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M E M O R A N D U M

To: Presidents, State-Assisted and Independent
Doctoral-Granting Universities

From: Roderick G. W. Chu, Chancellor

Date: March 27, 2006

Subject: Economic Growth Challenge/Innovation Incentive Program

I am writing once again to provide you with an update on our plans for the Innovation Incentive Program, which was outlined in House Bill 66 as the centerpiece of Economic Growth Challenge (EGC). With the initiation of this highly significant new challenge program, we continue to make good progress in the implementation of the recommendations derived from the Governor's Commission on Higher Education and the Economy. Your continuing collaboration and assistance in this regard have been greatly appreciated.

As you know, Vice Chancellor Garrison Walters has taken a leadership role in the development of the EGC concept, and I had, therefore, asked him to lead our planning effort. The consultation group, which we have been referring to as the EGC Planning Committee, included the chief academic officers from each of your institutions along with a small number of graduate deans and finance vice presidents as well as representatives of the Governor's Office. This group met four times during the period from November 30, 2005 through January 23, 2006 and consulted widely via email and conference call with other key members of our higher education community. The results of their planning effort is the attached Innovation Incentive Program guidelines document.

You will recall that the Ohio General Assembly stipulated that in Fiscal Year 2006 both state-assisted doctoral degree-granting universities and those independent universities electing to participate in the Innovation Incentive Program should "initiate a comprehensive Innovation Incentive plan designed to enhance doctoral programs and areas of research that have the greatest potential to attract preeminent researchers and build research capacity;

enhance regional or state economic growth by creating new products and services to be commercialized; and complement Ohio's Third Frontier Project."

Funding for the Innovation Incentive Program will be at least \$4.7 million in the current fiscal year and at least \$9.4 million in Fiscal Year 2007. These monies come from the EGC line item plus an equal amount set aside from campus allocations of the current doctoral state share of instruction.

According to the language in HB 66: "The set-aside begins in fiscal year 2006 and is intended to increase incrementally over a period of ten years with the goal of setting aside a total of fifteen per cent of the doctoral reserve from 235-501, State Share of Instruction, by 2016."

As you will see in the attached document, the guidelines are consistent with the recommendations of the Governor's Commission on Higher Education and the Economy in making awards based on the highest principles of competitive excellence and in direct support of bold new visions for restructuring Ohio's current portfolio of doctoral programs.

If you have any questions or comments about our plans for implementing Economic Growth Challenge, please do not hesitate to contact me or Vice Chancellor Garrison Walters at gwalters@regents.state.oh.us.

Attachment:

- *Economic Growth Challenge / Innovation Incentive: Implementing the Incentive*, March 27, 2006