

**Resources Committee  
Ohio Board of Regents  
Minutes of the Meeting of July 19, 2001**

The meeting of the Resources Committee of the Ohio Board of Regents was held in the Student Union on the campus of Wright State University in Dayton, Ohio. In attendance were the following:

Ohio Board of Regents members:

Ralph Schey, Committee Chair  
Jeanette Grasselli Brown  
J. Gilbert Reese

Ohio Board of Regents staff:

David Barber  
Kris Frost, Vice Chancellor for Administration  
Kyle Gephart, Interim Assistant Director of Capital Planning  
Neal McNally, Assistant Director, Budget & Resource Planning  
Richard L. Petrick, Vice Chancellor for Finance  
Bill Wagner, Financial Analyst

Guests:

Bob Burke, Association of Independent Colleges & Universities of Ohio  
Matthew V. Filipic, Wright State University  
Chuck Mann, Owens State Community College  
Cindy McQuade, Inter-University Council  
Thomas E. Ruddick, Ohio Faculty Senate of Two-Year Colleges  
Keith Wilkowski, Toledo Museum of Art

The meeting was called to order by Regent Schey. The minutes of the June 2001 Committee meeting were approved without objection.

**Items for review in July**

Vice Chancellor Petrick briefed the Committee on the proposed \$1 million joint use agreement between the Toledo Museum of Art and the University of Toledo, and invited Keith Wilkowski to provide background information on the proposal. Mr. Wilkowski noted the long history of cooperation between the Museum and the University, and said the \$1 million appropriation would be used help finance the Center for Glass, which would house the Museum's world-renowned glass collection. Regent Brown recognized that glass has been a valuable industry in Ohio. Vice Chancellor Petrick stated that the University's board of trustees would need to approve the agreement prior to Regents' action in September.

**Items for action in July**

Vice Chancellor Petrick briefed the Committee on the partial release of \$2.5 billion of FY 2002 operating appropriations. Vice Chancellor Petrick said that the formulas used to distribute some of the funds would be subsequently updated more up-to-date data

later in the fiscal year. Neal McNally told the Committee that this action represents the Board's first and ultimate financial control, authorizing the release of \$2.5 billion to be used for institutional support such as the State Share of Instruction and the Challenge line items, as well as for student financial aid, medical education, public service, and debt service obligations. Regent Schey asked about private versus public funding. Vice Chancellor Petrick responded that costs could be broken down in terms of the state share versus the student share. The Committee recommended approval of the release of these funds.

Vice Chancellor Petrick reminded the Committee of the Controlling Board items on the agenda. Vice Chancellor Petrick noted that Controlling Board approval is unnecessary for many routine campus requests. Vice Chancellor Petrick said that he and Kyle Gephart were scheduled to meet with Representative Charles Calvert to discuss the possibility that members of the Controlling Board may not realize that about 50% of campus Controlling Board requests are so routine that they bypass the Board and are directly approved by the Director of the Office of Budget and Management.

### **Reports and updates**

Vice Chancellor Petrick briefed the Committee on the National Report on FY 2001 funding patterns across the States. According to this report, Ohio's FY 2001 operating appropriations of \$2.2 billion represented 3.6% of the national total of \$60.6 billion. Ohio's 7% rate of increase in FY 2001 equaled the national trend but exceeded other states in the Great Lakes region like Illinois (4.9%) and Indiana (4.6%). However, the FY 2001 rate of increase of Ohio's higher education budget was marginally less than Ohio's overall state budget growth (7.2%). This did not follow the national trend that saw higher education budgets increase at a greater rate than overall state budgets. Nationally, resident undergraduate tuition rose 4.4% at public universities and 3.4% at community colleges. In Ohio, average university tuition increased by 5.25% while tuition for Ohio's two-year campuses decreased by 5% on average -- a direct result of Access Challenge. Nationally, student financial aid totaled \$68.4 billion, with the federal government providing 66% of this amount. Nationally, the student share of total costs continues to increase, and the same appears true in Ohio in the long run. Vice Chancellor Petrick noted that the \$640 million tax cut Ohioans enjoyed in FY 2001 represented 12% of the total tax reduction for all states -- a very generous tax cut considering Ohio represents only 4% to 5% of the total U.S. population.

Vice Chancellor Petrick updated the Committee on the capital budget planning schedule, stating that September 21, 2001, was the deadline for submitting the Regents' FY 2003-2004 capital budget request to the governor's Office of Budget & Management. Vice Chancellor Petrick said that he hoped to have some preliminary numbers for the Board to review at its September meeting.

Vice Chancellor Petrick briefed the Committee on the FY 2000 Resource Analysis calculation, which is used to drive the State Share of Instruction and to help understand trends in institutional costs. The data presented indicate that overall campus expenditures increased by 4.4%. This increase in expenditures is directly related to rising tuition since state support has not kept up with campus costs. Vice Chancellor Petrick observed that 5,000 FTEs had been added to the system -- a 1.6%

increase in full-time enrollments at the state's public colleges and universities. Regent Brown asked how the costs at Ohio's campuses compare with national trends. Vice Chancellor Petrick responded that Andy Lechler and Associate Vice Chancellor Rob Sheehan were working with other states to ascertain such information. Regent Schey asked what portion of costs is borne by students versus by the government. Dr. Matt Filipic responded that no rule of thumb exists but at Wright State University, scholarships pay for about one-third of total student costs. Dr. Filipic also surmised that tuition rises at a greater rate than does student aid.

Regent Schey moved to adjourn, and the meeting concluded.

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