

Ohio Board of Regents

House Higher Education Subcommittee

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April 3, 2007

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LSC Redbook

for the

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ATTACHMENTS:

- Catalog of Budget Line Items
- LSC Budget Spreadsheet By Line Item

April 3, 2007

Board of Regents

- New higher education compact initiative funded at \$79.5 million in FY 2008 and \$112.8 million in FY 2009
- Compact requires no tuition increase in FY 2008 and limits the increase to 3.0% in FY 2009
- Revised SSI distribution formula
- GRF increases by 3.9% in FY 2008 and stays flat in FY 2009

INTRODUCTION

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the Board of Regents (BOR), which includes the following seven sections.

1. **Overview:** Provides a brief description of BOR and summarizes the executive budget recommendations for BOR, including major new initiatives of the executive budget.
2. **State Share of Instruction Funding Formula:** Provides a detailed analysis of the similarities and differences between the current and proposed state share of instruction (SSI) formulas; SSI is used to distribute the bulk of state subsidies to colleges and universities.
3. **Facts and Figures:** Provides some additional data on higher education in Ohio.
4. **Master Table:** Lists executive appropriation recommendations for all BOR line items indicating the program series and programs funded by each item.
5. **Analysis of the Executive Proposal:** Provides a detailed analysis of the executive budget recommendations for BOR, including funding for each program, earmarks, and statutory changes proposed by the executive budget. The executive budget recommendations for BOR are organized into 12 program series that include a total of 60 programs.
6. **Requests Not Funded:** Compares BOR's budget request with the executive budget recommendations and summarizes the major differences.
7. **Attachments:** Includes the catalog of budget line items (COBLI) for BOR, which briefly describes each line item, and the LSC budget spreadsheet for BOR.

OVERVIEW

This overview briefly describes the 11-member Board of Regents and its staff agency, the make-up of the appropriations recommended by the executive budget for BOR, and the major initiatives of the executive budget, including the new higher education compact, the revised SSI formula, the Ohio College Opportunity Grant, the Ohio College Access Network, early college high schools, regional summer academies, teacher signing bonuses and loan forgiveness, the research incentive program, AccelerateOhio and workforce development, and the Central State University Speed to Scale plan. Also included are a summary of the key recommendations of the Higher Education Funding Study Council and a brief analysis of the higher education share of the state budget from both the current and historical perspectives.

Agency Overview

The 11-member Board of Regents. As BOR's governing authority, the Ohio Board of Regents consists of nine members appointed by the Governor, with the advice and consent of the Senate. Two additional ex-officio (nonvoting) members of the Board are the chairpersons of the education committees of the Senate and the House of Representatives. Created in 1963 by the General Assembly, the Ohio Board of Regents is responsible for coordinating higher education in Ohio and has a direct, nongoverning relationship with all of Ohio's colleges and universities. The Board's main responsibilities include:

- To advise the Governor and the General Assembly on higher education policy, considering the needs of the people and the state and the role of public and independent colleges and universities in fulfilling these needs;
- To advocate for and manage state operating and capital funds for public colleges and universities and student financial aid programs for all students;
- To approve new two-year community college charters and recommend the establishment of the state four-year universities;
- To authorize and approve new degree programs at existing institutions;
- To provide fiscal oversight of all public institutions; and
- To develop a strategy involving Ohio's public and independent colleges and universities to maximize higher education's contribution to the state of Ohio and its citizens.

The Board has stated the following vision for higher education in Ohio:

- To be a leader among states in the 21st century knowledge economy;
- To recognize and proclaim a direct connection between the educational attainment of Ohio's citizens and its future prosperity; and
- To encourage and support the increasing and lifelong participation of all Ohioans in higher education.

Toward the fulfillment of its vision and responsibilities, the Board has currently identified five goals and developed strategies and measurements for their achievement. The goals are as follows:

- Increase seamless access to affordable, quality higher education for all Ohioans;
- Identify and encourage academic programs of distinction and excellence;
- Eliminate unnecessary duplication in programs, services, and facilities;
- Elevate the scientific and technical competency of all of Ohio's citizens to meet the needs of the 21st century economy and enhance their quality of life; and
- Focus and expand research and workforce development to create economic opportunities and assure the success of the Third Frontier program and other key initiatives.

The Board of Regents – Staff Agency. As a staff agency, the day-to-day operation of BOR is the responsibility of a chancellor, who has historically been appointed by and serves at the pleasure of the 11-member Board. On March 14, 2007, the Board appointed a new Chancellor of the Board of Regents.

Table 1, below, shows BOR's staffing levels from FY 2004 to FY 2009. As of March 20, 2007, BOR had 90 staff members, including 87 full-time, 2 part-time, and 1 intermittent. Its authorized personnel level is 108. As seen from the table, BOR has added 12 employees since FY 2006, mainly to

accommodate the growth that was brought about by the newly established Ohio College Opportunity Grant program and the expansion of the articulation and transfer system as required in Am. Sub. H.B. 66 of the 126th General Assembly. BOR indicates that it currently has 16 vacancies and these vacancies will likely be filled once the hiring freeze is lifted. Of these 16 vacancies, 6 are associated with a program funded by one-time TANF (Temporary Assistance for Needy Families) money provided by an executive order in FY 2007 and these positions will only be filled through FY 2007. Three of the other ten vacancies are new positions, two of which will be funded by the GRF to support articulation and transfer and the Partnership for Continued Learning initiatives and the other one will be supported by federal funds. If all of these ten vacancies are filled, BOR will have approximately 100 staff members during the FY 2008-FY 2009 biennium.

Table 1. BOR Staffing Levels, FY 2004-FY 2009						
Fiscal year	2004	2005	2006	2007*	2008 (Estimated)	2009 (Estimated)
Total BOR staff	84	78	78	90	100	100

* As of March 20, 2007

BOR is organized into four divisions: Academic Affairs and Economic Advancement, Educational Linkages and Access, Budget and Finance, and Operations. The main responsibilities of these four divisions are as follows:

- Academic Affairs and Economic Advancement is responsible for administering programs related to research, workforce development, and campus information technology; and for approving programs offered by campuses.
- Educational Linkages and Access is responsible for programs that promote student access and success in higher education (including articulation and transfer), P-16 alignment, and the use of classroom technology.
- Budget and Finance is responsible for coordinating operating and capital budgets for higher education and conducting various performance analyses, including the use of the higher education information (HEI) data to enhance decision-making and reporting capacity of state higher education policymakers.
- Operations is responsible for services, such as human resources, fiscal services, communications, and information technology support services.

Appointment of the Chancellor and the Role of the Ohio Board of Regents. As indicated earlier, the Chancellor of the Board of Regents has historically been appointed by the 11-member Board of Regents. As a chief administrator, the Chancellor reports directly to the Board, which has the ultimate responsibility of coordinating higher education in Ohio. H.B. 2 and S.B. 2 of the 127th General Assembly propose to transfer the appointment of the Chancellor from the 11-member Board to the Governor, with the advice and consent of the Senate, and to transfer all of the Board's current powers and responsibilities to the Chancellor. The 11-member Board of Regents would become an advisory body to the Chancellor, who will report directly to the Governor. H.B. 85 of the 127th General Assembly, on the other hand, proposes to continue the current practice of appointing the Chancellor by the 11-member Board; however, the Board's selection would require approval of the Governor. While continuing to serve at the pleasure of the Board, the Chancellor would become a member of the Governor's cabinet. H.B. 85 also proposes to expand the authority of the 11-member Board, including the authority for regulating programs and tuition rates of public institutions of higher education. H.B. 2 was passed by the House of Representatives on March 21, 2007. S.B. 2 and H.B. 85 are currently being heard in the House and Senate Education committees, respectively.

Ohio's Higher Education System. Ohio's higher education system is comprised of 61 public and 63 independent colleges and universities. In FY 2006, this system enrolled over 630,000 students and produced more than 104,000 degrees. Included in the 61 public institutions are 13 university main campuses, 24 university regional campuses, 1 free-standing medical college, 15 community colleges, and 8 technical colleges. These 61 public institutions enroll approximately three-quarters of the state's total post-secondary enrollment and produce approximately two-thirds of all degrees granted. Table 2 shows the five types of public institutions, the number of institutions of each type, and their enrollments.

Table 2. Ohio's Public Higher Education System, FY 2006			
Type of Institution	Number of Institutions	Total Headcount Enrollment	Percentage of Total Enrollment
University main campuses	13	251,951	53.4%
University branch campuses	24	47,316	10.0%
Free-standing medical colleges	1	461	0.1%
Community colleges	15	144,898	30.7%
Technical colleges	8	27,453	5.8%
Total	61	472,079	100.0%

Ohio's public higher education enrollments saw significant increases from FY 2000 to FY 2004, especially at the two-year campuses. These increases, which were attributed in part to the slowdown in the economy during that period, have since leveled off. For the FY 2008-FY 2009 biennium BOR is projecting a small increase of 0.6% per year.

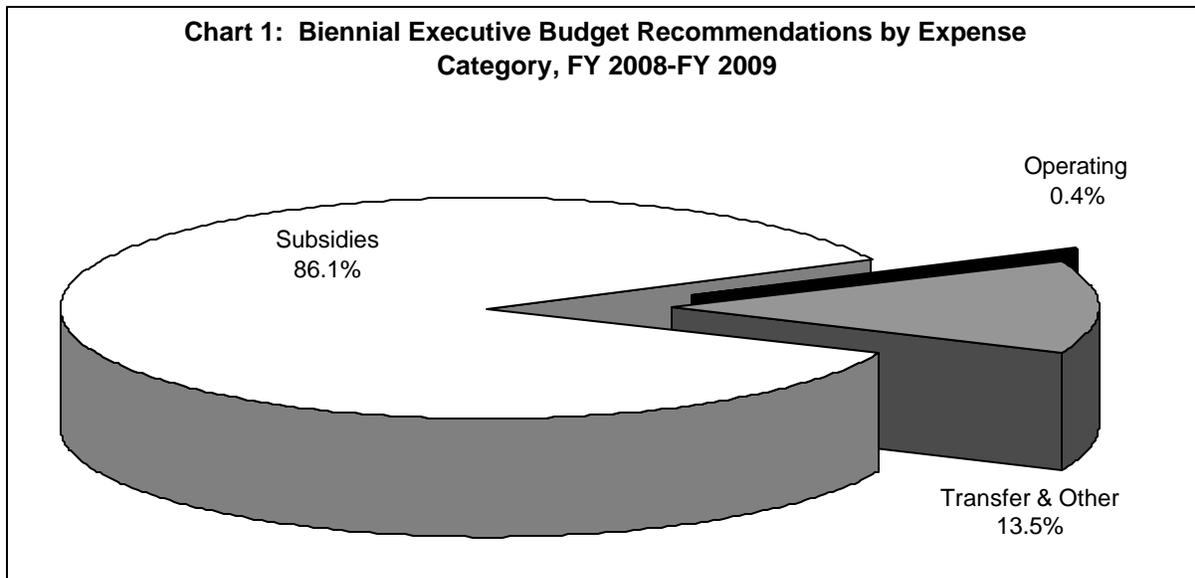
Appropriation Overview

The executive budget recommendations for BOR total \$2,675.4 million for FY 2008 and \$2,674.5 million for FY 2009. Of the total biennial recommendation of \$5,349.8 million, 63.0% is appropriated to line items, 235-501, State Share of Instruction and 235-568, Higher Education Compact. These two appropriations provide the core state support to Ohio's public colleges and universities.

Appropriations by Fund Group. Approximately 99.1% of the executive budget recommendations for BOR are supported by the General Revenue Fund (GRF). Most of the non-GRF appropriations are supported by federal funds. Table 3 shows the executive budget recommendations by fund group. As seen from the table, the executive budget recommends an overall increase of 2.3% for BOR in FY 2008 and essentially flat funding in FY 2009. The 2.3% overall increase in FY 2008 reflects a 3.9% increase in GRF, a 68.8% decrease in the General Service Fund group (GSF), and a 65.0% decrease in the Federal Special Revenue Fund group. The decrease in GSF is largely due to the fact that the funding for STEM (science, technology, engineering, and mathematics) and foreign language summer academies is moved to the GRF beginning in FY 2008. Sub. H.B. 115 of the 126th General Assembly provided \$3.0 million in FY 2007 in the Department of Education's budget for these summer academies, which was subsequently transferred to BOR and deposited into the GSF. The decrease in federal funds can be attributed to the \$30.0 million in one-time TANF funding made available by an executive order in FY 2007.

Table 3. Executive Budget Recommendations by Fund Group, FY 2008-FY 2009					
Fund Group	FY 2007 (estimate)	FY 2008	% change, FY 2007-FY 2008	FY 2009	% change, FY 2008-FY 2009
General Revenue	\$2,550,632,969	\$2,651,172,945	3.9%	\$2,650,527,541	0.0%
General Services	\$4,800,000	\$1,500,000	-68.8%	\$1,500,000	0.0%
State Special Revenue	\$2,795,991	\$2,429,870	-13.1%	\$2,174,870	-10.5%
Federal Special Revenue	\$57,884,846	\$20,257,469	-65.0%	\$20,267,350	0.0%
Total BOR	\$2,616,113,806	\$2,675,360,284	2.3%	\$2,674,469,761	0.0%

Appropriations by Expense Category. Chart 1, below, shows BOR's biennial executive budget recommendations by expense category. As seen from the chart, 86.1% of the BOR biennial budget is to be used for providing subsidies to colleges and universities, mainly to the 61 public institutions, and for student financial aid. Thirteen and one-half percent will be transferred out of BOR to pay for required debt service payments for the capital needs of public colleges and universities. The remaining 0.4% (\$11.7 million per year) is to be retained by BOR to provide for the operations of the agency, mainly in the expense categories of personal services (0.3% or \$8.3 million per year).



Appropriations by Program Series. BOR's executive budget recommendations include funding for 60 programs, which are grouped into 12 program series (groups of one or more programs with similar purposes). Table 4 below shows the recommended funding levels for each program series and their shares of the total biennial executive budget recommendations.

