

FY 2006 State Share of Instruction Consultation
April 7, 2006
Draft Notes, last revised 4/10/06

Goals of 4/7/06 meeting:

- ❖ Complete review of HB 66 Mandates recommendations for submission to the General Assembly April 15th
- ❖ Learn about and harmonize work of various consultations
- ❖ Finalize plans to re-create the Higher Education Funding Commission

1. Call to order
2. Review of the notes of the March 14, 2006 meeting of the consultation.
3. Review of today's agenda
4. The H.B. 66 Mandates subcommittee
 - 4.1. Review of draft recommendations due April 15 to the General Assembly
 - 4.1.1. These recommendations will be submitted to the Higher Education Funding Study Council after the Regents formally approve them at the April 20th OBR meeting. Representative Webster is aware of this and granted a one-week extension.
 - 4.2. The SSI Consultation reviewed the H.B. 66 Mandates subcommittee's recommendation for a two-year success challenge. Eligible certificates must meet certain criteria, including:
 - 4.2.1. Auditable certificates requiring a minimum of 15 credit hours of coursework and must meet one of the following four guidelines:
 - 4.2.1.1. Consist of for-credit courses that have been recommended or endorsed by an employer, employer group, trade/labor organization, skills standard board, or professional association/governing board; or
 - 4.2.1.2. Result in student qualification to sit for examination leading to licensure, registry, or a prevailing industry or professionally recognized certificate, certification, or credential; or
 - 4.2.1.3. Qualify as the first part of a 1 + 1 program that develops a career pathway leading to an associate degree; or
 - 4.2.1.4. Are approved by the Board of Regents as one-year technical certificates.
 - 4.2.1.5. Eligible campuses include all public campuses of the EnterpriseOhio Network. This includes Shawnee State [and the University of Toledo], neither of which were identified in the H.B. 66 language.
 - 4.2.2. The Consultation made the following observations and suggestions:
 - 4.2.2.1. Clarification was sought regarding the transfer portion of the proposed challenge.
 - 4.2.2.2. Specifically, members asked if the restriction of funds to 'at-risk' students, as recommended for the certificate and associate degree components, would apply to transfer students. It was concluded that such a restriction would not apply because of

the need to provide incentives to have students in general transfer - not just those 'at-risk.'

- 4.2.2.2.1. A sub-subcommittee led by Darrel Winefordner would be assembled to create an operational definition of "at-risk".
 - 4.2.2.3. It was also noted that movement of a student from a branch campus to a university main campus would not count as a transfer.
 - 4.2.2.4. The difficulties in precisely defining a transfer student was acknowledged
 - 4.2.2.5. The Consultation agreed that a student would not need to obtain a certificate or AA or AS degree prior to transferring to be eligible for funding, so not to restrain student choice and self-paced advancement.
 - 4.2.2.6. The Consultation agreed that the goal of rewarding transfer activity was to reward successful transfers, and concluded that the best way to determine success was to count only those transfer students who achieved a degree. This could be open to a broader interpretation.
- 4.3. The SSI Consultation reviewed the subcommittee's recommendation on distributing SSI funds based on certificate or degree achievement.
- 4.3.1. The subcommittee's recommendation calls for a STEM² Challenge, instead of using SSI dollars to fund certificate/degrees. A challenge is more responsive to current state needs. And a challenge would be more visible and transparent.
 - 4.3.2. The recommendation also refutes the notion of funding for perpetual students by pointing out that existing funding policies are time-limited and offer incentives for students to complete degrees.
 - 4.3.3. The Consultation suggested that a 4th bullet be added to describe the dangers of the TEL amendment, and how its passage would render future fiscal decisions problematic or uncertain.
- 4.4. The SSI Consultation reviewed the subcommittee's recommendation on using the SSI to promote operational and administrative efficiency.
- 4.4.1. The subcommittee's recommendation strongly opposes the use of SSI dollars in this fashion, and instead recommends the adoption of the new SSI taxonomy that has been developed by the Taxonomy Subcommittee. The recommendations also highlight the use of statewide average costs in the SSI formula that promote efficiency.
 - 4.4.2. The recommendations also recognize the difficulties in establishing a threshold for "administrative support" and the lack of a consensus on what this means.
 - 4.4.3. A member of the Consultation questioned some of the content of recommendation #3 (regarding remediation), arguing that the use of a single 'cut score' was too simplistic, and that the recommendation should better stress the goal of helping all students succeed. Revised language will be provided by the member of the Consultation and be consistent with the recommendation.

