
Detailed Fiscal Analysis

Summary of the bill

The Board of Regents is a nongoverning entity that guides the development of higher education policy and coordinates policy implementation. It does not exercise direct managerial control over institutions of higher education, but does make policy recommendations and administers state funding and financial aid for institutions of higher education. The Board is also responsible for approving institutions' program changes, collecting data, and providing fiscal and operational oversight of public institutions of higher education. The Chancellor of the Board of Regents is the administrative officer of the Board and is responsible for day-to-day operations of the Board's staff agency.

Currently, the nine-member Board of Regents has the authority to appoint the Chancellor who reports directly to the Board. The bill transfers the appointment of the Chancellor to the Governor, with the advice and consent of the Senate, and limits the Chancellor's term of office to five years. Specifically, it requires the Governor to appoint a Chancellor within 30 days after the effective date of the bill, which contains an emergency clause and will become effective as soon as the Governor signs the bill.

The bill also transfers the full duty and authority of the nine-member Board of Regents to the Chancellor. The Board would become an advisory body to the Chancellor and have no authoritative control over the operations of the staff agency. However, the bill requires the Board to meet at least quarterly and to issue an annual report on the condition of higher education in this state, including the performance of the Chancellor.

The bill also mandates that the Chancellor report to the General Assembly and the Governor no later than September 28, 2007 with recommendations and a plan to:

- (1) Make colleges more affordable and accessible;
- (2) Encourage graduates to remain in Ohio after earning their degrees; and
- (3) Maximize higher education as a driver of the state's economy.

Fiscal effects

According to the Board of Regents, the report mandated by the bill would require research beyond that in which the agency is already engaged; it would require paid consultants, complex data and economic analyses, university surveys, etc. in order to produce results of appropriate quality to inform policy decisions. The Regents indicates that it is unlikely that the current level of staff and resources could accommodate a high quality research project of this magnitude and that without additional resources staff will be able only to conduct a partial literature review and convene a small number of consultations of experts willing to help at no charge. The Regents estimates that for analogous efforts in the past the cost was between \$150,000 and \$250,000.

The nine-member Board of Regents currently meets approximately 10-11 times annually, and members are reimbursed for mileage, lodging, and meals. In addition, there are some conference room and equipment rental costs associated with these Board meetings. For calendar year 2007 the estimated amount of the expenses associated with the Board will be approximately \$22,700. While the Board would largely become an advisory body, the bill requires the Board to meet at least quarterly and to produce an annual request of the condition of higher education in this state. Depending on meeting frequency, the Board's expenditures may or may not change.

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