

**Minutes**  
**OHIO BOARD OF REGENTS**  
**July 17, 2003**

**CALL TO ORDER AND ROLL CALL**

The meeting was called to order by the Chair, Thomas W. Noe.

The roll was called by Regent J. Gilbert Reese. Those present were:

Edmund J. Adams	Gerald M. Miller
Donna M. Alvarado	Thomas W. Noe
Bruce R. Beeghly	J. Gilbert Reese
Jeanette G. Brown	

Regent Reese stated “the record should show that notice of this meeting was given in accordance with provisions of the Board of Regents’ Administrative Rule 3333-1-14, which rule itself was adopted in accordance with section 121.22(F) of the Ohio Revised Code and of the State Administrative Procedures Act.”

**CONSIDERATION OF MATTERS RELATED TO THE AGENDA (ITEMS MAY BE AMENDED, ADDED TO OR DELETED FROM THE AGENDA AT THE DISCRETION OF THE BOARD)**

There are no changes to the agenda.

**APPROVAL OF MINUTES OF JUNE 19, 2003**

A motion was made by Regent Brown to approve the minutes of the June 19, 2003, meeting of the Board. The motion was seconded by Regent Reese and passed unanimously.

**COMMITTEE REPORTS AND SUMMARY OF DELIBERATIONS**

**Access Committee** – Regent Alvarado – The committee began with a presentation from Dr. Mike Benzakin, General Manager of Advanced Technologies and Military Engineering for General Electric Aircraft Engines (GEAE) Division. The presentation gave the committee an opportunity to look at the broader context in which the graduates, and those who participate in Ohio’s system of higher education, are entering into the workforce as well as the particular relationship between our university research centers and the competitive and productive needs of industry as in the case of GE. Dr. Benzakin noted that technology is the key driver for GEAE and gave the example of how one of their former key competitors, Pratt Whitney, had the dominance in their market 10 years ago but has only 15% of the market share today. One of the main reasons is because they were not able to stay competitive in terms of technology.

This particular component of GE uses support from the universities. Dr. Benzakin further noted that the collaboration between GEAE and the universities through its University Strategic Alliance Program enables them to concentrate academic expertise on critical technology needs. This results in a bottom line difference for their shareholders and their profit.

The committee also received a report from Dr. Darrell Glenn, Director of Performance Reporting, on the positive feedback received from K-12 superintendents meeting on June 29<sup>th</sup>. These superintendents indicated that the report on high school to college transition was very helpful and they would appreciate the information in a more useful format. The superintendents are very interested in the results and it is important for them to know how their students are doing in college. The group will meet again before the beginning of school and invites participation by other stakeholders such as guidance counselors.

Leslie Sawyer, Director of Access and Initiatives Programs, reported on the latest developments in Ohio with the Federal Gear-Up Program. Now in its fourth year of operation in the Cleveland and Ironton school districts, the University of Cincinnati is evaluating the most cost effective methods of assisting low income students and pursuing studies and succeeding in college. Ohio's Gear-Up sites will be funded for a fifth year based on a successful report to the U. S. Department of Education. President Bush has recommended a sixth year of funding for Gear-Up. The Gear-Up staff and the Ohio College Access Network will hold a statewide conference at the Kings Island Conference Center on September 8<sup>th</sup> and 9<sup>th</sup> with the goal of creating a statewide access curriculum to be implemented in Ohio's schools. Chairman Noe suggested linking this program of Gear-Up to a potential new scholarship program so that these graduates from the Gear-Up Program will have access to financial aid. We can begin supporting this with legislators so that future generations of students participating in Gear-Up will have access to college funding.

In the technology initiative grant area, we received a presentation by Vice Chancellor Jon Tafel on the three areas recommended for funding by the statewide advisory committee. These three areas include a back office shared services, the third frontier network and the distributive learning workshop. The committee recommended the funding request to the full board.

Bret Crow, Assistant Director of Communications, reported on sharing regular email updates sent to staff with Katherine Canada, the Executive Director of the Governor's Commission on Higher Education and the Economy (CHEE). He also noted that weekly PIO calls with the Governor's communication staff would continue for the foreseeable future.

