

Minutes  
OHIO BOARD OF REGENTS  
July 15, 2004

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

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

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

No changes were made to the agenda.

Approval of minutes of the June 17, 2004 meeting of the Ohio Board of Regents.

A motion was made by Regent Reese to approve the minutes of the June 17, 2004 meeting of the Board. The motion was seconded by Regent Brown and passed unanimously.

COMMITTEE REPORTS AND SUMMARY OF DELIBERATIONS

**Access Committee** - Regent Alvarado – The Access and Communications Committee learned about the consequences of the delay of the Capital Bill. The committee heard from various representatives regarding the impact delaying the Capital Bill would have on many campuses.

Chris Baldwin, Special Assistant to the President for Government Relations at Owens Community College, explained how a delay would hold-up the construction of the new Owens Findlay Campus, interrupt multiple phased projects on the main campus, and increase mobilization costs for Owens.

Tom Sanville, Director of OhioLink, explained that more than 90% of OhioLink’s funds from the Capital Bill are spent on acquiring “scholarly” information or electronic/intellectual bricks and mortar. A delay would impact the flow of

information for OhioLink, particularly hindering the acquisition of science, technology, and medical journals, resources that are central to OhioLink's mission.

Jack Boyle, Vice President for Business and Finance at Cleveland State University, explained how the delay would increase campus costs on fixed projects. He noted that without capital funding, Cleveland State could be forced to borrow funds for planned projects or delay projects, which would result in a potential 6-7% increase in costs. The Regents agreed to sign letters to the President of the Senate, the Speaker of the House and the Governor advocating for prompt passage of the Capital Bill.

Associate Vice Chancellor Deborah Gavlik presented a draft long-term government relations strategy and solicited input from Regents. She will continue to refine and develop the strategy. Darrell Glenn, Director for Performance Reporting, provided the committee with a preview of the 2004 Performance Report regarding measures of early college participation and transfer outcomes. The committee discussed potential policy implications. Jamie Abel, Assistant Director of Communications, provided a media round-up of higher education items in the news. The most recent copy of The Issue newsletter was provided to members.

**Resources & System Efficiency Committee** - Regent Adams - Vice Chancellor Richard Petrick presented the Financial Aid Consultation recommendations. These recommendations propose major changes to the state's need-based aid programs include: use the federal measure of need; raise the maximum public grant; and effectively merge the current OIG and Part-Time Grant programs. The proposal requires a significant state investment. The estimated price tag is more than \$260 million per year, a \$130 million increase over present funding. Implementation development is still under review.

The committee was updated on the SSI Consultations work. The group is expected to complete its work in August or September. The Higher Education Funding Commission continues to meet in three subcommittees. A sub-committee has begun to identify key deregulation issues to advance such as the state's prevailing wage and tuition policies. The commission has two more meetings scheduled August 20th and September 10th.

Additionally, the committee was briefed on a \$5 million joint-use agreement between Cuyahoga Community College and the Cleveland Museum of Art and a joint-use agreement between Cleveland State University and the Cleveland Food Bank for \$500,000.

A status of the Regent's operating budget recommendations for the FY 2006-2007 biennium was given. The Regents plan to make the final recommendations at the September Board meeting.

The committee reviewed the following action items on the Board's consent agenda:

- Release and distribution of \$2.5 billion in higher education operating appropriations for FY 2005. Most funds will be disbursed to campuses

on a monthly or quarterly basis. The board will be updated by staff when scheduled adjustments are needed during the course of the fiscal year.

- Cleveland State's proposal to pledge student fees in support of a \$62 million bond issuance. Projects to be financed by this proposal include the relocation and construction of a new bookstore and an expansion of parking facilities, as well as the renovation of several existing buildings on campus.
- Ohio State University and Cleveland Botanical Garden's \$2.5 million joint-use agreement to expand joint internship programs for urban youth and link higher education with the "green" industry.

The committee reviewed the June 2004 Controlling Board items and recommended approval of items 3.17 and 3.23 for the July consent agenda.

**Program Effectiveness, Research & Technology Committee** – Regent Beeghly – The committee began with Notre Dame College's request for a degree title change from Associate of Science in Nursing to Associate of Science in Health Sciences as a more appropriate degree title. Staff found no concerns with the proposed change.

Approval was requested for an Ohio Eminent Scholars Program award to Case Western Reserve University for its new Wright Center of Innovation in Stem Cell and Regenerative Medicine. This will be Ohio's 49<sup>th</sup> Eminent Scholar. It is anticipated that this new senior scholar will help Cleveland and Ohio achieve national and international visibility in this important and rapidly developing biomedical area. Dr. Harry Andrist, Director of Research and Graduate Programs, described the work of the Case Center, its new spin-off company called Arteriocyte and its four new adult stem cell therapies that are in clinical trials.