5. Old business

5.1. Corrective bill update

- 5.1.1. Up to an additional \$30 million per year was appropriated for the OIG shortfall for FYs 2005 and 2006. Some members of the General Assembly have begun to accept the “victims of success” notion that has led to increased enrollments among OIG-eligible students.

5.2. Capital update

- 5.2.1. A capital bill is not expected until next autumn, after the November elections.
- 5.2.2. Regents staff have begun brainstorming ideas for the statewide master capital plan, which will among other things outline the \$5 billion deferred maintenance problem.
- 5.2.3. Some members of the Higher Education Funding Study Council have raised the idea of a state facilities commission to oversee capital spending for higher education, much like the School Facility Commission for K-12. It is unclear what the perceived problem is that would justify an additional layer of state bureaucracy.
 - 5.2.3.1. But one member of the Consultation suggested that such a commission would be beneficial because it would raise the legislature’s understanding of higher education capital needs and, therefore, improve capital support for colleges and universities.
 - 5.2.3.2. But another member felt that such a commission would slow the capital process and create construction delays. The state Dept. of Administrative Services’ existing policies were cited as an example of this potential problem.
 - 5.2.3.3. It was noted that campus autonomy could be compromised by such a commission, and that campuses are already held accountable for capital decisions.

5.3. TANF update

- 5.3.1. Regents staff recently met with the governor’s office and with staff from ODJFS to develop a plan to tap the state’s \$900+ million TANF fund balance for higher education-related purposes.
- 5.3.2. Higher education’s share is estimated at \$15 million per year for two to three years.
- 5.3.3. Some of the potential uses of these funds would be for unmet tuition need, books, supplies and equipment, and childcare for TANF-eligible students and/or the dependents of TANF recipients. The current OIG pool would be the logical place to look for students who might be eligible.
 - 5.3.3.1. It was suggested that mileage reimbursement also be included as being eligible for TANF funding. One member of the Consultation agreed to develop an estimate of what this would cost for a commuter student attending her campus.
- 5.3.4. These funds would be treated as short-range, one-time monies, and any proposal developed should not create additional infrastructure or staff that might not be supported in the future.

Working Lunch

6. Reports from SSI-related study groups
 - 6.1. The Taxonomy subcommittee recommendations for protection for the Square Foot based POM Issue.
 - 6.1.1. Two proposals were developed by the Taxonomy Subcommittee:
 - 6.1.1.1. Proposal A would provide 97% of the lesser of (a) the loss resulting from the elimination of the NASF POM calculation; or (b) the net loss between the new formula and the FY 2006 production without stop-loss.
 - 6.1.1.2. Proposal B would provide support for the lesser of (a) the loss resulting from the elimination of the NASF POM protection; or (b) the net loss between the new formula and 97% of the FY 2006 production without stop-loss.
 - 6.1.2. Proposal A would be more generous and virtually hold harmless some campuses negatively affected by the elimination of the NASF POM subsidy.
 - 6.1.3. There was much discussion and disagreement among the Consultation over whether only the campuses that benefit from the new taxonomy would pay for the protection vs. all campuses—losers and winners—paying for the protection. There was also discussion over how much protection should be afforded (i.e., 97%, 100%, etc.)
 - 6.1.4. All of this would be relayed to the Taxonomy Subcommittee, which will attempt to model FY 2007 SSI and develop a modified Proposal B that will be re-submitted to the Consultation.
 - 6.2. The ‘Out of the Box’ subcommittee draft recommendations were reviewed and discussed:
 - 6.2.1. Recommendation #1: Universal adoption of course redevelopment, to be referred to OLN.
 - 6.2.2. Recommendation #2: Encourage more high school students to participate in PSEO programs and/or take the core high school curriculum, to be referred to the Partnership for Continued Learning.
 - 6.2.3. Recommendation #3: Adopt AccelerateOhio to create noncredit certificate programs designed to get adult workers into the education continuum, to be referred to the Higher Education Funding Study Council.
 - 6.2.3.1. One member of the Consultation suggested that this proposal, or at least the April edition of the Regents’ monthly publication the *Issue*, incorporate some of the existing programs at campuses that already aim to accomplish AccelerateOhio’s goals. Because the OOB Subcommittee had concluded its work, the recommendation would not be modified, but instead this suggestion would be addressed in the April *Issue*.
 - 6.2.4. Recommendation #4: Monitor Key statewide performance indicators, to be referred to the Performance Consultation.
 - 6.2.5. Recommendation #5: Reexamine the Regents’ faculty workload guidelines and post-tenure review, to be referred to the Higher Education Funding Commission.
 - 6.2.6. Recommendation #6: Foster entrepreneurship among students to help them think more creatively, to be referred to BAHEE.