Finally, under governmental relations, Associate Vice Chancellor Deborah Gavlik presented the latest edition of The Issue, which addresses whether Ohio has too many campuses. She presented two media articles about federal issues including President Bush's plans regarding the higher education act reauthorization and a column by California Congressman Howard McKeon. She also reported on three Ohio bills, one

which deals with prohibition on utilizing post-secondary education funds for prison inmates, university student meningitis vaccinations, and timely course work completion guarantee. The committee discussed these issues and the possibility of having further conversations with both the state and federal elected officials and will be followed up by Chancellor Chu and others.

**Resources and System Efficiency Committee** – Regent Adams – The newly formed Resources and System Efficiency Committee met this morning. The committee heard a report from Dr. Darrell Glenn, who updated the committee on the Performance Consultation. This group is engaged in discussion on how to develop performance measures and demonstrate efficiencies for the 2003 Performance Report.

Vice Chancellor Rich Petrick briefed the committee on Resource Analysis Expenditure Data for fiscal 2002. The data showed that in nominal dollars instructional and general expenditures at Ohio's public colleges and universities decreased by 3.5% from fiscal year 2001/ 2002. This was a result of rising enrollments and declining state support. When adjusted for inflation using the employment cost index, expenditures increased by 8% between fiscal year 1999/2000 & fiscal year 2001/2002. The committee requested that the report include a column showing the consumer price index figures likewise. There was also some discussion on whether student financial aid dollars should be included in the analysis. This report will remain on the committee's agenda for additional discussion.

Vice Chancellor Rich Petrick briefed the committee on the fiscal year 2005/2006 capital process. He outlined the incentive based formula that is used to allocate capital dollars to campuses. There was some discussion on how the capital process relates to the work of the CHEE. It was noted that some members of the commission might feel that Ohio has over invested in campus capital because there is no reliable source for capital expenditures nationally so it is difficult to compare Ohio with the rest of the nation. The committee requested; however, that it be provided with available data from comparable states to evaluate whether it should share the data with the commission and whether the information is valuable enough to be used by the commission. This topic also will remain on the committee's agenda for further discussion.

There were three items for recommendation to the full board on the committee's agenda. The committee was first briefed on a consideration of a request by the University of Cincinnati to pledge student fees to support an 11.5 million dollar bond issue to be used to support multiple capital projects. The Resources Committee previously reviewed this item in June. The second action item is a consideration by James Rhodes State College to pledge student fees to support a 3.1 million bond issue to help finance the technology building on campus. Rhodes States President Earl Keese briefed the committee on the proposal and noted the effectiveness of the state's capital formula and the importance of the capital component funds when planning such projects. We reviewed certain degree approvals and requested that future reports incorporate data on similar programs in the same geographical area for purposes of analyzing whether there may be unnecessary duplication.

Vice Chancellor Rich Petrick also briefed the committee on the partial release and distribution of 2.4 billion in fiscal 2004 state operating appropriations. The June controlling board items were also noted. Both of these items represent routine actions by the board. The committee recommends approval of Agenda Items 3.7 – 3.10.

**Program Effectives, Research & Technology Committee** – Regent Beeghly – The committee heard a presentation from Dr. Dave Whisler of GEAE on GE’s University Strategic Alliance Program. Dr. Whisler shared with us some of the rewards and challenges of university and industry partnerships where university research is incorporated into aircraft engine products. This operates through close collaboration of faculty, students and GE Research teams. Currently, there are 9 university programs, two of which are located in Ohio at the Ohio State University and the University of Cincinnati.

The committee then heard about the competition of award and release of the Hayes Investment Fund Awards. There were 48 proposals evaluated by an external review board. Eight proposals are being recommended for funding, which are being brought forward as consent agenda item 3.6. The committee voted to move several other proposals including one tuition reciprocity agreement. Under the area of degree approval, there was discussion among the committee regarding instituting an ongoing review process for all new degree programs. This process will look at program effectiveness, student placement and degree duplication. Staff was asked to develop a review degree policy.

Mr. Chair, the committee moves forward consent agenda items 3.1 – 3.6.

**Consent Agenda:** A motion was made by Regent Adams to approve Agenda Items 3.1 – 3.11. The motion was seconded by Regent Miller and unanimously passed.