Provisional approval for the University of Phoenix to offer a Master of Management and Master of Management/Human Resource Management degrees was recommended. More information will be needed before final approval can be granted.

Institutional reauthorizations for three institutions will be placed on the September agenda.

Vice Chancellor Garrison Walters and Michael Taggart, Director of Workforce Development, reported that Warren County Community College met the conditions and additional information required to support a change from provisional to final approval for this pilot program. There is an Ohio Revised Code requirement for the approval of a formal community college plan from Warren County.

Vice Chancellor Walters reported on the recent discussions with Belmont Technical College and Ohio University. The two institutions will be continuing to explore possible academic and administrative collaborations as they develop a shared vision for higher education delivery in that region of the state. Also,

reciprocity with neighboring West Virginia institutions will be explored. Discussion will continue and will be reported at the September meeting.

Vice Chancellor Walters and Dr. Andrist described a collaborative initiative with staff members in the Department of Development and the Governor's office relating to the alignment of all of Ohio's science and technology programs. This approach is focused on customer needs, available mechanisms, and programmatic resources that should provide new administrative efficiencies and insights.

The committee reviewed and recommended approval of Items 3.1 – 3.16 for the July consent agenda.

**Consent Agenda:** A motion was made by Regent Brown to approve Agenda Items 3.1 –3.23 for the July consent agenda. The motion was seconded by Regent Miller and unanimously passed.

- 3.1 Art Academy of Cincinnati, Cincinnati, Ohio; Institutional Reauthorization
- 3.2 DeVry University, Oakbrook Terrace, Illinois Bachelor of Science in Biomedical Informatics degree program, to be delivered at campuses in Cleveland and Columbus, Ohio
- 3.3 Notre Dame College, in collaboration with the Huron School of Nursing; Associate of Science in Health Sciences Program
- 3.4 Tiffin University, Tiffin, Ohio; Associate of Arts Degree in Paraprofessional Education
- 3.5 Lakeland Community College, Associate of Applied Science degree in Nuclear Engineering Technology
- 3.6 Lakeland Community College, Associate of Technical Study (Type B) degree in Culinary Arts Technology
- 3.7 University of Akron Community and Technical College, Associate Applied Science degree in Geographic and Land Information Systems
- 3.8 University of Rio Grande/Rio Grande Community College Associate of Associate of Applied Science degree in Educational Paraprofessional
- 3.9 Ohio University, Master of Public Health
- 3.10 University of Cincinnati, Educational Specialist in School Psychology
- 3.11 University of Dayton, Master of Financial Mathematics
- 3.12 Ohio State University, Doctor of Audiology
- 3.13 Ohio State University, Doctor of Philosophy in Health and Rehabilitation Sciences
- 3.14 Ohio University, Doctor of Philosophy in Plant Biology
- 3.15 Approval for Ohio Eminent Scholars Program Award
- 3.16 University of Phoenix, Phoenix, Arizona Master of Management and Master of Management/Human Resource Management degree programs, to be delivered at campuses in Cleveland, Cincinnati, Columbus and Dayton, Ohio
- 3.17 Consideration of a request by Cleveland State University to pledge student fees in support of a bond issuance not to exceed \$62,000,000.

- 3.18 Consideration of distribution and release of FY 2004 Student Support Services appropriations from Amended Substitute House Bill 95 of the 125<sup>th</sup> General Assembly
- 3.19 Consideration of a request by the University of Cincinnati to pledge student fees in support of a bond issuance not to exceed \$25,900,000, to be used to finance the Financial System Replacement Project
- 3.20 Consideration of a request by Bowling Green State University to pledge student fees in support of a bond issuance not to exceed \$35,000,000
- 3.21 Consideration of partial release and distribution of fiscal year 2005 appropriations from Amended Substitute House Bill 95 of the 125<sup>th</sup> General Assembly
- 3.22 Consideration of a Joint Use Agreement between The Ohio State University and the Cleveland Botanical Gardens for \$2,500,000
- 3.23 Requests to the Controlling Board for the period June 1, 2004 through June 30, 2004

RESOLUTION 2005-01  
Agenda Item 3.1

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following institution be granted institutional reauthorization through December 31, 2013.

Art Academy of Cincinnati  
Cincinnati, Ohio  
Institutional Reauthorization

RESOLUTION 2005-02  
Agenda Item 3.2

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following degree program be approved through December 31, 2013. Progress reports will be submitted to the Ohio Board of Regents by December 31 2004, 2005, and 2006.

