

## *Summary of Taxonomy Committee's Recommendations*

### *Taxonomy, Data, and Cost Recommendations*

1. *To implement a subject oriented taxonomy that groups combinations of subject field / level combinations into three distinct taxonomy groupings;*
  - 1.1. *Arts and Humanities (AH)*
  - 1.2. *Business, Education, and the Social Sciences (BES)*
  - 1.3. *Science, Technology, Engineering, Mathematics, and Medicine (STEM<sup>2</sup>)*
2. *To expand the number of models to 26 models from the current taxonomy that has 16 models.*
3. *To base costs on six-years of Resource Analysis instead of the most recent years Resource Analysis data.*
4. *The Ohio Board of Regents should strengthen its efforts to ensure data consistency and integrity. This process can be enhanced through the re-establishment of Higher Education Information (HEI) advisory committee.*
5. *Cost evaluation should be based on Total Costs rather than reviewing individual components of cost.*
6. *Manual adjustments be treated as follows:*
  - 6.1. *Foreign Exchange in Arts & Humanities 3*
  - 6.2. *Eliminate 30% Baccalaureate limit, but review periodically*
  - 6.3. *OBR work with Ohio University to ensure that its correspondence courses are treated like similar courses.*

### *SSI Implementation Recommendations*

1. *To the extent possible the formula should be simplified by eliminating or phasing out existing protection for individual cost components. These include:*
  - 1.1. *POM square footage adjustment*
  - 1.2. *POM activity weighting*
  - 1.3. *Student Service Weights*
  - 1.4. *Use of Average Student Service Costs*
2. *That an adjusted uniform state share approach replaces the local contribution approach as the method for determining the portion of funds that will be funded by the State. This uniform share is adjusted by:*
  - 2.1. *Removing the Doctoral Set-Aside from Uniform Share*
  - 2.2. *Providing a 25% weighting to Uniform SSI Share for graduate models*

- 2.3. *Provide weightings to each STEM<sup>2</sup> models to ensure that the change in Taxonomy and SSI methodologies hold each model harmless*
- 2.4. *STEM<sup>2</sup> models be reviewed in the future, with the goal of achieving a more standardized structure.*
- 2.5. *Provide enough additional weighting to hold the Medical 2 model harmless (if not already made whole by earlier steps).*
- 2.6. *OBR should consider seeking more funding to support STEM<sup>2</sup> enrollment, however, we recommend that it not be done if it results in further reallocation.*

#### *Balancing Campus fiscal stability with Recommended Change*

1. *The Committee chose not to recommend a specific transition strategy until it is known whether the recommendation package is accepted in total or whether it will undergo significant adaptations.*
2. *The transition strategy should balance the need for change identified by the Committee and the need balancing fiscal stability.*
3. *The transition strategy is complicated by:*
  - 3.1. *Our significant re-engineering is occurring at a time when the higher education core funding has suffered several successive years of very substantial reductions in per student funding.*
  - 3.2. *We are not optimistic that the funding environment will change significantly.*
  - 3.3. *Some institutions are very dependent on some long standing practices. Our recommendation to eliminate these practices may warrant special consideration for funding outside of the SSI formula.*
4. *The Committee recommends that fiscal stability be measured at the campus level.*

#### *Next Steps*

1. *SSI Consultation to determine whether Taxonomy Committee recommendations make sense from a State policy perspective.*
2. *SSI to identify appropriate body (process) to review recommendations and recommend changes.*
3. *OBR should convene a statewide consultation of fiscal officers and other relevant participants to discuss these recommendations.*