, Director of State Grants & Scholarships  
Robert Sheehan, Associate Vice Chancellor, Performance Reporting & Analysis

Guests:

Robert Ambach, University of Cincinnati  
Sharon Brehm, Ohio University  
Larry Christman, Association of Independent Colleges & Universities of Ohio  
Cindi Coutts, Muskingum Watershed Conservancy District  
Bob Faaborg, University of Cincinnati Faculty Council  
Bob Hickey, Wright State University  
John Hoopingarner, Muskingum Watershed Conservancy District  
Jim Johnson, Ohio Faculty Senate  
Ben L. Kaufman, Cincinnati *Enquirer*  
Pat Myers, Kent State University  
Sally Perz, University of Toledo  
Daniel G. Phenicie, University of Cincinnati (student)  
Dale McGirr, University of Cincinnati  
Cindy McQuade, Inter-University Council  
Mike Porter, Medical College of Ohio  
Ron Pratt, Muskingum Area Technical College  
Dan Ritchey, International Center for the Preservation of Wild Animals  
Moksha Southall, University of Cincinnati (student)  
Anne Marie Wagner, College of Mount St. Joseph  
Darrell Winefordner, Ohio University

The meeting was called to order by Regent Schey. Introductions were conducted and the minutes of the July 20<sup>th</sup> meeting were approved without objection.

**Reports and Updates**

Vice Chancellor Petrick asked Neal McNally to brief the Committee on the Fall 2000 Survey of Student Charges. Mr. McNally stated that over the past year, tuition at Ohio's public Universities has risen by 5% on average, while the average tuition at

branch campuses, community colleges, and technical colleges has fallen by 5%, 7%, and 5%, respectively. Mr. McNally stated that the tuition decreases at the two-year sector can be attributed directly to Access Challenge funding. Regent Perry suggested that the declining tuition at the two-year sector should be celebrated more widely and incorporated into the Regents' statewide marketing campaign. Regent Krumm asked how Ohio compares to national tuition trends. Mr. McNally responded that although it is too early to analyze current year trends, data from 1999-2000 indicates that tuition at Ohio's public universities appear to have increased at a slightly higher rate than the national average, but that tuition at Ohio's two-year campuses are not growing at the same rate as the national average for public two-year campuses. Pointing out that some of Ohio's two-year campuses cut fees this year by more than the 5% required by Access Challenge, Vice Chancellor Petrick also noted that the two-year sector is projecting significant enrollment growth over the next few years – also an effect of Access Challenge. Vice Chancellor Petrick stated that if the FY 2002-2003 Access Challenge request is fully funded in the next budget bill, tuition levels at the two-year sector will be about 41% lower in FY 2003 than what they would have been without Access funding.

Vice Chancellor Petrick directed the Committee's attention to the next item on the agenda – dormitory fire safety. Clyde Eberhardt noted a resolution passed by the General Assembly encouraging campuses to consider installing sprinkler systems in all campus dormitories. Vice Chancellor Petrick described this as a logistical issue having both timing and cost factors. Mr. Eberhardt also stated that even though most college dorms in Ohio are in fact equipped with fire alarm systems, there is a common misperception that dorms are unsafe. Mr. Eberhardt informed the Committee that there would be a more formal presentation on this issue at the October meeting of the Resources Committee.

### **Items for Review**

Clyde Eberhardt briefed the Committee on the proposed \$500,000 joint use agreement between Ohio State University and the International Center for the Preservation of Wild Animals, also know as the Wilds. Regent Krumm asked how students would benefit. Dan Ritchey responded that students would be able to enjoy tours, partake in veterinarian clinics, and conduct field research. Regent Schey asked about the Wilds' operating budget. Mr. Ritchey responded that the Wilds has a \$2.5 million budget with 64% of its revenues coming in the form of private donations. Vice Chancellor Petrick moved to the next item, a proposed joint use agreement for \$500,000 between Muskingum Area Technical College and the Muskingum Area Watershed Conservancy District. John Hoopingarner said that the funds would be used by the District to comply with ADA guidelines, and to expand and renovate guest and conference rooms. Mr. Hoopingarner also noted that this proposal is strongly supported by local business and industry, and that students will have an opportunity to partake in internships in hotel management and culinary arts. Suggesting that such an agreement would more appropriately fall under the jurisdiction of the Ohio Department of Development or the Ohio Department of Natural Resources, Regent Krumm wondered why such an agreement would require Regents' approval. Vice Chancellor Petrick responded that any such agreement involving one of Ohio's public colleges or universities falls under the Regents' jurisdiction. Stressing the need for joint use agreements to bear the fruits of student benefit, Regent Perry expressed satisfaction that this agreement demonstrates a proactive and specific plan to create benefits for students. Clyde