DeVry University, Oakbrook Terrace, Illinois  
Bachelor of Science in Biomedical Informatics  
To be delivered at campuses in Cleveland and Columbus, Ohio

RESOLUTION 2005-03  
Agenda Item 3.3

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following degree program be granted authorization through December 31, 2011. Yearly progress reports will

be submitted to the Ohio Board of Regents by December 31, 2004, 2005, and 2006.

Notre Dame College, South Euclid, Ohio  
In collaboration with the Huron School of Nursing, Cleveland, Ohio  
Associate of Science in Health Sciences Degree Program

RESOLUTION 2005-04  
Agenda Item 3.4

BE IT RESOLVED: upon the recommendation of the Chancellor and the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following new degree program is approved for a three-year time period, with continued approval based upon an update on the status of the program:

Tiffin University  
Associate of Arts in Paraprofessional Education

RESOLUTION 2005-05  
Agenda Item 3.5

BE IT RESOLVED: upon recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research and Technology Committee of the Ohio Board of Regents that the following new degree program is approved:

Lakeland Community College  
Associate of Applied Science degree in Nuclear Engineering Technology

RESOLUTION 2005-06  
Agenda Item 3.6

BE IT RESOLVED: upon recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research and Technology Committee of the Ohio Board of Regents the following new degree is approved:

Lakeland Community College  
Associate of Technical Study (Type B) degree in Culinary Arts Technology

RESOLUTION 2005-07  
Agenda Item 3.7

BE IT RESOLVED: upon recommendation of the Chancellor and with the

concurrence of the Program Effectiveness, Research and Technology Committee of the Ohio Board of Regents that the following new degree program is approved:

University of Akron Community and Technical College  
Associate of Applied Science degree in Geographic and Land Information  
Systems

RESOLUTION 2005-08  
Agenda Item 3.8

BE IT RESOLVED: upon recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research and Technology Committee of the Ohio Board of Regents the following new degree program is approved for a three-year time period, with continued approval based upon an update on the status of the program.

University of Rio Grande/Rio Grande Community College  
Associate of Applied Science degree in Educational Paraprofessional

RESOLUTION 2005-09  
Agenda Item 3.9

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 Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following new degree program is approved:

Ohio University  
Master of Public Health

RESOLUTION 2005-10  
Agenda Item 3.10

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 Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following new degree program is approved:

University of Cincinnati  
Educational Specialist in School Psychology

RESOLUTION 2005-11  
Agenda Item 3.11

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 Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following new degree program is approved:

University of Dayton  
Master of Financial Mathematics

RESOLUTION 2005-12  
Agenda Item 3.12

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 Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following new degree program is approved on a provisional basis for a period of four years:

Ohio State University  
Doctor of Audiology

BE IT FURTHER RESOLVED: that Ohio State University will be requested to report on the general effectiveness of the program in meeting its stated goals, including the ability of program graduates to find employment within the State of Ohio, midway through and, again, at the end of the four-year provisional period.

RESOLUTION 2005-13  
Agenda Item 3.13

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 Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following new degree program is approved:

Ohio State University  
Doctor of Philosophy in Health and Rehabilitation Sciences

RESOLUTION 2005-14  
Agenda Item 3.14

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Program Effectiveness, Research & Technology Committee of the Ohio Board of Regents that the following doctoral degree

program is reauthorized as an independent degree-granting program separate from the University's Doctor of Philosophy degree program in Biological Studies:

Ohio University  
Doctor of Philosophy in Plant Biology

RESOLUTION 2005-15  
Agenda Item 3.15

WHEREAS, the Governor of the State of Ohio and the 125<sup>th</sup> General Assembly of Ohio have supported the establishment of the Ohio Eminent Scholars Program; and

WHEREAS, the 125<sup>th</sup> General Assembly appropriated \$1,462,500 to be used by the Board of Regents during Fiscal Year 2005 "to establish an Ohio Eminent Scholars Program, the purpose of which is to invest educational resources to address problems that are of vital statewide significance while fostering the growth in eminence of Ohio's academic programs. Ohio Eminent Scholars endowed chairs will allow Ohio universities to recruit senior faculty members from outside Ohio who are nationally and internationally recognized scholars in areas of science and technology that provide the basic research platforms on which our technology and commercialization efforts are built..."; and

WHEREAS, Ohio's three universities with established Wright Centers of Innovation in the biosciences were invited to submit proposals for Ohio Eminent Scholars endowment awards in conjunction with their bioscience Wright Centers of Innovation; and

WHEREAS, the distinguished scientists on the panel convened by The National Academies have carried out a scientific merit review and submitted their funding recommendation to the Board of Regents;

NOW, THEREFORE,

BE IT RESOLVED: upon the recommendation of the Chancellor, and with the concurrence of the Program Effectiveness, Research and Technology Committee, that the Ohio Eminent Scholars Program award be made to the academic program and its associated Wright Center of Innovation on the list attached hereto.