Table 4. Executive Budget Recommendations by Program Series, FY 2008-FY 2009				
Program Series	FY 2008	FY 2009	Biennial Total	% of Biennial Total
PS 1: College and University Instructional Operations	\$1,668,550,832	\$1,701,921,849	\$3,370,472,681	63.0%
PS 2: Facilities and Debt Service	\$395,256,742	\$364,116,142	\$759,372,884	14.2%
PS 3: Pre-K through 16 Preparation and Access	\$28,954,616	\$35,214,497	\$64,169,113	1.2%
PS 4: Student Access	\$295,451,474	\$282,199,665	\$577,651,139	10.8%
PS 5: Academic Success	\$61,578,973	\$61,578,973	\$123,157,946	2.3%
PS 6: Basic and Applied Research	\$67,744,130	\$69,115,118	\$136,859,248	2.6%
PS 7: Workforce and Regional Economic Development	\$40,488,072	\$42,988,072	\$83,476,144	1.6%
PS 8: Higher Education Collaborations	\$18,426,001	\$18,426,001	\$36,852,002	0.7%
PS 9: General Public Service	\$8,436,990	\$8,436,990	\$16,873,980	0.3%
PS 10: Public Safety	\$17,143,457	\$17,143,457	\$34,286,914	0.6%
PS 11: Medical Support	\$67,512,474	\$67,512,474	\$135,024,948	2.5%
PS 12: Planning and Coordination	\$5,816,523	\$5,816,523	\$11,633,046	0.2%
Total	\$2,675,360,284	\$2,674,469,761	\$5,349,830,045	100.0%

As the table shows, Program Series 1: College And University Instructional Operations, dominates the BOR biennial budget at 63.0%. This program series provides the core state support for public institutions in the state. Program Series 2: Facilities And Debt Service is the second largest program series at 14.2%, followed by Program Series 4, Student Access at 10.8%. The Debt Service program series provides funds to retire the bonds issued for improving facilities of public institutions across the state. The Student Access program series mainly consists of student financial aid programs. These three program series account for 88.0% of the BOR budget. The remaining 12.0% is spread among the other nine program series. The Analysis of the Executive Proposal section of this Redbook provides a detailed discussion on each program within each program series.

Summary of Major Initiatives of the Executive Budget

Higher Education Compact

The executive budget proposes a new higher education compact initiative to increase cooperation between the state and public institutions of higher education in the state, make public higher education more affordable, and increase efficiencies of public institutions through greater collaboration. To participate in the compact, an institution is required to (a) demonstrate, through increasing internal efficiencies, a 1.0% savings in FY 2008 and a 3.0% savings in FY 2009, and (b) restrain in-state undergraduate tuition increases. Specifically, the compact requires a participating institution to charge the same amount of in-state undergraduate tuition for the 2007-2008 academic year as charged for the 2006-2007 academic year and to increase in-state undergraduate tuition for the 2008-2009 academic year by no more than 3.0%. For the 2005-2006 and 2006-2007 academic years, the tuition cap is 6% or \$500 per student, whichever is less.

The new higher education compact initiative is funded at \$79.5 million in FY 2008 and \$122.8 million in FY 2009. Funds are to be distributed to institutions based on their shares of the SSI subsidies. However, institutions not meeting all requirements of the compact may lose part of their eligible shares of the funding to institutions exceeding the compact requirements.

At this point it is not completely clear how the compact funding is to be distributed. The temporary law language associated with the compact appears to call for a separate calculation for this

funding. The executive budget, however, calls for BOR to develop a plan for implementation of the compact, which may include a clarification of its funding distribution.

The executive budget also requires each public institution of higher education, beginning in the 2008-2009 academic year, to provide an itemized list of the instructional fees, general fees, special purpose fees, and any other charges on any tuition and fee cost estimates provided by the institution and on actual invoices sent to students and their families.

The State Share of Instruction

SSI provides unrestricted operating subsidies to Ohio's 61 public colleges and universities and funds a portion of the operating costs of serving the approximately 352,000 full-time equivalent students (FTEs) enrolled in those colleges and universities. In FY 2007, the state pays 41.5% of the total instructional and operational model costs.

SSI is the largest appropriation item within the BOR budget. In FY 2007, this item represents approximately 60.7% of BOR's total estimated spending. Under the executive budget, this line item is flat funded at \$1,589.1 million in both FY 2008 and FY 2009; however, the combined SSI and compact appropriation for FY 2008 represents a 5.0% increase over FY 2007 SSI expenditures. The combined SSI and compact appropriation for FY 2009 represents another 2.0% increase. Under the executive budget, the combined SSI and compact funding represents approximately 63.0% of the total budget recommendation for BOR.

Based on BOR's recommendations, the executive budget makes significant changes to the SSI formula. These changes include a new taxonomy to group courses offered across campuses, updated curricular model costs that are not broken into components, additional weights for non-doctoral graduate and STEM² (science, technology, engineering, mathematics, and medicine) models, and a uniform base state share percentage for the total weighted model cost of all non-doctoral curricular models. The State Share of Instruction Funding Formula section of this Redbook provides a detailed analysis of the similarities and key differences between the current and proposed SSI formulas.

Ohio College Opportunity Grant and Student Financial Aid

Am. Sub. H.B. 66 of the 126th General Assembly established the Ohio College Opportunity Grant (OCOG), a new student financial aid program. Students who first enrolled in an undergraduate program in the 2006-2007 academic year are eligible for financial aid only under OCOG, which is to be fully phased in by FY 2011. OCOG is to consolidate and replace two other need-based financial aid programs: Ohio Instructional Grants (OIG) and Part-time Student Instructional Grants (PSIG). This consolidation follows one of the recommendations of the 2004 Governor's Commission for Higher Education and the Economy (CHEE).

OCOG uses the federally determined "Expected Family Contribution," or EFC, as the basis for determining the students' grant awards. The EFC system is a more sophisticated measure of a family's ability to pay for higher education than family income alone (used in OIG and PSIG); it takes into account a number of other factors, including family assets, student income, number of family members in college, and the ages of the parents. Students from families with income levels less than \$75,000 are eligible for OCOG grants (\$39,000 for OIG). Compared to OIG, OCOG provides larger grants to more students, requiring approximately twice the amount of funding once it is fully implemented in order to meet intended grant levels for eligible students.

The executive budget recommends \$140.0 million in FY 2008, an increase of 140.7%, and \$151.1 million in FY 2009, an increase of 8.0%, to continue the phase-in of OCOG. In addition, the executive budget proposes several statutory changes to various student financial aid programs. It eliminates funding for a separate PSIG line item after FY 2007 and disqualifies from OCOG eligibility students who first enroll in programs in the 2007-2008 academic year that do not have a certificate of authorization from BOR. Beginning in FY 2008, the executive budget also eliminates the Student Workforce Development Grant (a grant for students enrolled in proprietary schools and colleges) and limits eligibility for the Student Choice Grant (a uniform grant for students attending independent nonprofit colleges and universities) to students who are eligible for OCOG.

Student Access to and Success in Post-secondary Education

The executive budget increases funding for appropriation item 235-434, College Readiness and Access, from \$7.7 million in FY 2007 to \$12.7 million in both FY 2008 and FY 2009. These funds are mainly used to support programs designed to improve student access to and success in higher education, such as the Ohio College Access Network (OCAN) and the early college high school initiative.

Ohio College Access Network. Funded in 1999 by the KnowledgeWorks Foundation, in collaboration with BOR and the Department of Education, OCAN is a nonprofit statewide coordinating body for college access programs, which are nonprofit organizations aiming at increasing higher education participation by providing financial counseling, "last dollar" scholarships (after all other financial aid resources have been tapped), college visits, career guidance, tutoring, and test preparation. Currently, OCAN's membership includes 35 college access programs in 46 counties. Services offered by OCAN include providing professional development, such as technical assistance, on-site visits, and annual conferences; securing and administering grants; and facilitating resource sharing among its member organizations. The increased funding for OCAN will be used to support current and new college access programs and to increase private contributions to college access programs.

Early College High Schools. The early college high school initiative is funded by appropriations provided in both BOR and Department of Education budgets. The executive budget increases the combined funding for this initiative from \$5.5 million in FY 2007 to \$7.0 million in FY 2008 and \$7.8 million in FY 2009. These funds are used to support early college high schools, which have been established in collaboration with the KnowledgeWorks Foundation. These schools are partnerships between school districts and universities that provide students from disadvantaged backgrounds the opportunity to attend a special high school program that takes place on a college campus. The students follow individualized learning plans in order to graduate from high school with an associate degree or up to two years of college credit. The current six early college high schools are located in Canton, Columbus, Dayton, Lorain, Toledo, and Youngstown public schools. The first early college high school, Dayton Early College, is graduating its first class this year with 48% of its students being on track to simultaneously attain a high school diploma and complete 60 hours of college credit or an associate degree.

STEM and Foreign Language Teaching and Learning in K-12 Schools

Am. Sub. S.B. 311 of the 126th General Assembly established the Ohio Core, a set of minimum state graduation requirements that apply starting with students who enter 9th grade in FY 2011. The executive budget provides funds in both BOR and Department of Education budgets for various activities designed to increase the capacity of school districts in providing their students with opportunities to meet the Ohio Core requirements. Within BOR's budget, the executive proposal establishes two new programs in FY 2009 to provide incentives for licensed foreign language, science, and mathematics teachers to teach in hard-to-staff schools as identified by the Department of Education. The signing bonus program

is funded at \$4.0 million in FY 2009 and the loan forgiveness program is funded at \$2.5 million in FY 2009. To qualify for either program, an individual must: (a) be licensed to teach, (b) be assigned to teach in foreign language, science, or mathematics, and (c) agree to teach in a hard-to-staff traditional public school for a minimum of five years. An individual who has met all requirements will receive either \$20,000 in signing bonus or \$20,000 in loan forgiveness funding.

The executive budget also provides \$2.0 million in each fiscal year to fund up to ten regional summer academies that focus on foreign language, science, technology, mathematics, and engineering (STEM) learning. This initiative was first funded in FY 2007 as part of the funding for the Ohio Core. The goal of the regional summer academies is to prepare 11th and 12th grade public school students to pursue college-level foreign language and STEM courses, with a focus on secondary teaching in these disciplines.

Research Incentive

In response to the April 2004 report of the Governor's Commission on Higher Education and the Economy (CHEE), Am. Sub. H.B. 66 of the 126th General Assembly established the Economic Growth Challenge. Specifically, H.B. 66 created a new line item, 235-433, Economic Growth Challenge. Among other things, it subsumed the previously existed Research Challenge line item into the Research Incentive component of the Economic Growth Challenge.

The executive budget increases the funding for the Research Incentive from \$18.0 million in FY 2007 to \$30.0 million in both FY 2008 and FY 2009. This \$30.0 million per year funding includes \$12.0 million in GRF funding in the BOR budget and \$18.0 million in Third Frontier bond proceeds in the Department of Development budget. The Research Incentive program rewards institutions' successes in attracting external research funds by using the earmarked funds to fractionally match those external funds obtained during the previous year. Each institution must submit to BOR a plan that explains its allocation of the matching funds for academic and state purposes, for strengthening research programs, and for increasing external funding. The plan must also demonstrate significant investments in Third Frontier activities funded at institutions.

AccelerateOhio and Workforce Development

The executive budget proposes a new AccelerateOhio initiative, a statewide program designed to improve the education and skills of Ohio's workforce by assisting low-income working adults in Ohio to improve their education and training. This new initiative is funded at \$2.5 million in FY 2008 and \$5.0 million in FY 2009. BOR is to implement this new initiative in collaboration with public two-year campuses statewide. The program will include competency-based, low-cost, noncredit, and credit-bearing modules and courses in communications, mathematics, information technology, and any other relevant fields determined by BOR. The goal of the program is to lead to a certificate for a program participant who can then use the certificate to pursue additional post-secondary education.

The executive budget also requires the Department of Education to work with BOR and the Governor's Workforce Policy Board to develop a plan that moves the adult education and career programs from the Department of Education to BOR for the purpose of improving education and technical skills for adult learners through enhanced course offerings and training opportunities. The plan is to be submitted to the Governor by November 30, 2007 and the movement of adult education and career programs to BOR is to occur by July 1, 2008.

Furthermore, the executive budget requires BOR, in consultation with the Governor and the Department of Development, to develop a critical needs rapid response system to address critical

workforce shortages in the state as identified by the Department of Development. BOR is to develop a response plan within 90 days after a critical need is identified.

Central State University Speed to Scale Plan

The executive budget provides \$4.4 million in FY 2008 and \$3.8 million in FY 2009 to implement the Central State University Speed to Scale Plan, which was developed jointly by Central State University, BOR, and five other public institutions. The ultimate goal is to increase Central State's student enrollments in order to improve its economy of scale. As the only state-supported historically black university in the state, 90% of Central State University's student population is African American. With a current enrollment of approximately 1,760 students, Central State University is the smallest public university in the state, making it harder to achieve levels of efficiency similar to those of some other larger public institutions. Central State University has been receiving supplement funding, in addition to the SSI subsidy, to keep its undergraduate tuition below the state average. Under the executive budget this supplement is funded at \$11.8 million in FY 2008 and \$12.1 million in FY 2009.

The Speed to Scale Plan is designed to increase the student population by increasing traditional freshman enrollment, transfer student enrollment, and the first-to-second-year retention rate. The Plan is also designed to increase the proportion of in-state students from the current 66% to 80% of the total enrollment. The executive budget creates a Speed to Scale Task Force to oversee the implementation of the Plan. The Plan calls for a total of \$9.9 million in additional operating funds over a three-year period and an additional \$23 million in capital funding (Central State is to eventually repay approximately \$7.0 million to \$9.0 million to the state). It envisions that Central State University will more than triple its enrollment to 6,000 students by FY 2017 and that the supplemental funding will begin to phase down in FY 2011 and be completely eliminated by FY 2017.

Summary of the Higher Education Funding Study Council's Recommendations

The Higher Education Funding Study Council (HEFSC) was created in Am. Sub. H.B. 66 of the 126th General Assembly with a mandate to review all aspects of higher education funding, including a review of instructional and general fees and room and board charges at the 13 state universities with the intent of setting limits on future increases. Before making its final recommendations, the Council was to receive reports from BOR on three studies also mandated by H.B. 66. These three studies concern: the feasibility of distributing a portion of state subsidy based on campus administrative and operational efficiency, the feasibility of distributing a portion of state subsidy based on the number of degrees and certificates awarded, and the feasibility of devising a performance-based grant for certificates and associate degrees. The Council's report was issued in May 2006. The report is divided into three main areas of concentration; major recommendations for each of the three main areas are summarized below.

1. *Student Focus/Access/Retention/Affordability*

- a. Prepare a pilot program that would modify the tuition cap to offer students tuition certainty during their academic careers.
- b. Prepare an early awareness and reward program for middle school students and their parents about the importance of post-secondary education in a knowledge economy.
- c. Accept recommendations of BOR and the Higher Education Funding Commission concerning the changes to the current state share of instruction (SSI), including a new name - state investment in instruction (SII), a new taxonomy, and a uniform base state share percentage for all non-doctoral curricular models.
- d. Provide additional funding for future enrollment growth.

- e. Provide funding for the STEM² challenge and the two-year campus success challenge as proposed by BOR.
- f. Develop applied baccalaureate degrees at Ohio public universities that are fully articulated with community college associate degrees to meet the changing requirements of the workplace.

2. *Operational and Administrative Efficiencies*

- a. Accept BOR's recommendation to create a statewide master capital plan based on an independent assessment.
- b. Create a study group on state reporting requirements; the group would be led by BOR with a reporting deadline of March 1, 2007.
- c. Require BOR to identify a mechanism for collecting and disseminating best practices information in the areas of access and retention, particularly in STEM² and workforce shortage areas.

