

**Resources Committee  
Ohio Board of Regents  
Minutes of the Meeting of September 19, 2002**

The meeting of the Resources Committee of the Ohio Board of Regents was held on the Eastern campus of Cuyahoga Community College in Cleveland, Ohio. In attendance were the following:

Ohio Board of Regents members:

Donna Alvarado  
Bruce Beeghly  
Jeanette Grasselli Brown  
Tom Noe  
J. Gilbert Reese

Ohio Board of Regents staff:

Roderick Chu, Chancellor  
Robert Johnson, Assistant Director for Workforce Development  
Neal McNally, Assistant Director, Budget & Resource Planning  
Richard L. Petrick, Vice Chancellor for Finance

Guests:

Bob Burke, Association of Independent Colleges & Universities of Ohio  
Rosemary Jones, Cuyahoga Community College  
Chuck Mann, Owens Community College  
Jim McCollum, Inter-University Council  
Pat Myers, Kent State University  
Terry Thomas, Ohio Association of Community Colleges

The meeting was called to order by Regent Reese, and the minutes of the July 2002 Committee meeting were approved without objection.

**Reports and updates**

Neal McNally briefed the committee on the fall 2002 tuition report, noting that resident undergraduate tuition at Ohio's public campuses increased by an average of about 10%. This year's report contains data on two-tiered fee structures, which charge entering students a greater tuition rate than continuing students at select university main campuses. Regent Brown suggested that the difference in these fee structures be expressed in dollars instead of percentages. Neal stated that although comprehensive national tuition data is not yet available for the current year, double-digit percentage increases have been reported in several other states, including Kansas, South Carolina, and Texas. Regent Noe said that it would be helpful to know the base amounts on which other states' tuition increases are based. Such data would help put Ohio's tuition increases in a more useful context.

Vice Chancellor Petrick briefed the Committee on the work of the SSI subcommittee composed of representatives from two- and four-year campuses. This subcommittee is working to develop short- and long-term policy recommendations for the application of

SSI guarantee. Mr. Petrick said he expects that the subcommittee would issue its recommendations in time for the Board's October meeting. The subcommittee would likely recommend that exceptional circumstances (i.e., budget cuts) exist to merit the modification of the FY 2003 guarantee and SSI distribution.

Mr. Petrick told the Committee that a minor revision had been made to a joint-use agreement between Ohio State University and the Cleveland Botanical Gardens, which had previously been approved by the Board. The administration fee for this project had originally been set at 5% of the total cost, but was reduced to 1.5% pursuant to state law.

### **Items for review and action**

Robert Johnson briefed the Committee on the partial release and distribution of \$1.98 million of FY 2003 Jobs Challenge funds. The funds are equally distributed to each member campus of the EnterpriseOhio Network and are intended to help these campuses provide workforce training to individuals and businesses in Ohio. Vice Chancellor Petrick noted that in fiscal year 2001, an estimated 5% of Ohio's workforce received job-related training from a member campus of the EnterpriseOhio Network.

Vice Chancellor Petrick briefed the Committee on the proposed operating budget recommendations for the FY 2004-2005 biennium, which requests 10% increases in both FY 2004 and 2005. Mr. Petrick noted the budget's new program series taxonomy, which he said helps illustrate where resources are targeted. Mr. Petrick also noted the reclassification of several line items that previously fell under the student financial aid category. This reclassification reflects the fact that student financial aid represents a means, not an end. Mr. Petrick said that the budget recommendations are based on recommendations made by the Student Financial Aid Consultation, the SSI Consultation, and the Higher Education Funding Commission, all of which convened regularly during the past several months. Mr. Petrick said the 11% recommended increase to the core funding lines is needed to restore monies lost to budget cuts in FY 2002 and 2003. Regent Reese stated that increased funding is needed to respond to growing enrollments and to focus on important programs like nursing. Mr. Petrick pointed out that the 10% recommended increase to the Ohio Instructional Grant includes a policy change that shifts a greater share of the grants toward independent students with dependents—a population previously under-funded in the current OIG program. Regent Brown asked why not all of the OIG funds are expended every year. Mr. Petrick responded that the OIG amounts are intentionally over-estimated to ensure that all qualifying students can be served, and because it would be difficult to subsequently request additional monies from the General Assembly if sufficient OIG funds were not originally appropriated. Jim McCollum predicted that because of the policy change that will focus more OIG funds toward high-need students, it would become less likely that OIG funds would lapse in the future.

Vice Chancellor Petrick briefed the Committee on some the Controlling Board items for July and August, noting the request from Central State University to redeploy \$900,000 in capital funds to demolish some of its debilitated dormitories to clear space for other capital projects. Mr. Petrick also noted that the federal government and Kentucky have expressed interest in buying or leasing the services of the HEI system.

Chuck Mann told the Committee that Owens State Community College's board of trustees approved the College's purchase of 60 acres of land in Findlay, Ohio, for the site of a new campus. Mr. Mann said this additional space would help Owens accommodate its rapidly growing enrollments.

Regent Noe motioned to approve each of the action items on the consent agenda. Chancellor Chu recommended to Chairman Reese that the FY 2004-2005 operating budget recommendations be removed from the Committee's consent agenda and instead be separately acted on by the full Board. The Committee concurred and recommended the approval of the July/August Controlling Board items and the partial release and distribution of FY 2003 Jobs Challenge appropriations.

Regent Reese introduced and welcomed Donna Alvarado and Bruce Beeghly, who were recently appointed to the Board of Regents by Governor Taft.

The meeting was adjourned.

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