BE IT FURTHER RESOLVED: that the Ohio Board of Regents expresses its gratitude to the Governor and the General Assembly for their vision in ensuring the enhancement of excellence in Ohio's academic research programs through the Ohio Eminent Scholars Program; and

BE IT FURTHER RESOLVED: that the Ohio Board of Regents recognizes with appreciation the valuable contributions of the distinguished scientists who served on the review panel convened by The National Academies.

**OHIO EMINENT SCHOLARS PROGRAM AWARD**

July 15, 2004

<b>University</b>	<b>Program</b>	<b>OES Award</b>	<b>Capital Grant</b>
Case Western Reserve University	Stem Cell and Regenerative Medicine	\$731,250	Funds not yet available

RESOLUTION 2005-17  
Agenda Item 3.17

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, Cleveland State University proposes to pledge student fees in support of general receipts bonds in an amount not to exceed \$62,000,000 for the purpose of financing multiple capital projects; and

WHEREAS, the University has determined that the proposed capital projects are essential to meeting the needs of students and fulfilling institutional goals; and

WHEREAS, the Cleveland State University Board of Trustees approved a resolution authorizing this debt issuance at its meeting of May 26, 2004; and

WHEREAS, the proposed bond issuance 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 & System Efficiency Committee of the Ohio Board of Regents that the pledge of fees by Cleveland State University in support of general receipts bonds and/or bond anticipation notes in an aggregate amount not to exceed \$62,000,000 is hereby approved.

RESOLUTION 2005-18  
Agenda Item 3.18

WHEREAS, the state's biennial budget directs the Ohio Board of Regents to distribute higher education appropriations in accordance with various requirements; and

WHEREAS, in this action the Board is requested to consider the release and distribution of \$835,848 in FY 2004 Student Support Service appropriations; and

WHEREAS, the Student Support Service line item was created to support campus efforts to serve students who are differently-abled as defined by the Americans with Disabilities Act; and

WHEREAS, the Student Support Services appropriations are distributed in accordance to a formula that recognizes the disproportionate operating costs that campuses experience when providing educational and administrative services to students who are differently-abled.

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 distribution of Student Support Services appropriations for FY 2004, as described in the attached table and made a part hereof, is hereby approved.

RESOLUTION 2005-19  
Agenda Item 3.19

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, 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 \$25,900,000 for the purpose of financing the Financial System Replacement Project; and

WHEREAS, the University has determined that the proposed project is essential to fulfilling institutional goals; and

WHEREAS, the University's Board of Trustees is expected to consider a resolution authorizing this bond issuance at its meeting of June 22, 2004; and

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

NOW THEREFORE,

BE IT RESOLVED: Contingent upon the approval of the University of Cincinnati Board of Trustees, and upon the recommendation of the Chancellor and with the concurrence of the Resources & System Efficiency 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 \$25,900,000 is hereby approved.

RESOLUTION 2005-20  
Agenda Item 3.20

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, Bowling Green State University proposes to pledge student fees in support of general receipts bonds in an amount not to exceed \$35,000,000 for the purpose of financing multiple capital projects; and

WHEREAS, the University has determined that the proposed capital projects are essential to meeting the needs of students and fulfilling institutional goals; and

WHEREAS, the Bowling Green State University Board of Trustees approved a resolution authorizing this debt issuance at its meeting of May 7, 2004; and

WHEREAS, the proposed bond issuance 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 & System Efficiency Committee of the Ohio Board of Regents that the pledge of fees by Bowling Green State University in support of general receipts bonds and/or bond anticipation notes in an aggregate amount not to exceed \$35,000,000 is hereby approved.