3. *Workforce and Economic Development*

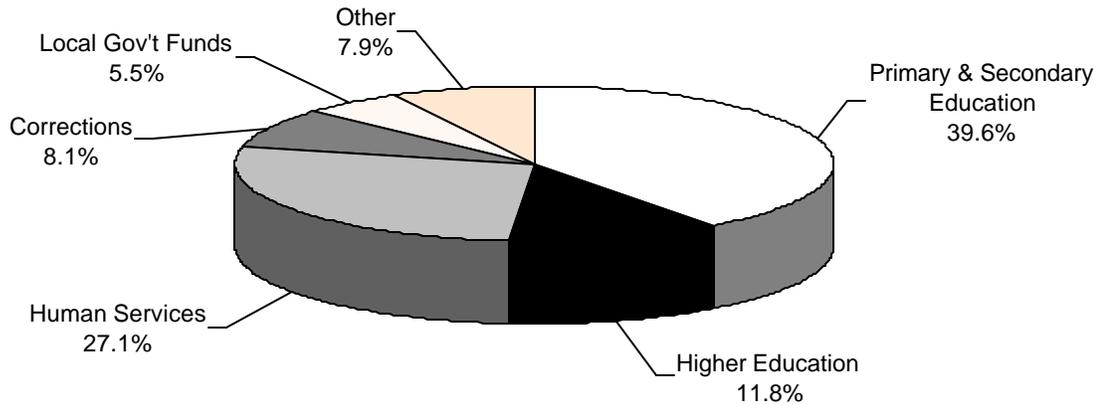
- a. Recommend that the legislature set aside additional funding to leverage improved local programmatic implementation once an optimal coordinating system for post-secondary adult workforce education and training is created at the state level. The new coordination entity will ultimately design the outcomes-based implementation plan.
- b. Require BOR to develop a model for ensuring that all communities are served by higher education providers that address the nine service standards outlined in section 3333.20 of the Revised Code, covering transfer education, technical education, and meeting the needs of employers and potential employees with respect to workforce development and economic development.
- c. Create a large pool of STEM² and foreign language high school teachers to help implement the Ohio Core.
- d. Make co-operative education and training opportunities available to students and businesses throughout the state at all levels.

Higher Education Share of the State GRF Budget¹

Higher Education Share of the FY 2008-FY 2009 State Budget. Higher education is one of several major program areas supported by appropriations in the state GRF budget. Of the executive budget's proposed total spending of \$45.0 billion for the FY 2008-FY 2009 biennium, higher education receives 11.8%, as shown in Chart 2 below. The largest budget share, at 39.6%, continues to be taken by primary and secondary education. The proportions for the remaining program areas are 27.1% for human services, 8.1% for corrections, 5.5% for local government funds, and 7.9% for all other areas.

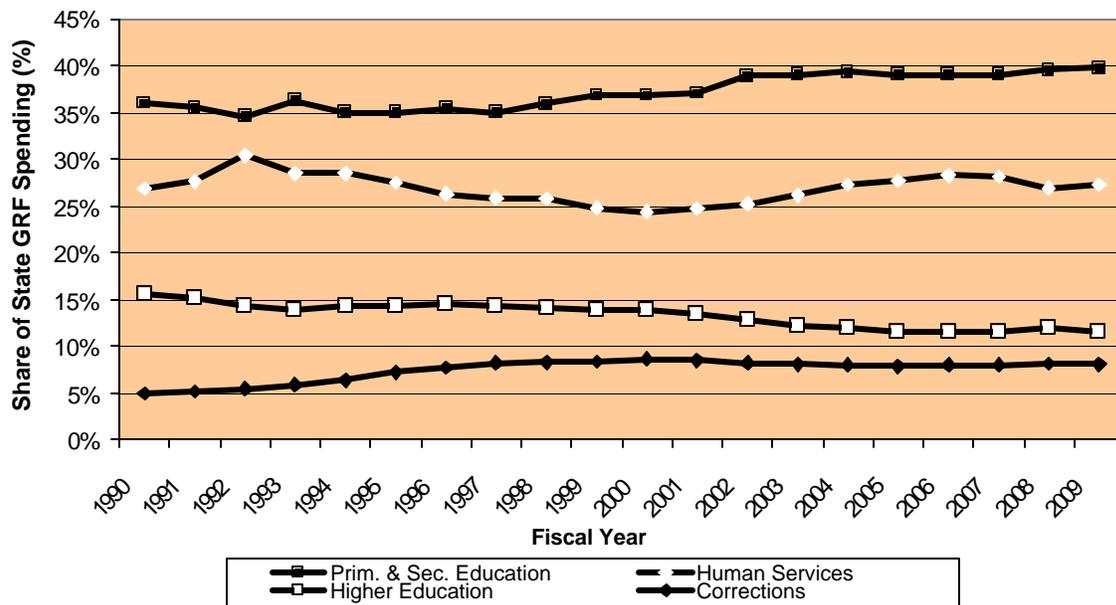
¹ For this section, the state GRF budget includes the state expenditures from the General Revenue Fund (GRF), as well as from the Local Government Funds (LGFs), and the Lottery Profits Education Fund (LPEF).

Chart 2: The FY 2008-FY 2009 Biennial State Budget by Program Area



Historical Trend of the Higher Education Share of the State Budget. Chart 3 below shows the composition of the four major spending areas (primary and secondary education, higher education, human services, and corrections) since FY 1990. As seen from the chart, higher education's share of state GRF spending varied slightly between 14% and 15% in the 1990s. Since then, due to the economic slowdown and state spending reductions, higher education's share has gradually declined and fallen to an estimated 11.6% in FY 2007. Under the executive budget, this share will increase to approximately 12.0% in FY 2008 and then decrease to 11.5% in FY 2009.

Chart 3. Composition of State GRF Spending, FY 1990-FY 2009

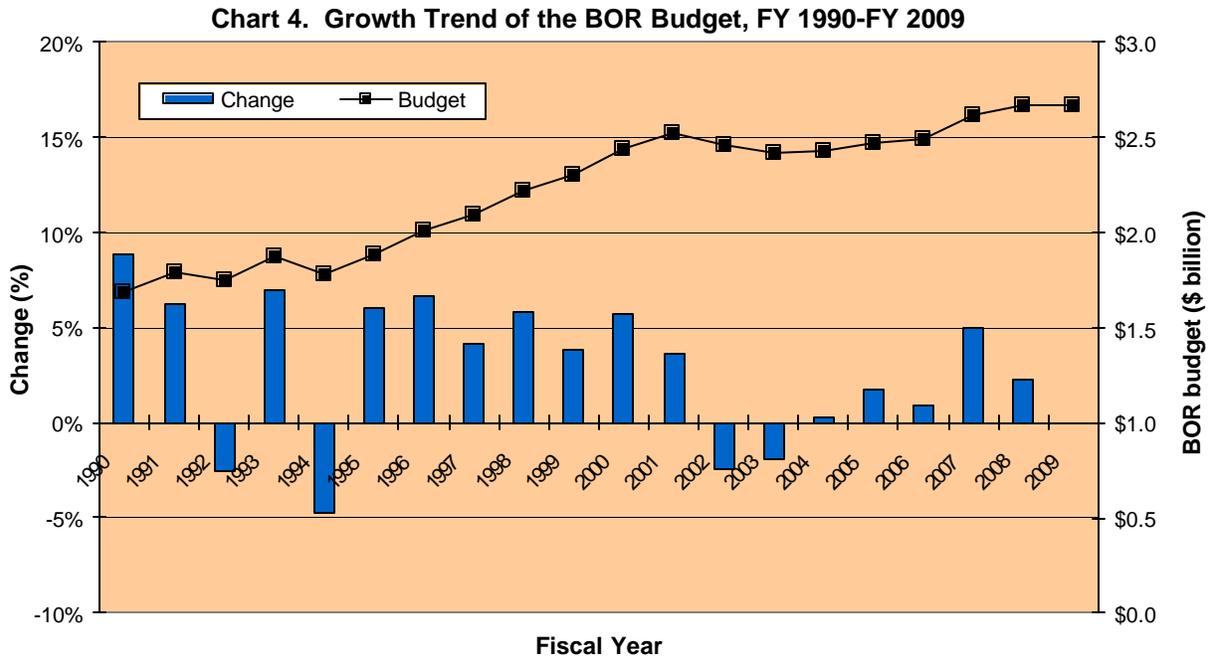


Primary and secondary education, the largest share of the state GRF budget, remained at approximately 35% to 36% in the early 1990s, then started to increase in FY 1997 and has been around 39% in the 2000s. An estimated 39.0% of the state GRF budget is devoted to primary and secondary education in FY 2007. Under the executive budget, this share will increase to 39.7% by FY 2009.

The economy has a significant impact on state spending in human services, the second largest share of the state GRF budget. Due to the economic recession in the early 1990s, human services spending absorbed more state resources and its share of the state budget increased. Due to the strong economy in the mid and late-1990s, the growth in human services spending slowed considerably. However, human services spending began to increase rapidly again because of the economic slowdown in the early 2000s and federal law changes expanding Medicaid eligibility. An estimated 28.1% of the state GRF budget is devoted to human services in FY 2007. Under the executive budget, this share will decrease to 27.3% by FY 2009.

Corrections' share of the state GRF budget increased in the 1990s from 5.0% in FY 1990 to almost 9.0% in FY 2000. However, this growth has leveled off in recent years. An estimated 8.0% of the state GRF budget is devoted to corrections in FY 2007. Under the executive budget, this share will increase slightly to 8.1% in FY 2009.

Historical Growth Trend of the BOR Budget. Chart 4 shows the historical trend of the BOR budget. As seen from the chart, in the 1990s, while it experienced large reductions in FY 1992 and FY 1994, overall, the BOR's budget enjoyed relatively robust growth with an average annual increase of 4.1%. In the early 2000s, this trend ended due to the economic slowdown and state spending reductions. Although budget reductions in FY 2002 and FY 2003 were not as severe as in FY 1992 and FY 1994, the recovery has been slower. The average annual increase from FY 2003 to FY 2009 is 1.7%.



THE STATE SHARE OF INSTRUCTION FUNDING FORMULA

The state share of instruction (SSI) formula is currently used to distribute the core state operating funding for public higher education. The executive budget has adopted BOR's recommendations and substantially revised the SSI formula for the FY 2008-FY 2009 biennium. This section of the analysis provides a three-part discussion on the current and proposed SSI formulas. Part I is a brief introduction to funding public higher education in Ohio. Part II, the main focus of this section of the analysis, discusses the similarities and key differences between the current and proposed SSI formulas. In this discussion, a hypothetical University A is used as an example to illustrate the step-by-step calculations of the proposed SSI subsidy for FY 2008. Part III summarizes the SSI distribution for the FY 2008-FY 2009 biennium.

I. Introduction to Funding Public Higher Education in Ohio

The state partners with individual Ohioans in funding their pursuit of public higher education. It distributes subsidies to Ohio's 65² four-year and two-year public colleges and universities to help defray the costs incurred by these colleges and universities in providing higher education services. The state subsidies enable these colleges and universities to charge lower student tuition, effectively subsidizing the cost of higher education for every Ohioan attending an in-state public college or university. The conceptual framework of funding higher education is as follows:

$\text{Total Cost} = \text{State Share} + \text{Student Share}$

Before deciding what the state and student shares should be and how to distribute the state share, the state must first develop a method to determine the costs incurred by colleges and universities in providing higher education services. The core service performed by all 65 campuses is the same, i.e., instruction. However, not all types of instructional services cost the same. In fact, the process of determining the cost of public higher education faces five major challenges.

1. Students pursue different levels of academic study, such as associate, baccalaureate, and masters.
2. Students pursue different subject areas of academic study, such as history, chemistry, and biology.
3. Some students attend college full-time while others attend on a part-time basis.
4. Some campuses are two-year and others are four-year.
5. Some campuses operate on a semester system while others operate on a quarter system.

It is generally recognized that, within the same academic subject area, advanced level courses are usually more expensive than lower level courses. This is because advanced level courses generally require more experienced faculty members who command higher pay. Advanced level courses may also require more costly laboratory space and equipment, and sometimes have smaller class size. Therefore, with equal student enrollment, a four-year campus generally will incur higher costs than a two-year campus.

It is also generally recognized that, within the same level of academic study, some subject areas are more expensive than others. For example, while both undergraduate chemistry and undergraduate

² Ohio's public higher education system consists of 61 institutions. However, for funding purposes, Cuyahoga Community College is counted as three campuses (East, Metro, and West), Owens State Community College is counted as two (North and South), and the University of Toledo and its medical school – the Medical University of Toledo – are counted as two campuses.

history courses require professors and textbooks, chemistry also requires laboratory space and equipment. Furthermore, the market demand often requires a college or university to pay a chemistry professor more. Therefore, while an introductory history course offered at a four-year campus may not cost any more than the one offered at a two-year campus, a chemistry course offered at a two-year campus may well cost more than an introductory history course offered at a four-year campus.

The method used by the state to fund public higher education addresses all five challenges by basing the funding amount for each campus on the number of credit hours taken by students in each of the courses offered. Specifically, the formula standardizes student enrollment credit hours for each course on a full-time equivalent (FTE) basis. An FTE essentially represents a student taking 15 credit hours for one full academic year. It equals 30 credit hours (two 15 credit hour terms) under the semester system or 45 credit hours (three 15 credit hour terms) under the quarter system. The use of the FTEs addresses the different cost implications of different campus academic calendars (quarter v. semester) and different student statuses (part-time v. full-time). Hundreds of courses are offered across the 65 campuses. The formula simplifies the process by using a small set of curricular models to group courses with similar levels and subjects of study. All courses within each model are then funded equally. Thus, the use of curricular models addresses the different cost implications of different types of campuses (two-year v. four-year) as well as different subjects and different levels of study.

In order to promote efficiency, the formula assigns each curricular model an allowance amount, which is the average expenditure incurred by all campuses for all the courses in that model. Campuses do not always incur the same level of expenditures in providing similar services. By basing the funding amount on the state average, the formula rewards campuses that spend less than the average and provides an incentive to campuses that spend higher than the average to re-examine their operations, or to seek supplemental funding for the programs in other areas of the operations. Under the formula, a campus's total allowance is determined based on the allowance for each of the curricular models they offered and the number of FTEs in each of the curricular models as follows:

Total Allowance =			
Curricular Model 1 Allowance	X	FTEs in Curricular Model 1	+
Curricular Model 2 Allowance	X	FTEs in Curricular Model 2	+
Curricular Model 3 Allowance	X	FTEs in Curricular Model 3	+
Curricular Model 4 Allowance	X	FTEs in Curricular Model 4	+
.	.	.	.
.	.	.	.
.	.	.	.
Curricular Model n Allowance	X	FTEs in Curricular Model n	

After determining the total allowance, the formula then subtracts the student, or "local" contribution from the total allowance to derive the campus's state subsidy amount. An allowance for a curricular model represents the average expenditures of all campuses for that model and therefore includes both state and student shares. The student contribution component is a way to recognize the state and student partnership in funding public higher education.

State Subsidy = Total Allowance - Student Contribution

In summary, the higher education funding formula used by the state provides a subsidy to each campus based on the number of credit hours taken by students in each of the courses offered. The formula is credit hour and course specific. It enables the state to treat similar campuses alike and different campuses differently.