- 6.2.7. Recommendation #7: Examine the merits of regional governance for institutions and the consolidation of institutions, to be referred to the Board of Regents for study.
 - 6.2.7.1. One member felt that the UT-MUO merger has given the legislature a taste for this and suggested there may be some urgency to this recommendation. But another member felt that the benefits of the UT-MUO merger will not be known for some time and suggested that urgency is not an issue.
 - 6.2.7.2. Another member noted that programmatic considerations must be a part of any discussion of consolidation.
 - 6.2.7.3. Tax levy-supported community colleges are probably not good candidates for regional governance and/or consolidation.
 - 6.2.8. Recommendation #8: Increase the utilization of college and university facilities, to be referred to the Board of Regents.
 - 6.2.9. Recommendation #9: Modify the state's ERIP policy, to be referred to the joint IUC-OACC HR working group.
 - 6.2.10. Recommendation #10: Establish a uniform tuition rebate system, to be referred to the Funding Study Council.
 - 6.2.10.1. Senator Kirk Schuring's proposal is relevant to this recommendation and should be reviewed.
 - 6.2.11. Recommendation #11: Create a statewide community college system permitting broader local taxing authority, to be referred to the Board of Regents.
 - 6.2.12. Recommendation #12: Restructure the state budget to separate investments from consumption, to be referred to BAHEE.
 - 6.2.12.1. It was noted that models exist for establishing revenue streams to fund investments.
- 6.3. Higher Education Funding Study Council update
- 6.3.1. It was noted that Rep. Webster has clearly indicated that any proposal calling for a change to the state's multiple prime requirements would be deemed unacceptable and would, if included, damage all of the recommendations received from Regents-led groups.
 - 6.3.2. The Study Council's recommendations are expected to be issued in mid to late May.
- 6.4. Higher Education Leadership Coalition (HELCO)
- 6.4.1. At HELCO's last meeting, Secretary of State Ken Blackwell said that TEL is being misread and that it would force the legislature to set priorities, which would only benefit higher education because higher education is an obvious priority for the state.
7. Mapping out future meetings – topics? studies? data?
- 7.1. Re-create the Higher Education Funding Commission
 - 7.1.1. The members to be added to the SSI Consultation to create the Funding Commission are still under review, but will likely include:
 - 7.1.1.1. Four legislators, two from each party and from each house.
 - 7.1.1.2. The directors of OBM, the Dept. of Development and the superintendent of public instruction.
 - 7.1.1.3. The executive director of BAHEE.

- 7.1.1.4. One academic person from a two-year campus.
- 7.1.1.5. One CFO from both the two- and four-year sectors.
- 8. Next meeting: May 15th but still holding May 5th as a contingency date.
- 9. Other items
- 10. Adjourn