Eberhardt asked Bob Hickey to describe the final joint use agreement on the agenda – a proposed agreement for \$400,000 between Wright State University and the Entrepreneurs Center, Inc. Mr. Hickey stated that the Entrepreneur Center serves 42 companies in its business incubator, and would provide additional space and function as an extension of the University. Regent Krumm asked about a formal plan to measure how students would benefit from the agreement. Mr. Hickey responded that Wright State’s business and graduate students would be directly involved in research-related projects, and that the University’s new vice president for finance, Matthew Filipic, is in a good position to facilitate student benefit.

Noting that the Board of Regents had previously requested that the University of Cincinnati aggregate its bond-related fee pledges into two or three requests per year, Dale McGirr briefed the Committee on UC’s proposed \$213,019,000 pledge of student fees. Mr. McGirr stated that this proposal arose after the University conducted student surveys, which indicated a strong demand for updated and improved student facilities. Mr. McGirr said that the Campus Life project represents integrated opportunities to combine instruction with other recreational activities. Mr. McGirr said that 70% of the project would be financed with student fees and 30% with revenues from auxiliary operations, and that students have agreed to pay the new student fee prior to project completion to allow the University to take advantage of short-term interest rates. Mr. McGirr also noted that plans for this project had been fully disclosed when UC’s debt was rated in 1997 and again in 1999 by Moody’s and Standard & Poor’s. Responding to Regent Perry, Mr. McGirr stated that UC’s bonds received strong ratings of Aa3 and AA from Moody’s and S&P’s, respectively. Daniel Phenicie assured the Committee that UC’s student body supports this proposal since the current student union is outdated. Mr. Phenicie continued, stating that current facilities at UC were paid for by past students and that UC’s current student body is prepared to do the same so that future generations of students may enjoy improved facilities. Mokesha Southall concurred, asserting that universities are measured not only in terms of having good academic programs but also in terms of having adequate facilities.

Vice Chancellor Petrick briefed the Committee on the distribution of \$48 million of FY 2001 Success Challenge funds, one-third of which would be distributed on the basis of timely degree completion and two-thirds for at-risk student success. Vice Chancellor Petrick also noted the Controlling Board items.

### **Items for Action**

Vice Chancellor Petrick briefed the Committee on the Regents’ FY 2002 and FY 2003 operating budget request, which is largely based on the recommendations of the Higher Education Funding Commission. Vice Chancellor Petrick said that the recommendations call for aggregate increases of about 12% per year, and include core line items and a new College Net line item. Vice Chancellor Petrick also noted that at the urging of University of Akron President Luis Proenza the name for the instructional subsidy has been changed to *State Share of Instruction*, which is appropriate since this is literally what the funds represent. Vice Chancellor Petrick described significant increases in the request for Access Challenge funds needed to pay for a tuition decrease of 5% in both FY 2002 and FY 2003 at two-year campuses and university comm-techs. According to Vice Chancellor Petrick, the request calls for the tripling of both Research and Jobs Challenge funds over the next biennium, and a doubling of funds for the Eminent Scholars program. Vice Chancellor Petrick also described the

Breakthrough Investments portion of the request, which includes the Ohio Plan designed to generate and create new ideas for Ohio's economy. In addition, the request contains strong proposals for student financial aid, including \$12 million for forgivable loans for students pursuing degrees in math and/or science education. Regent Krumm asserted that it is important to note that fact-based judgements were exercised when preparing the request for institutional support, but asked how the benefits of Research and Success Challenge are being used. Speaking specifically about Success Challenge, Rob Sheehan responded that improvements are expected in how benefits are measured and noted that some campuses are entertaining the idea of entering into contracts with students to ensure that students would graduate within a given period of time. Regent Perry commended the work of the Higher Education Funding Commission and the Regents' staff for the collaborative effort used in preparing the budget request. Regent Perry also stated that the budget proposal is reflective of the Regents' mission for student success as well as for Ohio's economic success, and that the overall request is consistent in targeting the same goals and is successful in changing the direction of higher education. Regent Krumm pointed out that some of the Breakthrough Investments contained in the request also involve Regents collaboration with other state agencies.

Vice Chancellor Petrick reminded the Committee of other action items reviewed at last month's meeting, including the joint use agreement between Cuyahoga Community College and the Cleveland Museum of Art, as well as the Controlling Board items for July and August.

The meeting was adjourned by Regent Schey.