II. Similarities and Differences of the Current and Proposed SSI Formulas

1. Formula Overview

The bulk of state funding for Ohio's public colleges and universities has been distributed through the state share of instruction (SSI) formula. In FY 2007, the SSI subsidy of \$1,589.1 million accounts for 72.4% of BOR's total non-debt service related appropriations. The executive budget significantly revises the SSI formula and adds a higher education compact component into the formula. In the executive budget, the combined SSI and compact funding accounts for 72.8% of BOR's total non-debt service related appropriations for the FY 2008-FY 2009 biennium.

BOR maintains the funding formula, with the advice of the Higher Education Funding Commission, a consultative body of campus and government officials and representatives. BOR and the Commission review and recommend changes to the formula every two years. The main factors of the formula are also outlined in the biennial main operating budget bill, and therefore must also be approved by the General Assembly every two years.

The current and proposed SSI formulas both follow the same general funding method outlined in the introduction above, i.e., basing funding for each campus on the number of credit hours taken by students in each of the courses offered. Each course is classified into one of the curricular models. Each curricular model is assigned an allowance, representing the average expenditures incurred by all campuses in providing all the courses in that model. Each campus's total allowance for all courses they offer is shared between the state and students.

While it follows the same general funding method, the proposed SSI formula for the FY 2008-FY 2009 biennium contains several major changes. The three most significant changes are the method used to classify curricular models, the additional weights for graduate and STEM² (science, technology, engineering, mathematics, and medical) models, and the method used to determine the state and student shares of the total targeted funding amount for curricular models. Under the current SSI formula, the targeted funding amount for each curricular model is called the model allowance. The executive budget renames this targeted funding amount the model cost.

Prior to discussing in detail the similarities and differences between these two formulas, it should be noted that both formulas apply the model cost method to non-doctoral curricular models only. The doctoral models are funded separately by a fixed percentage of the total formula appropriation amount. Each campus's doctoral subsidy amount is largely based on the campus's historical share of the statewide doctoral FTEs. For example, if a campus's doctoral FTEs are 10% of the statewide doctoral FTEs, the campus will receive 10% of the total doctoral set-aside. Furthermore, as shown in Table 1, before a campus's final subsidy amount is determined, the student-based subsidy amount is adjusted by several campus-based factors, such as the annual guarantee.

Table 1: State Subsidy =

Total Model Cost - Student Contribution + Doctoral Set-aside Allocation +/- Other Adjustments

Essentially, both the current and proposed SSI formulas have four major components: the total model cost, the student contribution, the doctoral set-aside, and other adjustments. These four major components and the key factors within each component will be discussed in turn. The similarities and differences between these two formulas in each component and the key factors of each component are described below. The hypothetical University A is used as an example to show the step-by-step calculations of the proposed SSI subsidy for FY 2008.

2. Total Model Cost for Non-Doctoral Curricular Models

The first major component of both the current and proposed SSI formulas is the total model cost for non-doctoral curricular models. This section will first discuss the three key factors in determining the total model cost for a campus: curricular models, subsidy-eligible full-time equivalent students (FTEs), and per FTE model costs. Then it will illustrate the calculations of the total model cost for University A's non-doctoral curricular models for FY 2008.

A. Curricular Models

A curricular model groups together courses with similar subject areas and levels of academic study. The method by which the courses are grouped is referred to as the taxonomy. The current taxonomy groups courses primarily by the level of study and then by the subject area of study. In contrast, the proposed new taxonomy groups courses primarily based on the subject area of study, then by the level of study.

Current Taxonomy. Under the current taxonomy, all of the courses offered at each of the 65 public campuses are classified into 16 curricular models, including 14 non-doctoral and two doctoral models. These 14 non-doctoral models are organized primarily by the level of study and then by the subject area of study. Because the current taxonomy is primarily based on the level of study, it is not always transparent to which model a course belongs. Table 2 gives a very general description of the subject areas typically contained in each of the 14 non-doctoral curricular models.

Table 2: Non-Doctoral Curricular Models under the Current Taxonomy	
Model	Examples of Subject Areas
Undergraduate Model	
General Studies I	Introductory Social Science
General Studies II	Introductory Humanities
General Studies III	Introductory Sciences
Technical I	Business and Public Service
Technical III	Engineering, Health, and Natural Science
Baccalaureate I	Advanced Social Sciences
Baccalaureate II	Advanced Humanities
Baccalaureate III	Advanced Sciences
Graduate Model	
Masters & Professional I	Law and Library Science
Masters & Professional II	Humanities and Social Sciences
Masters & Professional III	Sciences
Medical I	Dentistry, Veterinary Medicine, Optometry
Medical II	Medical Schools
MPD I	Business and Education (Master's students formerly classified as Master & Professional I and Doctoral I because of the changes in the definition of student rank in these programs)

The current taxonomy has largely been in place since the inception of the higher education funding formula in the 1970s. Over the years, the contents of some courses contained in each of the 14 non-doctoral curricular models have changed. This has resulted in an increase in both the range of expenditures within the models and the overlap of subjects between the models, indicating that the current taxonomy may have moved away from its underlying principle, i.e., grouping courses with similar subjects and levels of study. To overcome these shortcomings, BOR, with the advice of the Higher

Education Funding Commission, has recommended a new taxonomy for the FY 2008-FY 2009 biennium budget.

Proposed New Taxonomy. The proposed new taxonomy is developed based on the following three principles:

1. Courses contained in each curricular model should have similar characteristics and expenditure levels.
2. Curricular models should be predictable and easy to manage.
3. Curricular models should be easy to understand and communicate.

Based on these three principles, the new taxonomy groups all the courses offered at each of the 65 campuses into 26 curricular models, including 24 non-doctoral and two doctoral models. These 24 non-doctoral models are primarily organized by the subject area of study, then by the level of study. They fall under three main subject areas and include two levels of study (see Table 3). As a result of these changes, the subject overlap between curricular models has been eliminated and the expenditure variances within models have been reduced significantly.

Table 3: Non-Doctoral Curricular Models Under the New Taxonomy		
Subject Area	Level of Study	
	Undergraduate Models	Graduate Models
Arts and Humanities (AH)	AH 1, AH 2, AH 3, AH 4	AH 5, AH 6
Business, Education, and Social Science (BES)	BES 1, BES 2, BES 3, BES 4,	BES 5, BES 6, BES 7
Science, Technology, Engineering, Mathematics, and Medical (STEM ²)	STEM ² 1, STEM ² 2, STEM ² 3, STEM ² 4, STEM ² 5	STEM ² 6, STEM ² 7, STEM ² 8, STEM ² 9, Medical I, Medical II

B. Subsidy-Eligible Full-time Equivalent Students

Full-time Equivalent Students. As indicated earlier, the formula standardizes student enrollment credit hours for each course on an FTE basis in order to address the different cost implications of different campus academic calendars (quarter v. semester) and different student statuses (part-time v. full-time). The FTE determination method remains the same under both the current and proposed SSI formulas. An FTE essentially represents a student taking 15 credit hours for one full academic year. It equals 30 credit hours (two 15 credit hour terms) under the semester system or 45 credit hours (three 15 credit hour terms) under the quarter system.

The number of FTEs for each course is determined by dividing the total number of credit hours taken by all students for that course by 30 for a campus on the semester system or by 45 for a campus on the quarter system (Table 4a). The FTEs for each curricular model are the sum of the FTEs for all courses in that model (Table 4b). As can be seen from tables 4a and 4b, the FTEs used in both the current and proposed SSI formulas are entirely based on the number of credit hours taken by students for each course.

<p>Table 4a: FTEs for a Course =</p> <p><u>Total Number of Credit Hours Taken by All Students Enrolled in that Course</u></p> <p>30 (quarter system) or 45 (semester system)</p>

**Table 4b: FTEs for a Curricular Model =
The Sum of FTEs for All Courses within the Curricular Model**

Subsidy-eligible FTEs. Both the current and proposed SSI formulas fund only the credit hours taken by subsidy-eligible students, which generally include in-state undergraduate students and all graduate students. In other words, the only group that is not eligible for the subsidy is out-of-state undergraduate students. Over the last nine years, out-of-state undergraduate students on average represent approximately 6.6% of total statewide FTEs. Therefore, approximately 93.4% of total statewide FTEs are subsidy eligible.

Both the current and proposed SSI formulas calculate, separately, a campus's state share of the non-doctoral model cost using the two-year average FTEs and the campus's state share of the non-doctoral model cost using the five-year average FTEs. The greater of these two state share calculations is deemed as the campus's state share for non-doctoral models. Campuses with declining enrollments will generally benefit from the use of the five-year average FTEs whereas campuses with growing enrollments will generally benefit from the use of the two-year average FTEs. For FY 2008, the two-year average is the average FTEs of FY 2006 and FY 2007; the five-year average is the average FTEs of FY 2003 through FY 2007. For FY 2009, the two-year average is the average FTEs of FY 2007 and FY 2008; the five-year average is the average FTEs of FY 2004 through FY 2008.

The table below shows the first step of the proposed SSI formula calculations for the hypothetical University A: the subsidy-eligible FTE calculations for FY 2008. The two-year and five-year average FTEs calculated in this step will be used in calculating University A's total model cost for non-doctoral models for FY 2008. As seen from the table, although University A's FY 2007 FTEs are higher than FY 2006 FTEs, its five-year average FTEs of 16,669 are slightly (70 FTEs) higher than the two-year average FTEs of 16,599.

Step 1: Calculations of Subsidy-eligible FTEs for University A, FY 2008							
	A	B	C	D	E	F = (D + E)/2	G = (A+B+C+D+E)/5
Model	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	2-year Average	5-year Average
AH 1	1,571.7	1,625.5	1,570.8	1,580.5	1709.5	1645	1611.6
AH 2	648.7	670.6	694.7	679.7	700.1	689.9	678.8
AH 3	723.5	746.4	735.8	745.6	745.2	745.4	739.3
AH 4	321.0	309.3	294.9	296.3	301.5	298.9	304.6
AH 5	75.3	73.5	69.2	77.6	77.1	77.4	74.5
AH 6	94.7	87.6	92.2	82.5	80.4	81.4	87.5
BES 1	1,020.9	998.7	1,001.5	1,001.2	1029.1	1015.1	1010.3
BES 2	1,255.1	1,239.2	1,165.2	1,071.4	1122	1096.7	1170.6
BES 3	1,063.1	1,045.9	936.9	867.7	859.5	863.6	954.6
BES 4	2,826.9	2,942.6	3,028.1	2,908.1	2959.4	2933.7	2933
BES 5	787.5	801.0	759.1	708.3	668.8	688.5	744.9
BES 6	171.7	156.1	145.9	137.4	137.4	137.4	149.7
BES 7	679.2	717.8	666.1	606.9	606.2	606.6	655.2
STEM ² 1	1,295.3	1,345.6	1,352.8	1,327.4	1433	1380.2	1350.8
STEM ² 2	1,190.3	1,166.9	1,201.9	1,197.8	1252.7	1225.3	1201.9
STEM ² 3	946.8	975.0	1,010.1	999.3	1039.8	1019.5	994.2
STEM ² 4	778.5	892.8	932.1	998.9	1046.2	1022.6	929.7
STEM ² 5	503.8	489.7	466.6	507.8	529.5	518.7	499.5
STEM ² 6	99.6	84.8	105.7	131.5	114.6	123.1	107.3
STEM ² 7	219.2	226.7	236.8	228.8	219.9	224.3	226.3
STEM ² 8	265.3	234.7	213.2	194.2	154.2	174.2	212.3
STEM ² 9	37.4	31.9	32.4	34.5	28.7	31.6	33
Med 1	--	--	--	--	--	--	--
Med 2	--	--	--	--	--	--	--
Total	16,575.5	16,862.3	16,712.0	16,383.3	16,814.9	16,599.1	16,669.2

C. Curricular Model Costs

Both the current and proposed SSI formulas use the model cost method to promote efficiency in funding public higher education in Ohio. The cost for a curricular model represents the average expenditures incurred by Ohio's 65 public campuses in providing all courses within that model, which is determined through a process called resource analysis. During the resource analysis, BOR analyzes each campus's actual expenditures supported by the state SSI subsidy and student tuition only, also called unrestricted expenditures. Expenditures supported by revenues other than the SSI and tuition are subtracted from the campuses' total expenditure data to avoid having the state pay for the same expenditures twice. The following expenditures are excluded from the curricular model cost consideration:

- Access Challenge (item 235-418) funds in excess of those used to restrain tuition
- Success Challenge (item 235-420) funds, if any, used for unrestricted expenses
- Research Challenge (item 235-454) funds, if any, used for unrestricted expenses

- Medical clinical teaching (items 235-536 through 235-543) funds, if any, used for unrestricted expenses
- Other income used for unrestricted expenses

While the actual expenditure and FTE data used in the resource analysis are collected in the same manner, there are two differences in the calculations of the current and proposed SSI model costs:

1. The current SSI resource analysis groups each model's unrestricted expenditures into three categories: instruction and support (the direct costs of instruction, such as faculty salaries and fringe benefits, as well as academic support in the form of libraries, media, and technology); student services (campus functions like administration and registration); and plant operation and maintenance (POM, heating and cooling, as well as cleaning of the facilities). The total expenditures for each of these three expenditure categories within a model are divided by the total number of FTEs within the model to derive the allowance per FTE for that category of the model. Thus, under the current SSI resource analysis each model's allowance consists of three components: instruction and support, student services, and POM. Under the resources analysis for the proposed SSI formula, the model cost for a curricular model is derived by dividing the total unrestricted expenditures for the model by the total number of FTEs within the model. Thus, each model's cost in the proposed SSI is not broken into components.
2. The current SSI resource analysis uses one year's expenditure data, generally the latest year for which the data are available. The resource analysis for the proposed SSI formula uses the average expenditures over a six-year period. The model costs based on the six-year average tend to be more stable than the ones based on a single year's data.

For the FY 2008-FY 2009 biennium, the curricular model costs are primarily based on the six-year average expenditure data from FY 2000 to FY 2005. To derive the model costs, the expenditure data from FY 2000 to FY 2004 are first inflated based on the consumer price index for urban consumers (CPI-U) to bring them to the FY 2005 dollar level. Then, the six-year average expenditures per FTE, based on FY 2005 dollars, are calculated for each curricular model. Finally, those FY 2005 dollar-level average expenditures for each model are inflated to bring them to FY 2008 and FY 2009 dollar levels. The inflationary factor of 3.8% per year that is used in this last step is a weighted average of the Employer Cost Index for white-collar employees in the private sector (75%) and the CPI-U (25%). The costs for the 24 non-doctoral curricular models for FY 2008 (see Table 5) include a total inflationary increase of approximately 11.4% to bring them from FY 2005 dollars to FY 2008 dollars. The model costs for FY 2009 reflect another 3.8% inflationary increase.