RESOLUTION 2005-21  
Agenda Item 3.21

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 & System Efficiency Committee of the Ohio Board of Regents, that the following appropriations for FY 2005 are approved for release and distribution as specified in Am. Sub. H.B. 95:

Agency Line Item	Program	FY 2005 Appropriations, as Enacted	FY 2005 Appropriations After Executive Cut	Effect of Executive Cut, FY 2005	
235-402	SEA GRANTS (Ohio State)	\$274,895	<b>\$257,694</b>	-6.3%	(\$17,201)
235-408	MIDWEST HIGHER ED COMPACT	\$82,500	<b>\$82,500</b>	0.0%	\$0
235-507	OHIOLINK	\$7,028,392	<b>\$6,887,824</b>	-2.0%	(\$140,568)
235-508	AFIT	\$2,053,860	<b>\$1,925,345</b>	-6.3%	(\$128,515)
235-510	OHIO SUPERCOMPUTER CENTER	\$4,103,260	<b>\$4,021,195</b>	-2.0%	(\$82,065)
235-511	COOPERATIVE EXTENSION SERVICE	\$25,644,863	<b>\$25,644,863</b>	0.0%	\$0
235-513	OU VOINOVICH CENTER	\$305,178	<b>\$286,082</b>	-6.3%	(\$19,096)
235-515	CWRU SCHOOL OF MEDICINE	\$3,212,271	<b>\$3,011,271</b>	-6.3%	(\$201,000)
235-520	SHAWNEE STATE SUPPLEMENT	\$2,082,289	<b>\$2,019,820</b>	-3.0%	(\$62,469)
235-521	OSU GLENN INSTITUTE	\$305,178	<b>\$286,082</b>	-6.3%	(\$19,096)
235-527	OHIO AEROSPACE INSTITUTE	\$1,882,767	<b>\$1,764,957</b>	-6.3%	(\$117,810)
235-535	AG RESEARCH & DEVELOPMENT CENTER	\$35,830,188	<b>\$35,830,188</b>	0.0%	\$0
235-536	OSU CLINICAL TEACHING	\$13,565,885	<b>\$13,565,885</b>	0.0%	\$0
235-537	UC CLINICAL TEACHING	\$11,157,756	<b>\$11,157,756</b>	0.0%	\$0
235-538	MCO CLINICAL TEACHING	\$8,696,866	<b>\$8,696,866</b>	0.0%	\$0
235-539	WSU CLINICAL TEACHING	\$4,225,107	<b>\$4,225,107</b>	0.0%	\$0
235-540	OU CLINICAL TEACHING	\$4,084,540	<b>\$4,084,540</b>	0.0%	\$0
235-541	NEOUCOM CLINICAL TEACHING	\$4,200,945	<b>\$4,200,945</b>	0.0%	\$0
235-543	OCPM CLINICAL SUBSIDY	\$424,033	<b>\$397,500</b>	-6.3%	(\$26,533)
235-547	SCHOOL FOR INT BUSINESS	\$1,232,996	<b>\$1,155,844</b>	-6.3%	(\$77,152)
235-553	DAGSI	\$2,993,937	<b>\$2,806,599</b>	-6.3%	(\$187,338)
235-556	OARNet	\$3,803,289	<b>\$3,727,223</b>	-2.0%	(\$76,066)
235-558	LONG-TERM CARE RESEARCH (Miami)	\$225,134	<b>\$211,047</b>	-6.3%	(\$14,087)
235-561	BGSU CANADIAN STUDIES CENTER	\$118,546	<b>\$111,128</b>	-6.3%	(\$7,418)
235-572	OSU CLINIC SUPPORT	\$1,362,259	<b>\$1,277,019</b>	-6.3%	(\$85,240)
235-585	OU INNOVATION PROJECTS	\$40,556	<b>\$38,018</b>	-6.3%	(\$2,538)
235-595	INTERNAT'L CTR WATER RES. DEV. (Central St.)	\$133,918	<b>\$125,538</b>	-6.3%	(\$8,380)
235-596	FIREFIGHTER HAZ. MANAGEMENT (Cleveland St.)	\$331,156	<b>\$310,435</b>	-6.3%	(\$20,721)
	SUBTOTAL	\$139,402,564	<b>\$138,109,271</b>	-0.9%	(\$1,293,293)

BE IT FURTHER RESOVLED: upon the recommendation of the Chancellor with the concurrence of the Resources & System Efficiency Committee of the Ohio Board of Regents, that the following appropriations are approved for distribution to the extent necessary to properly administer certain agency programs:

Agency Line Item	Program	FY 2005 Appropriations, as Enacted	FY 2005 Appropriations After Executive Cut	Effect of Executive Cut, FY 2005	
235-321	OPERATING EXPENSES	\$2,767,219	<b>\$2,680,643</b>	-3.1%	(\$86,576)
235-401	RENTAL PAYMENTS TO OPFC	\$216,836,400	<b>\$216,836,400</b>	0.0%	\$0
235-409	INFORMATION SYSTEM	\$1,154,671	<b>\$1,118,546</b>	-3.1%	(\$36,126)
235-414	STATE GRANTS & SCHOLAR. ADMIN.	\$1,211,373	<b>\$1,173,474</b>	-3.1%	(\$37,900)
235-503	OHIO INSTRUCTIONAL GRANTS	\$115,325,333	<b>\$115,325,333</b>	0.0%	\$0
235-504	WAR ORPHANS SCHOLARSHIPS	\$4,672,321	<b>\$4,672,321</b>	0.0%	\$0
235-518	CAPITOL SCHOLARSHIPS	\$245,000	<b>\$229,670</b>	-6.3%	(\$15,330)
235-530	ACADEMIC SCHOLARSHIPS	\$7,800,000	<b>\$7,800,000</b>	0.0%	\$0
235-531	STUDENT CHOICE GRANTS	\$52,139,646	<b>\$52,139,646</b>	0.0%	\$0
235-534	STUDENT WORKFORCE DEV. GRANTS	\$2,437,500	<b>\$2,437,500</b>	0.0%	\$0
235-549	PART-TIME STUDENT GRANTS	\$14,457,721	<b>\$14,457,721</b>	0.0%	\$0
235-599	OHIO NAT. GUARD TUITION GRANT	\$16,078,208	<b>\$16,078,208</b>	0.0%	\$0
235-909	HIGHER ED G.O. DEBT SERVICE	\$130,967,600	<b>\$130,967,600</b>	0.0%	\$0
	SUBTOTAL	\$566,092,992	<b>\$565,917,061</b>	0.0%	(\$175,931)

BE IT FURTHER RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Resources & System Efficiency Committee of the Ohio Board of Regents, that the following appropriations, as described in the attached schedules and made a part hereof, are approved for release and distribution:

Agency Line Item	Program	FY 2005 Appropriations, as Enacted	FY 2005 Appropriations After Executive Cut	Effect of Executive Cut, FY 2005	
235-403	MATH/SCIENCE IMPROVEMENT	\$1,757,614	<b>\$1,647,635</b>	-6.3%	(\$109,979)
235-404	COLLEGE READINESS INITIATIVES	\$3,401,759	<b>\$3,188,902</b>	-6.3%	(\$212,857)
235-406	ARTICULATION & TRANSFER	\$733,200	<b>\$718,536</b>	-2.0%	(\$14,664)
235-415	JOBS CHALLENGE	\$9,348,300	<b>\$9,348,300</b>	0.0%	\$0
235-417	OHIO LEARNING NETWORK	\$3,327,720	<b>\$3,119,496</b>	-6.3%	(\$208,224)
235-418	ACCESS CHALLENGE	\$67,568,622	<b>\$63,340,676</b>	-6.3%	(\$4,227,946)
235-420	SUCCESS CHALLENGE	\$56,113,077	<b>\$52,601,934</b>	-6.3%	(\$3,511,143)
235-428	APPALACHIAN NEW ECON. PARTNERSHIP	\$1,147,895	<b>\$1,076,068</b>	-6.3%	(\$71,827)
235-454	RESEARCH CHALLENGE	\$18,330,000	<b>\$17,183,044</b>	-6.3%	(\$1,146,956)
235-455	ENTERPRISEOHIO NETWORK	\$1,465,650	<b>\$1,373,940</b>	-6.3%	(\$91,710)
235-474	AHEC PROGRAM SUPPORT	\$1,676,670	<b>\$1,571,756</b>	-6.3%	(\$104,914)
235-477	ACCESS IMPROVEMENT PROJECTS	\$1,080,124	<b>\$1,012,538</b>	-6.3%	(\$67,586)
235-501	STATE SHARE OF INSTRUCTION	\$1,559,096,031	<b>\$1,559,096,031</b>	0.0%	\$0
235-509	DISPLACED HOMEMAKERS	\$199,743	<b>\$187,245</b>	-6.3%	(\$12,498)
235-514	CENTRAL STATE SUPPLEMENT	\$11,039,203	<b>\$10,708,027</b>	-3.0%	(\$331,176)
235-519	FAMILY PRACTICE	\$5,391,196	<b>\$5,053,855</b>	-6.3%	(\$337,341)
235-525	GERIATRIC MEDICINE	\$800,179	<b>\$750,110</b>	-6.3%	(\$50,069)
235-526	PRIMARY CARE RESIDENCIES	\$2,661,762	<b>\$2,495,209</b>	-6.3%	(\$166,553)
235-552	CAPITAL COMPONENT	\$18,711,936	<b>\$18,711,936</b>	0.0%	\$0
235-554	COMPUTER SCIENCE GRAD EDUC	\$2,512,779	<b>\$2,355,548</b>	-6.3%	(\$157,231)
235-555	LIBRARY DEPOSITORIES	\$1,731,080	<b>\$1,696,458</b>	-2.0%	(\$34,622)
235-583	URBAN UNIVERSITY PROGRAMS	\$5,553,506	<b>\$5,206,009</b>	-6.3%	(\$347,497)
235-587	RURAL UNIVERSITY PROJECTS	\$1,224,510	<b>\$1,147,889</b>	-6.3%	(\$76,621)
235-588	RESOURCE CTR/MATH/SCIENCE	\$853,262	<b>\$799,871</b>	-6.3%	(\$53,391)
SUBTOTAL		\$1,775,725,818	<b>\$1,764,391,013</b>	-0.6%	(\$11,334,805)