- 3.1 DeVry University, Oakbrook Terrace, Illinois; Institutional Reauthorization for Sites in Cleveland and Columbus, Ohio
- 3.2 Cleveland State University, Bachelor of Science in Health Sciences
- 3.3 University of Cincinnati – Raymond Walters, Bachelor of Radiation Science Technology
- 3.4 Ohio State University, Doctor of Philosophy in Comparative Studies
- 3.5 Tuition Reciprocity Agreement between Northwest State Community College, Archbold, Ohio; and Jackson Community College, Jackson, Michigan
- 3.6 Distribution and Release of Hayes Investment Funds
- 3.7 Consideration of a request by James A. Rhodes State College to pledge student fees in support of a bond issuance not to exceed \$3,100,000 to be used to finance one capital project on campus
- 3.8 Consideration of a request by the University of Cincinnati to Pledge student fees in support of an \$11,532,250 bond issuance

- to be used to finance two capital projects on campus
- 3.9 Consideration of partial release and distribution of fiscal year 2004 appropriations from Amended Substitute House Bill 95 of the 125<sup>th</sup> General Assembly
  - 3.10 Requests to the Controlling Board for the period June 1, 2003 through June 30, 2003
  - 3.11 Partial release of Technology Initiatives Funds

**RESOLUTION 2003-01**  
**Agenda Item 3.1**

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Initiatives Committee of the Ohio Board of Regents that the following institution be Reauthorized through December 31, 2013.

DeVry University  
Institutional Reauthorization  
At  
Cleveland and Columbus, Ohio

**RESOLUTION 2003-02**  
**Agenda Item 3.2**

BE IT RESOLVED: upon the recommendation of the Chancellor and the Initiatives Committee of the Ohio Board of Regents that the following new degree program is approved:

Cleveland State University  
Bachelor of Science in Health Sciences

**RESOLUTION 2003-03**  
**Agenda Item 3.3**

BE IT RESOLVED: upon the recommendation of the Chancellor and the Initiatives Committee of the Ohio Board of Regents that the following new degree program is approved on a site and time specific basis until June 2006, with a comprehensive program review completed for the Ohio Board of Regents at that time and prior to re-approval.

University of Cincinnati – Raymond Walters Campus  
Bachelor of Radiation Science Technology

**RESOLUTION 2003-04**  
**Agenda Item 3.4**

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Regents' Advisory Committee on Graduate Study as well as the

Initiatives Committee of the Ohio Board of Regents that the following new degree program is approved:

Ohio State University  
Doctor of Philosophy in Comparative Studies

**RESOLUTION 2003-05**  
**Agenda Item 3.5**

WHEREAS, a Tuition Reciprocity Agreement between Jackson Community College of Jackson, Michigan; and Northwest State Community College of Archbold, Ohio be established;

WHEREAS, under the proposed Agreement any eligible resident of Hillsdale and Lenawee Counties in Michigan is able to attend Northwest State Community College in the programs not specifically excluded from this Agreement at in-state tuition rates;

WHEREAS, any eligible resident of Fulton and Williams Counties in Ohio is able to attend Jackson Community College in the programs not specifically excluded from this Agreement at in-state tuition rates;

NOW, THEREFORE,

BE IT RESOLVED: that the Tuition Reciprocity Agreement attached is approved, beginning July 17, 2003 and ending June 30, 2005.

**RESOLUTION 2003-06**  
**Agenda Item 3.6**

WHEREAS, the Governor of the State of Ohio and the Ohio General Assembly have provided support for the Action and Investment Fund; and

WHEREAS, the 125th Ohio General Assembly through House Bill 675, the capital appropriations act for Fiscal Years 2003 and 2004, and House Bill 524, the capital reappropriations act, has appropriated funds to be distributed by the Board of Regents for the purpose of building the research infrastructure on Ohio universities, to improve the competitiveness of Ohio universities in attracting external funding, and to enhance Ohio's industrial competitiveness; and

WHEREAS, Ohio's research colleges and universities were invited to submit proposals for loans or grants in statewide competition for Hayes Investment Fund awards, and, the universities responded with outstanding proposals which met the established criteria; and

WHEREAS, a panel of nationally distinguished external evaluators, following a careful and thorough review of the forty-eight submitted proposals, have recorded their evaluations and submitted their recommendations to the Ohio Board of Regents;

NOW, THEREFORE,

BE IT RESOLVED: upon the recommendation of the Chancellor, and with the concurrence of the Program Effectiveness, Research & Technology Committee, that the Hayes Investment Fund awards be made in accordance with the list attached and made a part hereof, and

BE IT FURTHER RESOLVED: that the Ohio Board of Regents expresses its gratitude to the Governor and the Ohio General Assembly for their foresight in ensuring the enhancement of excellence in Ohio's academic research programs, and further extends its sincere compliments to each university with a project considered, and;

BE IT FURTHER RESOLVED: that the Ohio Board of Regents recognizes with appreciation the valuable contribution of the distinguished scholars, researchers, academic, and industry leaders who served as scientific reviewers and as members of the 2003 Hayes Investment Fund Review Panel.