Table 5: Non-Doctoral Curricular Model Costs, FY 2008-FY 2009					
Model	FY 2008	FY 2009	Model	FY 2008	FY 2009
AH 1	\$7,220	\$7,494	BES 7	\$26,019	\$27,008
AH 2	\$9,431	\$9,790	STEM ² 1	\$6,552	\$6,801
AH 3	\$12,186	\$12,649	STEM ² 2	\$9,196	\$9,545
AH 4	\$17,836	\$18,514	STEM ² 3	\$11,610	\$12,051
AH 5	\$27,829	\$28,887	STEM ² 4	\$14,789	\$15,351
AH 6	\$34,540	\$35,852	STEM ² 5	\$18,420	\$19,119
BES 1	\$6,352	\$6,594	STEM ² 6	\$19,990	\$20,750
BES 2	\$7,389	\$7,670	STEM ² 7	\$27,676	\$28,728
BES 3	\$8,911	\$9,249	STEM ² 8	\$35,308	\$36,650
BES 4	\$10,744	\$11,152	STEM ² 9	\$48,150	\$49,979
BES 5	\$17,070	\$17,719	Med 1	\$43,190	\$44,831
BES 6	\$21,908	\$22,740	Med 2	\$47,635	\$49,445
Model Cost % Change from FY 2008 to FY 2009 = 3.8%					

D. Priority Weights for Non-Doctoral Graduate and STEM² Models

Under the current SSI formula, all curricular models are weighted equally. However, the student service and POM (plant operation and maintenance) components of the allowance are adjusted by campus-based weights. The student service weight, which is a student headcount to FTE ratio, intends to take into account the proportion of full-time and part-time students enrolled in each campus. The weight is higher for a campus that has a large proportion of part-time students to reflect the fact that services, such as administration and registration, are provided to each student, regardless of the student's full-time or part-time status. A campus with a higher proportion of part-time students needs to provide such services to more students, thereby incurring higher costs.

The campus-based weight for the POM component of the allowance is called the activity-based POM weight, which is the ratio of each campus's sponsored research and job-related expenditures to its total instructional and general expenditures. This weight is intended to reflect the fact that a campus with a higher proportion of research and job-related expenditures tends to have more facilities, thereby incurring higher costs for maintenance and utilities.

The proposed SSI formula, on the other hand, combines all expenditures related to a curricular model into a single model cost amount and eliminates the student service weight and the activity-based POM weight. However, the proposed SSI formula assigns additional weights to non-doctoral graduate and STEM² models. All non-doctoral graduate models are weighted at 1.25. The weights for STEM² models vary; they are selected so that the amount of state subsidy for each STEM² model under the new SSI taxonomy in FY 2007 would be about equal to the amount of subsidy that was generated from that same instruction under the current SSI taxonomy for FY 2007. In other words, the FY 2007 subsidy amount for a STEM² model is first calculated assuming the proposed SSI formula were enacted in FY 2007. This subsidy amount is compared to the actual SSI subsidy amount for that same instruction in FY 2007; an appropriate weight is then selected to ensure these two subsidy amounts for the same STEM² instruction are about the same. According to BOR, the current thinking is to gradually phase out the STEM² weights, with the exception of the Medical 2 model, as the model costs from future resource analyses will eventually reflect the additional subsidy for these models. Table 6 summarizes the total weights for all 24 non-doctoral models.

Table 6: Total Weights for Graduate and STEM² Models, FY 2008-FY 2009

Model	FY 2008	FY 2009	Model	FY 2008	FY 2009
AH 1	1.0000	1.0000	BES 7	1.2500	1.2500
AH 2	1.0000	1.0000	STEM ² 1	1.0000	1.0000
AH 3	1.0000	1.0000	STEM ² 2	1.0017	1.0017
AH 4	1.0000	1.0000	STEM ² 3	1.6150	1.6150
AH 5	1.2500	1.2500	STEM ² 4	1.6920	1.6920
AH 6	1.2500	1.2500	STEM ² 5	1.4222	1.4222
BES 1	1.0000	1.0000	STEM ² 6	2.0873	2.0873
BES 2	1.0000	1.0000	STEM ² 7	1.7005	1.7005
BES 3	1.0000	1.0000	STEM ² 8	1.7750	1.7750
BES 4	1.0000	1.0000	STEM ² 9	1.3436	1.3436
BES 5	1.2500	1.2500	Med 1	1.5022	1.5022
BES 6	1.2500	1.2500	Med 2	1.7462	1.7462

These weights are used to increase the total model cost amount for STEM² and non-doctoral graduate models, which will subsequently increase the state funding for those models (see Table 7). For example, while the model cost for STEM² 6 is \$19,990 for FY 2008, the total weighted model cost for a STEM² 6 course will be \$41,726 (\$19,990 x 2.0873).

<p>Table 7: Total Weighted Model Cost for a Weighted Course =</p> <p align="center">Model Cost x Total Weight</p>

E. Calculations of the Total Weighted Model Cost for Non-Doctoral Curricular Models

Under the current SSI formula, a campus's total allowance for its non-doctoral curricular models is determined by first summing together a model's three components (including the weights) of the allowance and then multiplying this result by the number of FTEs in that model and then adding together the results for all non-doctoral curricular models. Although all models are weighted equally under the current SSI formula, the student-service and POM weights effectively make its total allowance for non-doctoral models a weighted total allowance.

The proposed SSI formula assigns additional weights to nongraduate and STEM² models. Under the proposed formula, a campus's total weighted model cost for its non-doctoral curricular models is determined by first multiplying the per FTE model cost for each curricula model by the weight for that model and by the number of FTEs in that model and then summing together the results for all non-doctoral curricular models. The table below shows step 2 of the proposed SSI formula calculations for University A – how the total weighted model costs for the 24 non-doctoral models based on the two-year and five-year average FTEs are calculated in FY 2008. As can be seen from these calculations, University A's total weighted model cost based on the five-year average FTEs is about 1.0% or \$2.5 million higher than the total weighted model cost based on the two-year average FTEs.

Step 2: Total Weighted Model Cost for Non-doctoral Models for University A, FY 2008						
	A	B	C	D = A*B*C	E	F = A*B*E
Model	Model Cost	Total Weight	2-year Average FTEs	2-year Average Weighted Model Cost	5-year Average FTEs	5-year Average Weighted Model Cost
AH 1	\$ 7,220	1.0000	1,645.0	\$ 11,876,758	1,611.6	\$ 11,635,596
AH 2	\$ 9,431	1.0000	689.9	\$ 6,506,437	678.8	\$ 6,401,479
AH 3	\$ 12,186	1.0000	745.4	\$ 9,083,351	739.3	\$ 9,008,982
AH 4	\$ 17,836	1.0000	298.9	\$ 5,331,800	304.6	\$ 5,433,070
AH 5	\$ 27,829	1.2500	77.4	\$ 2,690,763	74.5	\$ 2,593,001
AH 6	\$ 34,540	1.2500	81.4	\$ 3,515,685	87.5	\$ 3,776,580
BES 1	\$ 6,352	1.0000	1,015.1	\$ 6,448,550	1,010.3	\$ 6,417,711
BES 2	\$ 7,389	1.0000	1,096.7	\$ 8,103,738	1,170.6	\$ 8,649,828
BES 3	\$ 8,911	1.0000	863.6	\$ 7,695,346	954.6	\$ 8,506,470
BES 4	\$ 10,744	1.0000	2,933.7	\$ 31,520,046	2,933.0	\$ 31,512,260
BES 5	\$ 17,070	1.2500	688.5	\$ 14,691,902	744.9	\$ 15,895,289
BES 6	\$ 21,908	1.2500	137.4	\$ 3,762,965	149.7	\$ 4,099,606
BES 7	\$ 26,019	1.2500	606.6	\$ 19,727,748	655.2	\$ 21,311,285
STEM ² 1	\$ 6,552	1.0000	1,380.2	\$ 9,042,882	1,350.8	\$ 8,850,339
STEM ² 2	\$ 9,196	1.0017	1,225.3	\$ 11,285,813	1,201.9	\$ 11,070,802
STEM ² 3	\$ 11,610	1.6150	1,019.5	\$ 19,117,423	994.2	\$ 18,642,093
STEM ² 4	\$ 14,789	1.6920	1,022.6	\$ 25,585,950	929.7	\$ 23,262,673
STEM ² 5	\$ 18,420	1.4222	518.7	\$ 13,586,517	499.5	\$ 13,084,216
STEM ² 6	\$ 19,990	2.0873	123.1	\$ 5,135,524	107.3	\$ 4,475,166
STEM ² 7	\$ 27,676	1.70046	224.3	\$ 10,583,941	226.3	\$ 10,675,159
STEM ² 8	\$ 35,308	1.7750	174.2	\$ 10,917,652	212.3	\$ 13,306,787
STEM ² 9	\$ 48,150	1.3436	31.6	\$ 2,044,985	33.0	\$ 2,133,823
Med 1	\$ 43,190	1.5022	--	--	--	--
Med 2	\$ 47,635	1.7462	--	--	--	--
Total			16,599.1	\$ 238,255,777	16,669.2	\$ 240,742,213

3. State and Student Shares of the Total Weighted Cost for Non-Doctoral Models

Curricular model costs are the average expenditures of public college and universities and, therefore, include both the state and student shares. Both the current and proposed SSI formulas apply a student share to a campus's total weighted model cost in order to take into account the fact that funding public higher education is a partnership between the state and individual Ohioans. While the model costs are based on the actual, average expenditures of all 65 public campuses, both the current and proposed formulas use an iterative process to determine state and student shares. The theory behind the state and student share selection is to establish a level of the state share that enables the state to provide more funding for more costly or higher level curricular models while keeping the total amount of subsidy generated by the formula within the limits of the total appropriations. Although following the same theory, the current SSI formula and the proposed SSI formula for the FY 2008-FY 2009 biennium use two different approaches in determining state and student shares for non-doctoral models.

Prior to the discussion of the different state and student share determination methods in the current and proposed formulas, it should be noted that tuition and the student share assumed in the formula are related but not necessarily the same. Tuition rates are established each year by the boards of

trustees of institutions, although the General Assembly often sets a tuition cap (annual increase limit). The assumed student share used in the formula, on the other hand, is a rationing device for distributing the state subsidy. A campus's tuition may be higher or lower than the student share level assumed in the formula. However, one of the major factors in each board's tuition decision making is the level of state support, which is directly related to the level of the student share assumed in the formula since the state subsidy is the difference between the total weighted model cost and the assumed student share.

A. Current SSI's Student Fee Assumption Method

Under the current SSI formula, the 14 non-doctoral models are grouped into five categories (see Table 8) for purposes of determining student fee assumptions. As seen from the table, the undergraduate models are divided into lower division and upper division. This is done partly to differentiate undergraduate coursework at the two-year and four-year campuses. However, the fact that a course is taught at a four-year campus does not mean it will be in one of the three upper division undergraduate models. This is because courses are classified according to their content, rather than the location where they are taught. The lower division fee assumption will be used for an FTE within a general studies model at both four-year and two-year campuses.

The fee assumptions for the five categories are interdependent and are expressed as constant ratios of the fee assumption for the upper division undergraduate category. These five assumed fees are obtained using an iterative process, which begins by assuming that the lower division and upper division fees are equal and that the total local contribution from both divisions would be equal to approximately 37.5% of the total allowance for all undergraduate models. At this step, however, the SSI subsidy determined by the formula generally exceeds the SSI appropriation level. The next step is to increase the upper division fee assumption (which will accordingly increase the lower-division fee assumption as well as the graduate and medical fee assumptions) so that the total amount of subsidy generated by the SSI formula is as close to the SSI appropriation as possible, without going over the SSI appropriation limitation. Table 8 shows the five fee assumptions for the 14 non-doctoral models in FY 2007. As seen from the table, student fee assumptions for FY 2007 range from \$4,943 for the lower division to \$18,743 for the Medical II model.

Table 8: Fee Assumption Categories and Levels		
Categories	Curricular Models	Assumed Fee Levels for FY 2007
Lower Division (Undergraduate)	General Studies I, II, and III, Technical I and III	\$4,943
Upper Division (Undergraduate)	Baccalaureate I, II, and III	\$6,100
Graduate	Masters & Professional I, II, and III, MPD I	\$11,774
Medical I	Medical I	\$14,256
Medical II	Medical II	\$18,743

B. Proposed SSI's Uniform Base State Share Percentage of the Total Weighted Model Cost

In contrast to the five different student fee assumptions under the current formula, the proposed SSI formula uses the uniform base state share percentage method. That is, for the FY 2008-FY 2009 biennium, the proposed formula assumes a uniform base state share percentage across all 24 non-doctoral models' total weighted model costs. This uniform base state share percentage is also selected through an iterative process so that the amount of the subsidy generated by the formula will be approximately equal to the appropriation. It should be noted that while the state percentage is uniform for each model's weighted model cost, the actual state share percentages for graduate and STEM² models are higher than

the uniform base state share percentage of the weighted model cost because of the weights. In dollar terms, state and student shares vary from model to model.

The table below shows step 3 of the proposed SSI formula calculations for University A – how the state share of the total weighted model cost for the 24 non-doctoral models is determined for FY 2008 by assuming a uniform base state share percentage of 29.14%. As seen from the table, University A's state shares based on the two-year average and five-year average FTEs are \$69.4 million and \$70.2 million, respectively. The greater of these two calculations – the \$70.2 million based on the five-year average FTEs – is deemed as the state share for University A in FY 2008. As illustrated in the calculations for University A, the comparison of the two state share calculations is done at the aggregate level (the sum of state shares for all non-doctoral curricular models), not at the individual curricular model level.

