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**BUDGET RECOMMENDATIONS  
SEEK TO PROMOTE SCIENCE AND TECHNOLOGY,  
SPUR STUDENT ACCESS AND SUCCESS**

**OXFORD, Ohio** – Higher education budget recommendations approved today by the Ohio Board of Regents call for additional investments focused on strengthening science, technology, engineering, mathematics and medicine instruction and outcomes, and improving student access, retention and success.

Many of the recommended changes are the result of legislative mandates or direction established in the current and prior operating budget bills. Additionally, the Regents acknowledged that their recommendations are offered as a foundation or starting point for “Compact 2012,” an effort to work cooperatively and collaboratively with state policymakers and business leaders toward mutually shared long-term goals.

The recommendations call for an increase in total General Revenue Fund appropriations of 6.9 percent in FY 2008 and 5.0 percent in 2009. The net increase, not including debt service, is 8.0 percent in FY 2008 and 5.0 percent in 2009. The proposed increases would require an additional investment of \$177.7 million in the first year and \$137.7 million in the second year.

“These recommended increases in state support are focused and well-thought out,” said Garrison Walters, interim chancellor of the Board of Regents. “They will help us build capacity for additional improved instruction in very expensive STEM<sup>2</sup> courses, reduce tuition for many more needy students and moderate fee increases for others.

“Our budget builds upon solid support higher education has received from state lawmakers in the current biennium,” said Edmund Adams, chairman of the Board. “We are grateful for the additional \$30 million in additional appropriations we’ve received in FY 2007, for the supplemental \$60 million in additional Ohio Instructional Grant aid in FY 2006 and FY 2007, and for the \$30 million in TANF funds directed to needy students in FY 2007. We hope that our stewardship of these state resources helps build a base for future investments.”

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The State Investment in Instruction (formerly the State Share of Instruction) would account for most of the increase, about 45.3 percent in FY 2008 and 61.4 percent in FY 2009. The SII increases would fund enrollment growth (roughly one percent), estimated inflation (about 3 percent), and provide additional funds to begin implementation of science, technology, engineering, mathematics and medicine (STEM<sup>2</sup>) challenge funding. The STEM<sup>2</sup> funding concept was recommended earlier this year by the General Assembly's Higher Education Funding Study Council and the Regents Higher Education Funding Commission.

In addition to the SII name change, the formula behind the line item has been radically revised. The new formula is more transparent and understandable and more fairly funds course enrollments based on cost. As a result of these revisions, the Regents and policymakers can better understand the outcomes of the SII investments. For example, 56 percent of the SII subsidy is allocated to campuses for STEM<sup>2</sup> enrollments.

The budget recommendations call for the "phase-in" of the second and third year of the Ohio College Opportunity Grant program, Ohio's revamped state student financial aid program. The new program makes more needy Ohio students eligible for more state aid. The OCOG program, which accounts for 23.0 percent (FY 2008) and 19.1 percent (FY 2009) of the recommended budget increases, should be completely "phased-in" by FY 2010. Other student-related aid will account for about 4.3 percent of the overall increase in each year of the biennium.

Much of the remaining total increase is attributable to new line items and increases in existing line items to respond to legislative concerns or mandates. These include: Economic Growth Challenge, Teacher Improvement, AccelerateOhio, the STEM<sup>2</sup> Pipeline Grants, Two-year Campus Success Challenge and Ohio Healthcare Study Commission. These five initiatives total \$35.2 million in FY 2008 and an additional \$7.4 million in FY 2009.

These recommendations are to be submitted to the Office of Budget and Management and to the finance committees of the Ohio House of Representatives and the Ohio Senate.

The Ohio Board of Regents is the coordinating body for higher education in the state. Created in 1963 by the General Assembly, the 11-member public board has a direct, non-governing relationship with all of Ohio's colleges and universities.

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