**RESOLUTION 2003-07**  
**Agenda Item 3.7**

WHEREAS, §89.11 of Am. Sub. H.B. 95 of the 125<sup>th</sup> General Assembly requires that any new pledge of student fees to secure bonds or notes of a state college or university must be approved by the Ohio Board of Regents; and

WHEREAS, James A. Rhodes State College proposes to pledge student fees in support of general receipts bonds and/or bond anticipation notes in an amount not to exceed \$3,100,000 for the purpose of financing the construction of the new Information Technology building; and

WHEREAS, the College has determined that this project is essential to meeting the needs of students and fulfilling institutional goals; and

WHEREAS, the College's Board of Trustees approved a resolution authorizing this debt issuance at its meeting of June 24, 2003; and

WHEREAS, the proposed bond issuance complies with the requirements of Ohio Revised Code §3357.112 and §3345.12;

NOW THEREFORE,

BE IT RESOLVED, upon the recommendation of the Chancellor and with the concurrence of the Resources & Systems Efficiency Committee of the Ohio Board of Regents, that the pledge of fees by James A. Rhodes State College in

support of general receipts bonds and/or bond anticipation notes not to exceed \$3,100,000 is hereby approved.

**RESOLUTION 2003-08**  
**Agenda Item 3.8**

WHEREAS, Section 94.06 of Am. Sub. H.B. 94 of the 124<sup>th</sup> General Assembly requires that any new pledge of student fees to secure bonds or notes of a state college or university must be approved by the Ohio Board of Regents; and

WHEREAS, the University of Cincinnati proposes to pledge student fees in support of general receipts obligation bonds and/or bond anticipation notes in an amount not to exceed \$11,532,250 for the purpose of financing two capital projects; and

WHEREAS, the University has determined that the proposed projects are essential to fulfilling institutional goals; and

WHEREAS, the University's Board of Trustees approved the resolution authorizing this bond issuance at its meeting of April 1, 2003; and

WHEREAS, this proposal complies with the requirements of Ohio Revised Code §3345.11 and §3345.12;

NOW THEREFORE,

BE IT RESOLVED, upon the recommendation of the Chancellor and with the concurrence of the Resources Committee of the Ohio Board of Regents, that the pledge of fees by the University of Cincinnati in support of general receipts obligation bonds and/or bond anticipation notes in an aggregate amount not to exceed \$11,532,250 is hereby approved.

**RESOLUTION 2003-09**  
**Agenda Item 3.9**

WHEREAS, the Ohio Board of Regents is mandated by the Ohio General Assembly to administer the distribution of various line item appropriations included in Am. Sub. H.B. 95 of the 125<sup>th</sup> General Assembly; and

WHEREAS, certain of these funds are provided for specific purposes and others are to be distributed at the discretion of the Board.

NOW, THEREFORE,

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Resources Committee of the Ohio Board of Regents, that the following appropriations for FY 2004 are approved for release and distribution as specified in Am. Sub. H.B. 95

**RESOLUTION 2003-10**  
**Agenda Item 3.10**

BE IT RESOLVED: upon the recommendation of the Resources Committee of the Ohio Board of Regents, that the request for release of capital improvements funds received in the period June 1, 2003 through June 30, 2003, shown on the sheets attached hereto, are hereby approved and recommended for approval by the Controlling Board.

**RESOLUTION 2003-11**  
**Agenda Item 3.11**

BE IT RESOLVED: upon the recommendation of the Resources Committee of the Ohio Board of Regents, that the request for release of capital improvements funds received in the period June 1, 2003 through June 30, 2003, shown on the sheets attached hereto, are hereby approved and recommended for approval by the Controlling Board.

**CHANCELLOR'S REMARKS TO THE BOARD**

**INTRODUCTION/THANKS**

Thank you, Chairman Noe.