Step 3: State Share of Non-doctoral Model Costs for University A, FY 2008					
	A	B	C = A*B	D	E = A*D
Model	Assumed Uniform State Share %	2-year Average Weighted Model Cost	2-year Average State Share	5-year Average Weighted Model Cost	5-year Average State Share
AH 1	29.14%	\$ 11,876,758	\$ 3,461,451	\$ 11,635,596	\$ 3,391,165
AH 2	29.14%	\$ 6,506,437	\$ 1,896,285	\$ 6,401,479	\$ 1,865,695
AH 3	29.14%	\$ 9,083,351	\$ 2,647,320	\$ 9,008,982	\$ 2,625,645
AH 4	29.14%	\$ 5,331,800	\$ 1,553,940	\$ 5,433,070	\$ 1,583,454
AH 5	29.14%	\$ 2,690,763	\$ 784,216	\$ 2,593,001	\$ 755,723
AH 6	29.14%	\$ 3,515,685	\$ 1,024,637	\$ 3,776,580	\$ 1,100,675
BES 1	29.14%	\$ 6,448,550	\$ 1,879,414	\$ 6,417,711	\$ 1,870,426
BES 2	29.14%	\$ 8,103,738	\$ 2,361,814	\$ 8,649,828	\$ 2,520,971
BES 3	29.14%	\$ 7,695,346	\$ 2,242,789	\$ 8,506,470	\$ 2,479,189
BES 4	29.14%	\$ 31,520,046	\$ 9,186,438	\$ 31,512,260	\$ 9,184,169
BES 5	29.14%	\$ 14,691,902	\$ 4,281,918	\$ 15,895,289	\$ 4,632,642
BES 6	29.14%	\$ 3,762,965	\$ 1,096,707	\$ 4,099,606	\$ 1,194,820
BES 7	29.14%	\$ 19,727,748	\$ 5,749,602	\$ 21,311,285	\$ 6,211,120
STEM ² 1	29.14%	\$ 9,042,882	\$ 2,635,525	\$ 8,850,339	\$ 2,579,409
STEM ² 2	29.14%	\$ 11,285,813	\$ 3,289,222	\$ 11,070,802	\$ 3,226,557
STEM ² 3	29.14%	\$ 19,117,423	\$ 5,571,725	\$ 18,642,093	\$ 5,433,191
STEM ² 4	29.14%	\$ 25,585,950	\$ 7,456,961	\$ 23,262,673	\$ 6,779,847
STEM ² 5	29.14%	\$ 13,586,517	\$ 3,959,756	\$ 13,084,216	\$ 3,813,362
STEM ² 6	29.14%	\$ 5,135,524	\$ 1,496,736	\$ 4,475,166	\$ 1,304,276
STEM ² 7	29.14%	\$ 10,583,941	\$ 3,084,663	\$ 10,675,159	\$ 3,111,248
STEM ² 8	29.14%	\$ 10,917,652	\$ 3,181,922	\$ 13,306,787	\$ 3,878,229
STEM ² 9	29.14%	\$ 2,044,985	\$ 596,006	\$ 2,133,823	\$ 621,897
Med 1	29.14%	--	--	--	--
Med 2	29.14%	--	--	--	--
Total		\$ 238,255,777	\$ 69,439,045	\$ 240,742,213	\$ 70,163,711
State Share of the Non-doctoral Model Costs for University A for FY 2008 = \$70,163,744					

As indicated earlier, while the base state share percentage is uniform for each model's weighted model cost, the state share percentage for each model's actual, unweighted cost may vary because of the

weights for graduate and STEM² models. Let us look at the University A example again. Table 9 shows University A's actual state share percentage for each of the 24 non-doctoral curricular models, i.e., the actual state subsidy in FY 2008 as a percentage of University A's actual, unweighted model cost for its 24 non-doctoral curricular models. As seen in this example, the actual state share percentages for graduate and STEM² models are higher than the assumed uniform 29.14% for the weighted model cost; they range from 29.17% for STEM² 2 model to 60.84% for STEM² 6 model. On average, 35.51% of University A's non-doctoral model costs are paid by the state in FY 2008 while the base uniform state share percentage of the weighted non-doctoral model cost is assumed to be 29.14% for that same year.

Table 9: Actual State Share of Non-doctoral Model Costs for University A, FY 2008					
	A	B	C	D = A/B	E = A/C
Model	State Share	5-year Average Weighted Model Cost	5-year Average Unweighted Model Cost	State Share % of Weighted Model Cost	State Share % of Unweighted Model Cost
AH 1	\$ 3,391,165	\$ 11,635,596	\$ 11,635,596	29.14%	29.14%
AH 2	\$ 1,865,695	\$ 6,401,479	\$ 6,401,479	29.14%	29.14%
AH 3	\$ 2,625,645	\$ 9,008,982	\$ 9,008,982	29.14%	29.14%
AH 4	\$ 1,583,454	\$ 5,433,070	\$ 5,433,070	29.14%	29.14%
AH 5	\$ 755,723	\$ 2,593,001	\$ 2,074,400	29.14%	36.43%
AH 6	\$ 1,100,675	\$ 3,776,580	\$ 3,021,264	29.14%	36.43%
BES 1	\$ 1,870,426	\$ 6,417,711	\$ 6,417,711	29.14%	29.14%
BES 2	\$ 2,520,971	\$ 8,649,828	\$ 8,649,828	29.14%	29.14%
BES 3	\$ 2,479,189	\$ 8,506,470	\$ 8,506,470	29.14%	29.14%
BES 4	\$ 9,184,169	\$ 31,512,260	\$ 31,512,260	29.14%	29.14%
BES 5	\$ 4,632,642	\$ 15,895,289	\$ 12,716,231	29.14%	36.43%
BES 6	\$ 1,194,820	\$ 4,099,606	\$ 3,279,685	29.14%	36.43%
BES 7	\$ 6,211,120	\$ 21,311,285	\$ 17,049,028	29.14%	36.43%
STEM ² 1	\$ 2,579,409	\$ 8,850,339	\$ 8,850,339	29.14%	29.14%
STEM ² 2	\$ 3,226,557	\$ 11,070,802	\$ 11,052,339	29.14%	29.19%
STEM ² 3	\$ 5,433,191	\$ 18,642,093	\$ 11,542,810	29.14%	47.07%
STEM ² 4	\$ 6,779,847	\$ 23,262,673	\$ 13,748,947	29.14%	49.31%
STEM ² 5	\$ 3,813,362	\$ 13,084,216	\$ 9,200,237	29.14%	41.45%
STEM ² 6	\$ 1,304,276	\$ 4,475,166	\$ 2,143,946	29.14%	60.84%
STEM ² 7	\$ 3,111,248	\$ 10,675,159	\$ 6,262,554	29.14%	49.68%
STEM ² 8	\$ 3,878,229	\$ 13,306,787	\$ 7,496,629	29.14%	51.73%
STEM ² 9	\$ 621,897	\$ 2,133,823	\$ 1,588,189	29.14%	39.16%
Med 1	--	--	--	--	--
Med 2	--	--	--	--	--
Total	\$ 70,163,711	\$ 240,742,215	\$ 197,591,994	29.14%	35.51%

4. Doctoral Set-Aside

The third major component of the formula is the doctoral set-aside. Both the current and proposed SSI formulas fund the two doctoral models by a fixed percentage of the total formula appropriations. In FY 2007, up to 10.44% of the total SSI appropriation is set aside for the two doctoral models. The executive budget also proposes up to 10.44% of the total SSI appropriations for FY 2008 and FY 2009 to be set aside in each year for the two doctoral models. Twelve campuses are eligible for funding through the doctoral set-aside, including the 11 four-year universities with doctoral programs and

the University of Toledo's medical school. Any doctoral enrollments at the branch campuses are included in their main campus's share of doctoral students.

Each campus's share of the doctoral set-aside is determined through a two-stage process. A base share is first allocated to each campus according to the campus's historical share of the total statewide doctoral FTEs for FY 1999. Then each campus's base share is adjusted using the "85%" rule, if necessary, to ensure that the campus's doctoral allocation is in line with its current doctoral enrollment share. These calculations are described below. The campus's doctoral set-aside allocation is derived by multiplying the campus's adjusted share by the total doctoral set-aside appropriation.

Base share of the doctoral set-aside. A campus's base share of the doctoral set-aside is based on the campus's share of the statewide doctoral I equivalent FTEs calculated for FY 1999. The number of doctoral I equivalent FTEs equals the number of doctoral I FTEs plus 1.5 times the number of doctoral II FTEs. In other words, a doctoral II FTE is weighted at 1.5. A campus's base number of doctoral I equivalent FTEs for FY 1999 is the greater of the two-year (FY 1997 and FY 1998) or the five-year (FY 1994 through FY 1998) average of doctoral I equivalent FTEs. The table below shows step 4a of the SSI formula calculations for University A – how the base share of the doctoral set-aside is determined for FY 2008. As seen from the table, University A's base doctoral share of 6.17% is determined by dividing University A's base number of doctoral I equivalent FTEs by the statewide base number of doctoral I equivalent FTEs for FY 1999.

Step 4a: Base Share of the Doctoral Set-aside for University A		
A	B	C = A/B
Base Number of Doctoral I Equivalent FTEs for University A	Base Number of Doctoral I Equivalent FTEs for the State	University A's Share of Doctoral I Equivalent FTEs
760.71	12,336.75	6.17%

Application of the "85%" rule. In order to ensure that a campus's doctoral funding is in line with its current doctoral enrollment, a campus's base doctoral share is reduced if its doctoral I equivalent FTEs in a given fiscal year is less than 85% of the benchmark – FY 1999 doctoral I equivalent FTEs. In other words, the base share is reduced if a campus's current doctoral enrollment has decreased by more than 15% from FY 1999. The reduction in the base share is equal to the number of percentage points that current enrollment is below 85% of the benchmark enrollment. For example, if current enrollment is 80% of the benchmark enrollment (enrollment has decreased by 20%), the base share will be reduced by 5% (20% - 15%). The table below shows step 4b of the SSI formula calculations for University A – how the "85% rule" is applied to the base share of the doctoral set-aside to determine the doctoral allocation amount. As seen from the table, University A's doctoral I equivalent FTEs for FY 2008 has decreased 18.0% from its benchmark doctoral I equivalent FTEs. University A's base doctoral share will be reduced by 3.0% (18.0% - 15.0%). Therefore, University A's adjusted share of the doctoral set-aside is 5.98% and its doctoral allocation amount is \$9,923,133 for FY 2008 assuming the total statewide doctoral set-aside is \$165,901,626.

Step 4b: Application of the "85% Rule" and Doctoral Allocation for University A, FY 2008						
Assumed Total Doctoral Set-aside Appropriation for FY 2008 = \$165,901,626						
A	B	C = B/A - 1	D = C + 15%	E	F = E*(1 + D)	G = F*Total Set-aside
Benchmark Doctoral I Equivalent FTEs	FY 2008 Doctoral I Equivalent FTEs	FTE Change Percentage	Reduction Percentage	Base Share	Adjusted Doctoral Share	Doctoral Allocation
696.70	571.31	-18.00%	-3.00%	6.17%	5.98%	\$9,923,133

Because of the 85% rule adjustment, often the full amount of the doctoral set-aside will not be allocated. For example, the executive budget proposes to set aside up to 10.44% of the total SSI appropriation in each fiscal year for doctoral programs. Due to the 85% rule adjustment, the doctoral allocation statewide may only represent approximately 10.29% of the total SSI appropriation. The unallocated amount is redistributed through the other components of the SSI formula.

5. Other Adjustments

Both the current and proposed SSI formulas adjust a campus's base subsidy, which consists of a campus's state share of the total model cost for the non-doctoral curricular models and its share of the doctoral set-aside, by several factors, including the POM (plant operation and maintenance) adjustment, the stop-loss (annual guarantee) adjustment, the reduction-in-earnings adjustment, and the capital component adjustment. While the base subsidy for non-doctoral and doctoral models is enrollment-driven, these adjustments are driven by campus-based factors. While both formulas use the same method for the annual guarantee and capital component adjustments, they differ in the POM and earnings-in-reduction adjustments (the proposed SSI formula eliminates the earnings-in-reduction adjustment).

Base subsidy. Since the four adjustments are made to a campus's base subsidy, it is important to begin the adjustment discussion with the base subsidy. For FY 2008 the base subsidy includes a campus's state share of the total model cost for the 24 non-doctoral curricular models and its share of the set-aside for the two doctoral models. The table below shows step 5 of the SSI formula calculations for University A – how the base subsidy is calculated in FY 2008.

Step 5: Calculation of the Base Subsidy for University A, FY 2008		
A	B	C = A + B
State Share of Total Model Cost for the Non-Doctoral Models	Doctoral Set-aside Allocation	Base Subsidy
\$70,163,711	\$9,923,133	\$80,086,844

A. POM Adjustment

The first adjustment under both the current and proposed SSI formulas is the POM adjustment. As indicated earlier, each curricular model's allowance under the current formula includes three components: instruction and support, student services, and POM. This POM allowance component is adjusted by each campus's activity-based POM weight, which is determined by each campus's sponsored research and job-related expenditures as a percentage of total instructional and general expenditures. The current SSI formula includes a POM adjustment that guarantees each campus certain square-foot based POM funding. If a campus's square-foot based POM allowance is greater than its activity-based POM allowance, the campus receives a POM adjustment that is equal to the difference between these two allowances. Each campus's space is divided into eight types: classrooms, laboratories, circulation, offices, AV-DP (audio-visual and data-processing), storage-mechanical, roads and grounds, and other. With the exception of roads and grounds, for which each campus is assigned a fixed amount of the allowance, a per-square-foot allowance is assigned to each of the other seven types of space. The total square-foot based POM allowance is determined by first multiplying the NASF (net assignable square feet) for each type of space by the per-square-foot allowance for that type of space and then summing together the results, including the allowance for roads and grounds. A campus's total square-foot based POM allowance will then be compared with its activity-based POM allowance to determine whether or not the campus is eligible for the POM adjustment. In FY 2007, the POM adjustment totals approximately \$7.7 million. Of this amount, \$5.2 million (67.6%) goes to four campuses: the Agricultural Technical Institute (\$1.3 million), the Central State University (\$1.7 million), the Cleveland State University (\$1.2 million), and the Medical University of Toledo (\$1.2 million).

The proposed SSI formula combines all expenditures related to a curricular model and does not break an allowance into components. However, the proposed formula also includes a POM adjustment although it eliminates the annual determination of the adjustment amount. Instead, the proposed formula establishes a base POM adjustment amount for the FY 2008-FY 2009 biennium, which equals the difference between 98.5% of the final SSI subsidy received by a campus for FY 2007 and the amount of the subsidy a campus would have received if the proposed SSI formula for the FY 2008-FY 2009 biennium had been used for FY 2007. In other words, with this POM adjustment, no campus's subsidy amount would have been less than 98.5% of its actual SSI subsidy amount if the proposed SSI formula had been implemented in FY 2007. A campus will be eligible for the POM adjustment under the proposed formula only if the campus receives this adjustment under the current SSI formula in FY 2007. Campuses eligible for the POM adjustment are required to submit a study to BOR in FY 2008 in order for BOR to evaluate whether the space issues can be addressed through alternative ways.

Based on the latest projections, five campuses are eligible for a total of \$3.3 million in POM adjustment funding (see Table 10). Of this amount, 49.1% (\$1.6 million) goes to the Central State University and 30.8% (\$1.0 million) goes to the University of Toledo's medical school.

Campus	Base POM Adjustment Amount
Agricultural Technical Institute	\$521,230
OU-Eastern	\$123,4430
Central State University	\$1,631,053
University of Toledo	\$1,021,290
Shawnee State University	\$22,189
TOTAL	\$3,319,192

Under both the current and proposed SSI formulas, the cost of the POM adjustment is shared by all 65 campuses. To distribute this cost, the formula first adds the POM adjustment amount to an eligible campus's base subsidy and then assigns every campus a share of the cost of the POM adjustment amount. This share is determined by multiplying the campus's share of the sum of the statewide base subsidy and the statewide POM adjustment amount by the statewide POM adjustment amount. For example, if the sum of the base subsidy and the POM adjustment for a campus represents 10% of the sum of the statewide base subsidy and the statewide POM adjustment, the campus's share of the POM adjustment cost will be 10% of the statewide POM adjustment amount. This cost-sharing provision essentially ensures that the statewide base subsidy with the POM adjustment will equal the statewide base subsidy without the POM adjustment. As a result, base subsidies will be reduced for campuses that are not eligible for the POM adjustment. Campuses that are eligible for the POM adjustment will not receive the full adjustment amounts, since they also have to share the cost of the POM adjustment. Table 11, below, shows an example of the net POM adjustments for the five eligible campuses shown in Table 10. As seen in Table 11, in this example the net POM adjustments for these five campuses are reduced by a combined \$22,241 because of the cost-sharing provision. In the case of Shawnee State University, its cost-sharing amount is higher than its POM adjustment; the campus effectively will not receive any POM adjustment.