Total of all items requested to be approved  
for release from FY 2004 appropriations (after cuts): \$2,468,417,345

BE IF FURTHER RESOLVED: that the Chancellor is hereby authorized to obtain spending plans from colleges, universities, and other organizations as part of the process employed to distribute funds.

RESOLUTION 2005-22  
Agenda Item 3.22

WHEREAS, the 125<sup>th</sup> Ohio General Assembly enacted S.B. 189 which includes a specific capital appropriation of \$2,500,000 to The Ohio State University for the Cleveland Botanical Garden, and

WHEREAS, the Ohio Board of Regents' Rule 3333-1-03 requires that a joint use agreement between the institution for which funds are appropriated and the organization which will own or lease and operate facilities to be constructed or improved with such funds must be approved by the Board; and

WHEREAS, The Ohio State University and the Cleveland Botanical Garden have presented a joint use agreement for approval by the Ohio Board of Regents; and

WHEREAS, the agreement has been reviewed and its format is found to be appropriate, its description of extent and nature of use has been specified, and the commitment extends no less than fifteen years, and it is in conformity with Rule 3333-1-03; and

WHEREAS, the parties have determined that the value of the use is reasonably related to the amount of the appropriation; and

WHEREAS, approval by the Ohio Board of Regents is contingent upon approval of the agreement by The Ohio State University and the Cleveland Botanical Garden;

NOW, THEREFORE,

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Resources and System Efficiency Committee of the Ohio Board of Regents, that the Joint Use Agreement between The Ohio State University and the Cleveland Botanical Garden; and attached and made a part hereof, be approved.

RESOLUTION 2005-23  
Agenda Item 3.23

BE IT RESOLVED: upon the recommendation of the Resources & System Efficiency Committee of the Ohio Board of Regents, that the request for release of capital improvements funds received in the period June 1, 2004 through June 30, 2004, shown on the sheets attached hereto, are hereby approved and recommended for approval by the Controlling Board.

## **CHANCELLOR'S REMARKS TO THE BOARD**

### **INTRODUCTION**

#### **CLEVELAND STATE**

Thanks to President Michael Schwartz for his gracious hospitality in hosting our meeting here at Cleveland State University.

It's been a pleasure to be able to visit with you, your trustees and senior staff. We look forward to hearing more from you and your students' right after my report.

It's clear that under your leadership, Cleveland State is on the move. From initiating higher admissions standards for entrance to CSU, to increasing the campus's presence as a residential university by renovating Fenn Tower, to opening a second suburban center to serve residents in Cleveland's eastern suburbs, Cleveland State is on the move to better educate more Ohioans.

It's also clear that your bosses, the board of trustees, also think highly of you and your direction of CSU. Congratulations on your recently announced contract extension.

Thanks to you, your trustees and senior staff for joining the Regents and my colleagues last evening for dinner. Michael, would you please join me here to accept a token of our appreciation for hosting our meetings here on your campus, and our thanks to your assistants, Nanci Hopperton and Barbara Smith for their hard work in making our meeting here so pleasant and successful.

#### **PCAST MEETING**

Regent Brown and I had the pleasure of attending a meeting here in Cleveland two weeks ago of the President's Council of Science and Technology advisers. The first time that council has met outside of Washington, DC and invited by PCAST member, President Luis Proenza.

Several high-tech luminaries were on hand to speak and learn about high tech initiatives in Ohio.

In his welcoming remarks to the Council, Governor Taft described Ohio's Third Frontier Project to this national panel and especially noted the leadership role of the Ohio Board of Regents in developing and promoting the Third Frontier Network.

One presentation that stirred quite a bit of interest was from Cleveland State University's very own Ned Hill, professor and distinguished scholar of economic development.

Professor Hill's talk on innovation and economic development included some deep and interesting points about the economic impact of excellence in academic science and engineering; how almost every state is questing to be a high-tech center; and categorizing sources of competitive advantage and types of companies.

He noted that the popular view of the math sources of competitive advantage for economic development is that new product development is of prime importance, followed by technology transfer with regional technology advantage, then research, then specialization in scarce and thin pools of labor, and finally, education.