**G.E. AIRCRAFT ENGINE PLANT**

I add my thanks to G.E. Aircraft Engines for their hospitality and informative presentation. We are pleased to be joined again by Dave Wisler at this afternoon's meeting. After learning a bit more about your impressive operation, my optimism is greater than ever that Ohio can compete in today's Knowledge Economy. Your ongoing, collaborative research projects with university partners will help propel Ohio faster and farther into the Third Frontier.

I was especially intrigued to read about your work with the University of Dayton, TRW and Goodrich to develop a computer system that takes desired specifications for a composite material and gives researchers a starting point to make it.

Congratulations on your collaboration with The Ohio State University on the Center for the Accelerated Maturation of Materials, which received a \$2 million Hayes Investment Fund Award from the Ohio Board of Regents today.

I also congratulate you on nearly \$1 billion in engine orders announced earlier this month in conjunction with your French partner, Snecma Moteurs. Perhaps, GEAE should be Exhibit A when we talk about being an “engine” of economic growth in Ohio by advancing technology. I would also like to extend a warm thank you to Norma Butters for all her hard work in making our visit productive and interesting. Thanks so much for rolling out the red carpet.

### **FY04-05 BUDGET**

On to other news - Sadly, for our staff members who enjoy pulling all-nighters, like during their college days, another budget process came to a close when Governor Taft signed the Fiscal Year 2004-2005 budget bill on June 26. The 04-05 budget provides about \$48 million more over the biennium for Ohio public higher education compared to the previous two-year budget.

This “marginal” increase – while appreciated – is not enough to cover cost inflation at our state’s campuses, and hence it provides no assistance for the additional students enrolled at those campuses. Without adequate state support, universities and colleges are left with few options to accommodate an influx of students and the expenses associated with educating them in a competitive, market-driven, cost-conscious environment. In light of an anticipated 9,000 more students enrolling this year, it is not surprising to see boards of trustees enacting tuition increases. Many institutions have already cut positions and programs and used up their financial reserves.

It is also important to put a budget that essentially flat-funds higher education in proper historical context. This budget comes on top of \$313 million in higher education appropriation cuts from Fiscal Year 2001 to FY 2003.

In addition, during the past three years, the system had added the equivalent of 38,200 full-time students – all these additional students, without state support.

Throughout our budget discussions with legislators on both sides of the aisle as well as both chambers of the General Assembly, we were encouraged to see more and more of them getting the higher education message. However, it still appears that not enough understand that higher education remains the key to the prosperity of Ohioans.

We will need to sustain our efforts – and develop new approaches - to ensure Ohio’s policy makers understand this important reality of the Knowledge Economy of the 21<sup>st</sup> century. We look forward to the work of the Governor’s Commission on Higher Education and the Economy, with the next meeting on July 24<sup>th</sup>, to confirm this need.

### **THIRD FRONTIER COMMISSION**

The first meeting of the Third Frontier Commission convened a week ago.

As you know, I serve as one of the three Commission members along with Department of Development Director Bruce Johnson and the governor's Science and Technology Adviser, Frank Samuel.

We will be ably advised by a 16-member Third Frontier Advisory Board, chaired by the host of the Board of Regents' November 2000 meeting, Mark Collar, president of Procter & Gamble Pharmaceuticals. The Advisory Board will provide guidance on how best to spend funds from the \$1.6 billion Third Frontier Project to create more high paying jobs

### **KUDOS**

Finally, congratulations to our own Chairman Tom Noe, who has been appointed to an 8-year term on the Ohio Turnpike Commission by Governor Taft.

A welcome to Dr. Betty Young, the new president at Northwest State Community College. Dr. Young moved to Northwest from Franklin University, where she serves as vice president of academic services. Dr. Young takes the helm as the fifth president at Northwest State on September 1st.

### **CONCLUSION**

Chairman Noe, that concludes my report for this month.

### **PRESENTATION:**

"Advanced Computation: The Foundation for Innovation."

Al Stutz, Chief Operating Officer  
Ohio Supercomputer Center

Stan Ahalt, Executive Director  
Ohio Supercomputer Center

Garry Walters, Vice Chancellor for  
Academic Affairs and Economic Advancement  
Ohio Board of Regents

**OTHER BUSINESS:**

There being no further business to come before the Board, the meeting was adjourned.

The next meeting of the Ohio Board of Regents will be held on Thursday, September 18, 2003, at Youngstown State University, Youngstown, Ohio @ 1:30 p.m.

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Chair

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date