Table 11: Net POM Adjustment by Campus, FY 2008			
	A	B	C = A - B
Campus	Base POM Adjustment Amount	POM Adjustment Cost-Sharing Amount	Net POM Adjustment Amount
Agricultural Technical Institute	\$521,230	\$8,045	\$513,185
OU- Eastern	\$123,4430	\$4,380	\$119,050
Central State University	\$1,631,053	\$10,949	\$1,620,014
Medical University of Toledo	\$1,021,290	\$50,168	\$971,122
Shawnee State University	\$22,189	\$22,241	-\$51
TOTAL	\$3,319,192	\$95,782	\$3,223,410

The table below shows step 6 of the proposed SSI formula calculations – how the POM adjustment is applied and paid for in FY 2008 for University A. The base subsidy with the POM adjustment is called formula earnings. Although University A is not eligible for the POM adjustment, it has to share the cost of this adjustment.

Step 6: The POM Adjustment for University A, FY 2008			
A	B	C	D = A + B - C
Base Subsidy	POM Adjustment	Share of POM Adjustment Cos	Formula Earnings
\$80,086,844	\$0	\$167,818	\$79,919,026

B. Annual Guarantee (Stop-loss) Adjustment

Both the current and proposed SSI formulas contain an annual guarantee (stop-loss) provision that guarantees a campus's subsidy will not fall below a specified level. This specified level is called the guaranteed formula earnings. The stop-loss is applied to a campus's formula earnings – the formula calculated subsidy with the POM adjustment. For the FY 2006-2007 biennium, the stop-loss is 97.0% of the prior year's actual subsidy amount. The executive budget proposes a stop-loss of 100.0% of the prior year's actual subsidy amount for the FY 2008-FY 2009 biennium. The table below shows step 7 of the proposed formula calculations for University A – the application of the annual guarantee adjustment for FY 2008. As seen from the table, University A's formula earnings for FY 2008 are lower than its guaranteed level of formula earnings; it will therefore be eligible for the stop-loss adjustment in the amount of \$348,072. A campus's formula earnings with the stop-loss adjustment are called the guaranteed formula earnings.

Step 7: The Annual Guarantee Adjustment for University A, FY 2008				
A	B = A	C	D = Maximum of 0 or B-C	E = C + D
Actual FY 2007 SSI Subsidy	FY 2008 Guaranteed Formula Earnings	FY 2008 SSI Formula Earnings	FY 2008 Stop-Loss Earnings	FY 2008 Guaranteed SSI Formula Earnings
\$80,267,098	\$80,267,098	\$79,919,026	\$348,072	\$80,267,098

It should be noted that the stop-loss adjustment may not truly guarantee that a campus's subsidy will not fall below the specified annual guarantee level due to the reduction-in-earnings and capital component adjustments, which will be discussed below.

C. Reduction-in-earnings Adjustment

The current SSI formula includes a potential reduction-in-earnings adjustment, which is to occur when the total formula earnings exceed the total formula appropriation for a given fiscal year. Under the current formula, student fee assumptions are calculated for both fiscal years of the biennium around the time when the biennial budget is signed into law based on the allowances specified in law, the total SSI appropriations made in the budget bill, and the estimated FTEs available at that time. When the actual FTEs for a fiscal year exceed the estimated FTEs or when there is a reduction to the original SSI appropriation, the total formula earnings will be higher than the total available SSI appropriation. If one of these occurs prior to the Controlling Board's approval of the final allocation of the SSI, BOR is to recalculate the formula and fee assumptions to stay within the SSI appropriation limit. If an SSI appropriation reduction occurs after the final approval of the allocation plan, BOR is to apply a uniform reduction-in-earnings adjustment to stay within the limit of the total available SSI appropriation.

The executive budget eliminates the reduction-in-earnings adjustment; however, it retains the same adjustment method for potential appropriation reductions. If the reductions occur prior to the Controlling Board's approval of the final SSI allocation, the uniform base state share will be recalculated to ensure that the total formula earnings equal the total available SSI appropriation. If the SSI appropriation reduction occurs after the Controlling Board's final approval, a uniform proportional reduction will be used to ensure the total formula earnings equal the total available appropriation.

D. Capital Component Adjustment

Under both the current and proposed SSI formulas, the capital component adjustment is a negative adjustment. This final adjustment reduces a campus's subsidy if the campus requests and receives capital appropriations greater than its formula allocated capital appropriation share. The capital component adjustment was first instituted in FY 1998 in order to implement an incentive-based capital funding policy. This policy provides each campus a formula determined capital appropriation share based on the amount and age of space, the number of student enrollments, and the total capital appropriations available. It reduces a campus's subsidy if it requests and receives capital appropriations greater than its formula determined amount. The amount to be reduced equals the difference between a campus's formula determined debt service amount and the debt service amount actually received by the campus.

The total amount of the capital component adjustment is deducted from GRF appropriation item 235-501, State Share of Instruction, and transferred to GRF appropriation item 235-552, Capital Component. The transferred amount is to be combined with the original appropriations for that appropriation item and then distributed to campuses that do not have the capital component adjustment, i.e., campuses that request and receive capital appropriations below their formula determined appropriation amounts. Each of these campuses will receive a distribution in an amount equal to the difference in debt service charges between the formula determined amount and the amount they actually receive. Funds received from GRF appropriation item 235-552, Capital Component, can only be used for capital projects. In FY 2007, the capital component adjustment amounts to \$249,142 for five campuses. These same five campuses and Bowling Green State University are estimated to have a combined capital component adjustment of \$255,708 per year over the FY 2008-FY 2009 biennium (see Table 12).

Table 12: The Capital Component Adjustment by Campus, FY 2008	
Campus	Amount to be Deducted from SSI
Bowling Green State University	\$6,566
Hocking College	\$5,485
James Rhodes State College	\$22,915
NEOUCOM	\$121,012
KSU—Trumbull	\$19,743
UC—Raymond Walters	\$79,987
TOTAL	\$255,708

The table below shows the last step of the proposed SSI formula calculations – the application of the negative capital component adjustment for University A in FY 2008. As seen from the table, University A is not one of those campuses that will have a negative capital component adjustment. So its guaranteed formula earnings after the application of the reduction-in-earnings adjustment will equal its final SSI subsidy amount.

Step 8: The Capital Component Adjustment for University A, FY 2008		
A	B	C = A - B
Guaranteed Formula Earnings	Negative Capital Component Adjustment	Final SSI
\$80,267,098	\$0	\$80,267,098

6. Summary of the Step-by-Step Calculations for University A under the Proposed SSI Formula

The following two tables provide a complete summary of the step-by-step calculations of FY 2008 SSI subsidy for hypothetical University A, as illustrated in earlier sections that discuss the similarities and differences between the current and proposed SSI formulas.

Summary of the Step-by-Step SSI Subsidy Calculations for University A, FY 2008							
	A	B	C	D	E	F = A*B*C*D	G = A*B*C*E
Model	Model Cost	Total Weight	Uniform State Share %	2-year Average FTEs	5-year Average FTEs	2-year Average State Share	5-year Average State Share
AH 1	\$ 7,220	1.0000	29.14%	1,645.0	1,611.6	\$ 3,461,451	\$ 3,391,165
AH 2	\$ 9,431	1.0000	29.14%	689.9	678.8	\$ 1,896,285	\$ 1,865,695
AH 3	\$ 12,186	1.0000	29.14%	745.4	739.3	\$ 2,647,320	\$ 2,625,645
AH 4	\$ 17,836	1.0000	29.14%	298.9	304.6	\$ 1,553,940	\$ 1,583,454
AH 5	\$ 27,829	1.2500	29.14%	77.4	74.5	\$ 784,216	\$ 755,723
AH 6	\$ 34,540	1.2500	29.14%	81.4	87.5	\$ 1,024,637	\$ 1,100,675
BES 1	\$ 6,352	1.0000	29.14%	1,015.1	1,010.3	\$ 1,879,414	\$ 1,870,426
BES 2	\$ 7,389	1.0000	29.14%	1,096.7	1,170.6	\$ 2,361,814	\$ 2,520,971
BES 3	\$ 8,911	1.0000	29.14%	863.6	954.6	\$ 2,242,789	\$ 2,479,189
BES 4	\$ 10,744	1.0000	29.14%	2,933.7	2,933.0	\$ 9,186,438	\$ 9,184,169
BES 5	\$ 17,070	1.2500	29.14%	688.5	744.9	\$ 4,281,918	\$ 4,632,642
BES 6	\$ 21,908	1.2500	29.14%	137.4	149.7	\$ 1,096,707	\$ 1,194,820
BES 7	\$ 26,019	1.2500	29.14%	606.6	655.2	\$ 5,749,602	\$ 6,211,120
STEM ² 1	\$ 6,552	1.0000	29.14%	1,380.2	1,350.8	\$ 2,635,525	\$ 2,579,409
STEM ² 2	\$ 9,196	1.0017	29.14%	1,225.3	1,201.9	\$ 3,289,222	\$ 3,226,557
STEM ² 3	\$ 11,610	1.6150	29.14%	1,019.5	994.2	\$ 5,571,725	\$ 5,433,191
STEM ² 4	\$ 14,789	1.6920	29.14%	1,022.6	929.7	\$ 7,456,961	\$ 6,779,847
STEM ² 5	\$ 18,420	1.4222	29.14%	518.7	499.5	\$ 3,959,756	\$ 3,813,362
STEM ² 6	\$ 19,990	2.0873	29.14%	123.1	107.3	\$ 1,496,736	\$ 1,304,276
STEM ² 7	\$ 27,676	1.70046	29.14%	224.3	226.3	\$ 3,084,663	\$ 3,111,248
STEM ² 8	\$ 35,308	1.7750	29.14%	174.2	212.3	\$ 3,181,922	\$ 3,878,229
STEM ² 9	\$ 48,150	1.3436	29.14%	31.6	33.0	\$ 596,006	\$ 621,897
Med 1	\$ 43,190	1.5022	29.14%	--	--	--	--
Med 2	\$ 47,635	1.7462	29.14%	--	--	--	--
Total				16,599.1	16,669.2	\$ 69,439,045	\$ 70,163,711

Summary of the Step-by-Step SSI Subsidy Calculations for University A, FY 2008		
<i>(continued)</i>		
A (greater of 2-year or 5-year calculations)	State Share of the Total Weighted Model Cost for the 24 Non-doctoral Models	\$70,163,711
B	Doctoral Set-aside Allocation (% of the total set-aside)	\$9,923,133
C = A + B	Base Subsidy	\$80,086,844
D	POM Adjustment	\$0
E	Share of the POM Adjustment Cost (% of the total POM adjustment)	\$167,818
F = C+D-E	Formula Earnings	\$79,919,026
G	Guaranteed Level of Formula Earnings (100% of the FY 2007 actual SSI)	\$80,267,098
H = Greater of F or G	Guaranteed Formula Earnings	\$80,267,098
I = H x %	Reduction-in-Earnings Adjustment (% of Guaranteed Formula Earnings)	\$0
J	Capital Component Adjustment (Negative)	\$0
K= H-I-J	Final SSI Subsidy	\$80,267,098

7. Summary of the Proposed SSI Formula

As seen from above discussions, a campus's SSI subsidy consists of three components: the state share of the total model cost for the 24 non-doctoral curricular models, the doctoral set-aside allocation, and the three adjustments (POM, stop-loss, and capital component). While the general funding method behind the SSI formula is fairly straightforward, understanding the individual steps of the formula calculations can be challenging. This is primarily due to three factors. First, the uniform state share of the total weighted model cost for the non-doctoral models is not specified in the statute. Rather it is determined through an iterative process, which complicates the understanding of the level of the uniform state share in a given fiscal year. Once the uniform state share is determined, the state shares of the 24 non-doctoral model costs are relatively easy to calculate. It is also relatively easy to understand the calculations for allocating the doctoral set-aside.

The second complicating factor is the weights for non-doctoral graduate and STEM² models. Because of the weights, the state shares for these curricula models are actually higher than the uniform state share percentage since that percentage is applied to each campus's weighted allowance amount. As seen in the example of University A, the actual average state share percentage for all non-doctoral models is 35.4% in FY 2008 while the uniform state share percentage for the weighted model cost is assumed to be 29.14% in that same year. The actual state share percentage is likely to be even higher when taking into account factors such as the annual guarantee and the use of the greater of two-year or five-year average FTEs.

The third complicating factor comes from the four campus-based adjustments. These adjustments are made to take into account unique transitional factors (such as enrollment change) facing individual campuses that might not have been completely addressed by the student-based subsidies for the non-doctoral and doctoral curricular models. For example, while the base subsidy is based on the greater of two-year or five-year average FTE calculations, the stop-loss adjustment adds another buffer for a campus that experiences a significant enrollment decrease. Although these four adjustments collectively represent only about 0.2% of the SSI appropriations, they add a significant layer of complexity to understanding the SSI formula calculations.

III. Distribution of the SSI Subsidy for the FY 2008-FY 2009 Biennium

The SSI subsidies are distributed to the campuses in equal monthly payments during a given fiscal year, though payments in the second half of the fiscal year are adjusted to take into account actual enrollment data. For the first six months, BOR generally uses estimated enrollment data for the previous fiscal year in determining the two-year and five-year average FTEs for each campus. The payments for the second half of the fiscal year are adjusted using actual enrollment data and include any other necessary updates. BOR must present these adjustments to the Controlling Board before payments can be made during the second half of the fiscal year.

While it is not completely clear how the SSI and higher education compact appropriations recommended by the executive budget will be distributed at this point, this section of the analysis assumes that the appropriations for the SSI and the compact will be combined in order to provide a broad picture of the distribution of the state core subsidy for higher education. Charts 2 and 3, below, summarize the biennial SSI distribution by the area and level of study. As seen from Chart 2, over the FY 2008-FY 2009 biennium, an estimated 56.9% of SSI goes to STEM² (science, technology, engineer, mathematics, and medicine), 27.2% goes to BES (business, education, and social science), and 15.9% goes to AH (arts and humanities). Chart 3 shows that undergraduate and graduate studies account for 65.2% and 34.8%, respectively, of the total SSI appropriations for the FY 2008-FY 2009 biennium.

