

**MEDIA ADVISORY – Sept. 17, 2002**

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**OHIO BOARD OF REGENTS CONSIDERS BUDGET RECOMMENDATIONS  
AT SEPT. 19 MEETING IN CLEVELAND**

**COLUMBUS, Ohio** – The Ohio Board of Regents considered staff recommendations for a Fiscal Year 2004-2005 higher education operating budget that would focus on restoration, recovery and reform.

The recommendations call for an increase of 10 percent per year in each year of the upcoming biennial budget, from \$2.5 billion in the current budget year, to \$2.7 billion in FY 2004 and nearly \$3 billion in FY 2005. Under the budget plan, the vast majority of the request – more than 80 percent of the increase – would be devoted to funding the State Share of Instruction (SSI), the Challenges and a reform of the state’s need-based aid programs.

SSI, essential state instructional aid to the public colleges and universities, would be increased by 11 percent each year. That figure includes a 2.5 percent increase just to fund current enrollment growth, 5 percent increase per year to reduce the student share of instructional costs (thereby reducing pressure on campuses to increase tuition), and 4 percent per year to enable campuses to attract and retain talented faculty and staff. (See appendix)

The four Challenges are very successful programs designed to help campuses deliver on their missions through performance-based funding.

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## OBR BUDGET RECOMMENDATIONS/2

Access Challenge, which directly helps “buy down” tuition at two-year campuses, would receive a 10 percent increase in the first year of the biennium and a 5 percent increase in the second year. Success Challenge, which rewards university main campuses for having undergraduate students complete their degrees in a timely manner, would receive the same 10 percent and 5 percent increases in the biennium.

Research Challenge, which rewards and helps foster stronger research activity at university main campuses, would receive a 10 percent increase in both years of the biennium. Jobs Challenge, which rewards two-year campuses for delivering job-related training to Ohio’s workforce, would receive the same 10 percent increase each year.

If approved by the board, the recommendations will request funding to begin a long-term, multi-biennium revision to the state need-based aid programs – the Ohio Instructional Grant (OIG) and the Part-time Student Grant (PTSG). The programs are intended to expand access to higher education by bringing the cost of college within reach of more needy Ohio families.

The short-term goal of the revision will be to focus more aid on independent students with dependents, or “single moms.” Research had identified a significant equity gap between the need-based awards provided to that group versus dependent (often referred to as “traditional”) students.

One long-term goal of the revision will be to replace the state’s outdated method of identifying student financial need. The revision proposes using the federal definition – called “expected family contribution” or “EFC” – beginning no sooner than Fiscal Year 2006. The new method, which will need to be phased in over time, will make many more students eligible for the maximum need-based grant.

The staff recommendations were based upon a lengthy review and discussion of higher education funding by several groups and hundreds of individuals from across the state. Some aspects of the plan will continue to be refined and reviewed. Once approved by the board, the requests will be forwarded to the Governor’s Office.

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**Note:** During the Sept. 19 Ohio Board of Regents meeting, the budget recommendations described above were passed unanimously without alteration.