Professor Hill's assessment is that competitive economic development advantage is actually obtained from these five sources, but in the reverse order. Education is the most important source of competitive advantage, followed by labor specialization, research, technology transfer and new product development.

Interestingly, Professor Hill's research confirms the importance of the Regent's three key pillars:

1. Better educating more Ohioans
2. Better developing the skills of Ohio's adult workforce
3. Increasing research and development to commercialization and new job and industry opportunities for Ohio

His five categories of companies were also thought provoking:

- a) Product innovators
- b) Process innovators and global competitors
- c) Lifestyle firms
- d) One-trick ponies – commodity businesses dependent on a single business or product relationship
- e) And Dead and dying companies

Professor Hill reported that most companies fall in the third category: Lifestyle firms. They cannot remain in this position; they will either move up to become innovators, or decay.

His taxonomy has interesting application to the world of education as well as business. Most K-12 schools, colleges and universities in our nation are sitting at the same point of being lifestyle organizations - focused on maintaining control and income - that will either move up to become innovators or decay. Our challenge in the Ohio Board of Regents is to help educational institutions throughout our state continue to move into the ranks of education innovators.

## **CAPACITY REPORT**

As part of our continual efforts to better inform and educate state policymakers about higher education, we have completed a first-ever study of the capacity of state-funded colleges and universities.

Our study assesses the capacity of Ohio's public campuses to serve students in Fiscal Year 2003 and discusses the implications that this has for future state capital decisions. The study completely disproves the contention that Ohio has too many campuses with too many buildings and too much space.

The study concludes that Ohio's public campuses are pretty much filled to capacity.

The study also concludes that while Ohio's public campuses may appear to have enough space to meet current enrollment demand, a significant amount of that space is in need of some form of replacement or major rehabilitation.

a) In fact, when only space that is satisfactory or only requires minor rehabilitation is considered, there are major shortfalls in the four space categories that represent the core needs of students and faculty. Classroom space is "short" 37%; offices, 34%; and classroom labs, 19%. In addition, 57% of residence hall space is in need of significant renovation or replacement.

Unfortunately, for campuses dealing with aging facilities and enrollment increases, most Ohio campuses now receive significantly less capital funding per biennium than a decade ago, despite an estimated 30 percent inflation in construction costs during this time period and the pressing need to replace or renovate the large bloc of rapidly aging facilities which were built before 1980.

To address these concerns, campuses and universities should continue to be encouraged to reinvest in aging facilities or replace aging facilities with new facilities. But they cannot do so on their own, and they will need major state capital investments to address these problems.

We intend to share the results of our report far and wide with the members of the General Assembly.

Stephanie McCann, assistant director of HEI, deserves special recognition for leading this effort from the start and producing a fine report.

## **WELCOME**

To Roderick J. McDavis, the new president at Ohio University. (Given the scarcity of individuals with that fine, noble name, it's a special pleasure for me to welcome another Roderick to Ohio!)

A 1970 OU graduate, Dr. McDavis returns to Athens from his post as provost and vice president for academic affairs at Virginia Commonwealth University. Not only is Dr. McDavis the first African-American president at OU, he is also the first alumnus in 132 years to serve as president. Dr. McDavis started July 1st.

**KUDOS**

To OU's just retired president, Bob Glidden

As I told those gathered at the Ohio University 21st Annual State Gov't Alumni Luncheon in May, Bob has been a very special president to me.

Bob was the first Ohio president to greet me in my new capacity as Chancellor. But that was even before I took office. He whisked me down to a dinner on the OU campus in November 1997.

I also had the pleasure of attending a farewell dinner for Bob last month at OU, where I celebrated his and Rene's many accomplishments and contributions to that fine university with hosts of trustees, staff, faculty and friends, and his successor.

Bob's broad perspectives and thoughts have gone beyond the parochial interests of his institution to the good of higher education and the state and nation as a whole. His focus, not only advancing Ohio University, but other public and private universities, resulted in his invaluable contributions as a member, for each of its 8 years, of the Higher Education Funding Commission, and as a special counselor and partner to me. His "win-win" attitude and visionary leadership are already sorely missed. I am grateful that Bob and I developed not only a high professional regard for each other, but also a personal friendship that I look forward to continuing and benefiting from as he and Rene retire to the mountains of Virginia.

**CONCLUSION**

Chairman Noe, that concludes my report for this month.

**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 23, 2004, at Central State University, Cleveland, Ohio @ 1:30 p.m.

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Chair

\_\_\_\_\_

Secretary

\_\_\_\_\_

Date

\_\_\_\_\_

Date