Chart 2: SSI by Area of Study, FY 2008-FY 2009

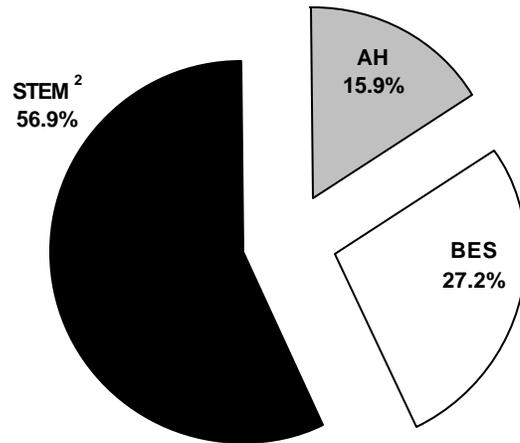


Chart 3: SSI by Level of Study, FY 2008-FY 2009

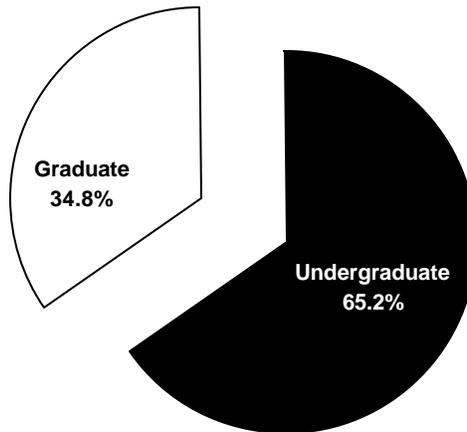


Chart 4 summarizes the SSI distribution by campus type. As seen from the chart, the four-year university main campuses account for 72.3% of the SSI subsidy for the FY 2008-FY 2009 biennium. The remaining 37.7% goes to community colleges (16.9%), university branch campuses (6.6%), and technical colleges (4.2%). As discussed before, with the exception of the four campus-based adjustments (0.2% of the total SSI), the SSI is distributed based on student-based factors, i.e., model costs and the number of FTEs within each model, which are directly tied to the level and type of programs offered in each campus and their student enrollment. The four-year university main campuses enroll 59.7% of the total subsidy-eligible FTEs statewide over the FY 2008-FY 2009 biennium. They also offer many higher costs and higher levels of academic programs. Therefore, it is not surprising to see that 72.3% of the biennial SSI subsidy goes to the four-year university main campuses.

Chart 4: SSI by Campus Type, FY 2008-FY 2009

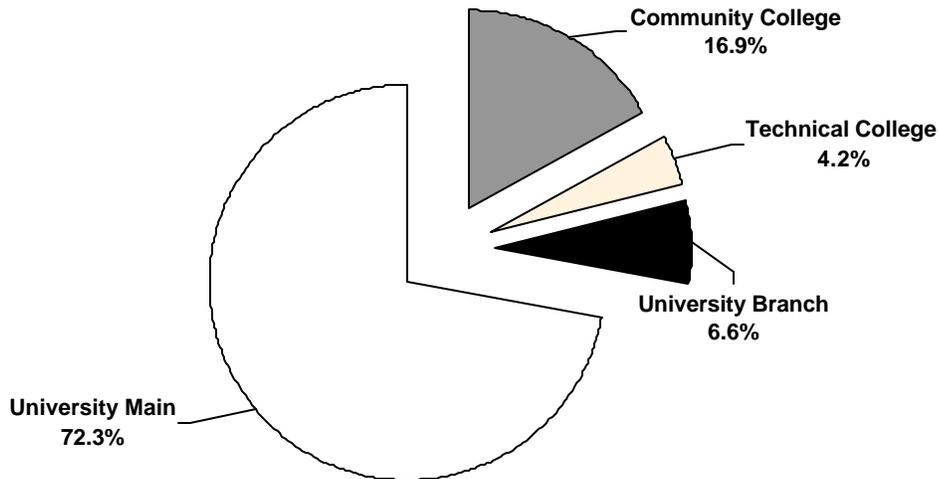
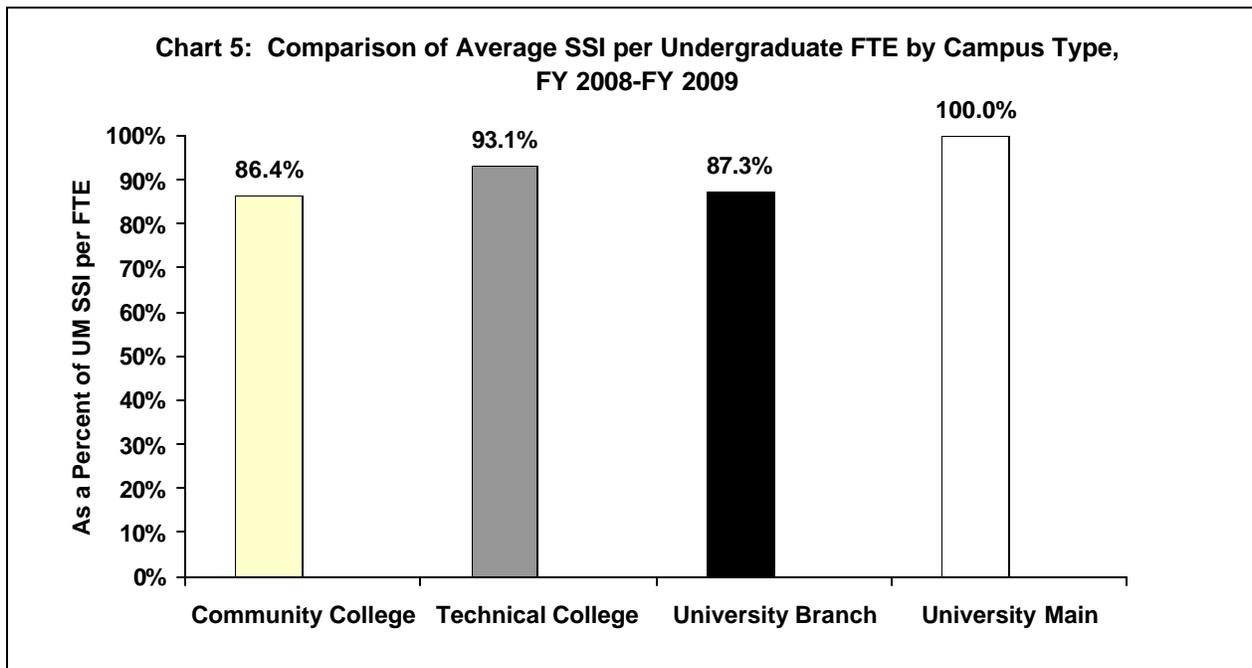


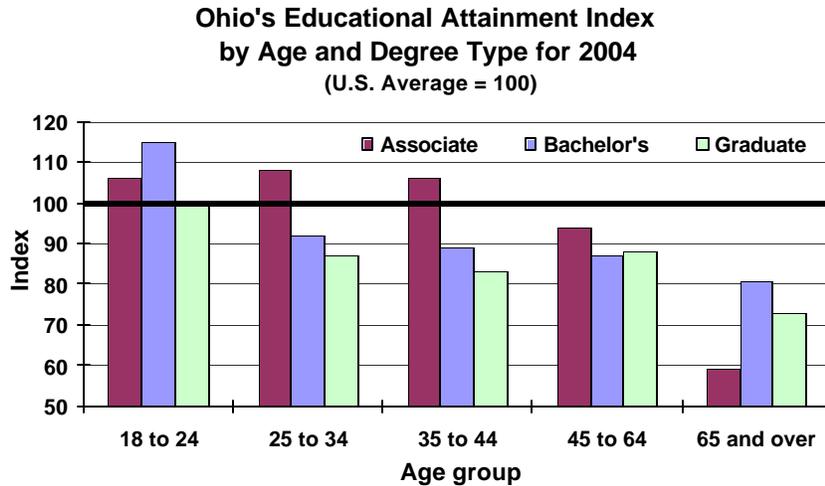
Chart 5 shows the average SSI (excluding annual guarantee) per undergraduate FTE by campus type. It can be seen from the chart that on a per FTE basis, the SSI funding level for undergraduate programs is relatively similar for all two-year campuses. Compared with the first two years of an undergraduate program, the last two years of the program tend to require higher levels of courses. This is why the average SSI per undergraduate FTE for the four-year university main campuses is higher than those for the two-year campuses.

Chart 5: Comparison of Average SSI per Undergraduate FTE by Campus Type, FY 2008-FY 2009



FACTS AND FIGURES

1. Post-secondary Educational Attainment in Ohio

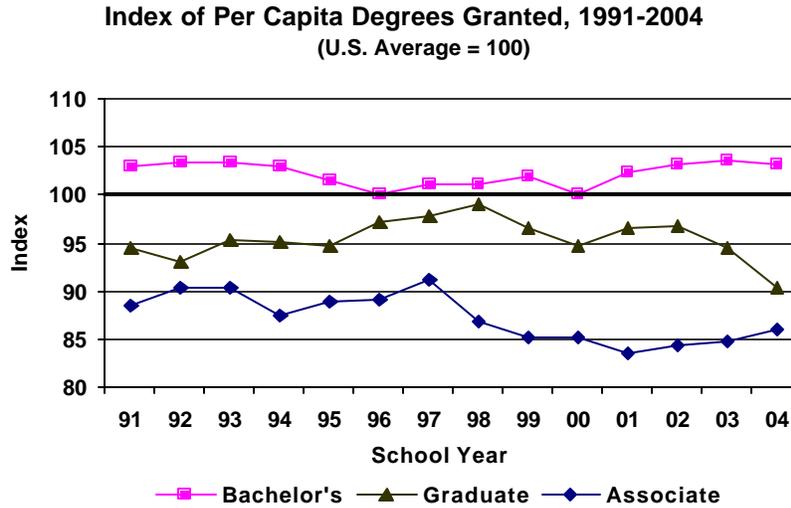


Source: United States Census Bureau

This index compares Ohio's educational attainment to the national average. An index score of 105 indicates that Ohio is 5% above the national average; an index score of 95 indicates that Ohio is 5% below the national average.

- For each age/degree-type group, the index is calculated by dividing Ohio's average by the national average and then multiplying by 100. For example, 9.6% of Ohio's 18- to 24-year-olds have a bachelor's degree while the national average is 8.4%. Dividing Ohio's 9.6% by the national 8.4% and multiplying by 100 results in an index score of 115, indicating that Ohio is 15% above the national average in this age/degree-type group.
- Ohio's index is at or above the national average index in five out of the 15 age/degree-type groups. These include all three degree types in the 18 to 24 age group: associate degree holders (with an index score of 106), bachelor's degree holders (115), and graduate degree holders (100); also included are the associate degree holders aged 25 to 34 (108) and associate degree holders aged 35 to 44 (106).
- Aggregating all post-secondary degree holders, Ohio ranks 17th in the nation for those aged 18 to 24 (with an index score of 111), 31st for ages 25 to 34 (94), 39th for ages 45 to 64 (89), and 43rd for ages 65 and over (75).
- Ohio's highest ranked category is for bachelor's degree holders aged 18 to 24, in which the state's index score of 115 ranks 14th in the nation. Ohio's lowest ranked category is for associate degree holders aged 65 and over, in which the state's index score of 59 ranks 46th in the nation.

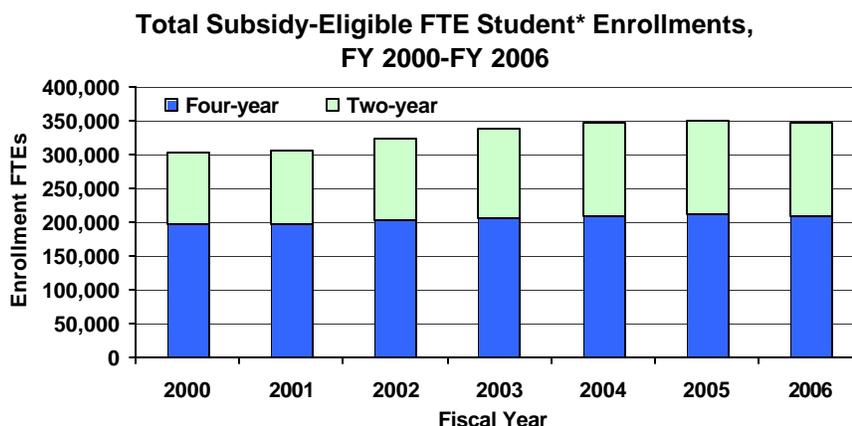
2. Degrees Granted by Ohio's Colleges and Universities



Source: United States Census Bureau

- This index compares degrees granted by Ohio's colleges and universities to the national average on a per capita basis. An index score of 105 indicates that Ohio is 5% above the national average; an index score of 95 indicates that Ohio is 5% below the national average.
- Per capita degrees granted is measured by the ratio of the number of granted degrees to the total population. For each degree category, the index is calculated by dividing Ohio's ratio by the national ratio and then multiplying by 100.
- For bachelor's degrees, Ohio was above the national average every year from 1991 to 2004; for associate and graduate degrees, Ohio was consistently below the national average.
- In 2004, Ohio ranked 34th in the nation for associate degrees granted (with an index score of 86), 24th for bachelor's degrees (103), and 21st for graduate degrees (90). Aggregating all post-secondary degrees granted, Ohio's index score of 96 ranked 19th in the nation.
- In 2004, Ohio granted 22,310 associate degrees, 56,256 bachelor's degrees, and 24,308 graduate degrees. Ohio's public institutions accounted for 76%, 64%, and 63%, respectively, of the degrees granted in Ohio.

3. Public Higher Education Enrollment



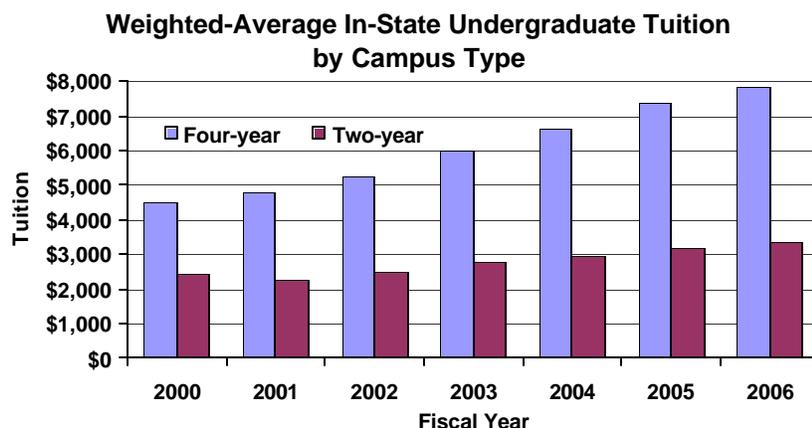
Subsidy-Eligible FTE Student Enrollments, FY 2000-FY 2006								
Campus Type	2000	2001	2002	2003	2004	2005	2006	Overall % Change
Four-year	196,460	195,595	201,925	206,377	209,876	210,151	208,693	6.2%
Two-year	107,991	111,198	121,464	131,085	138,059	139,781	139,734	29.4%
Total	304,451	306,793	323,389	337,462	347,935	349,932	348,427	14.4%
Change	1.5%	0.8%	5.4%	4.4%	3.1%	0.6%	-0.4%	

*An FTE (full-time equivalent) student is based on one student taking 15 credit hours per quarter or the equivalent. Subsidy-eligible FTEs include all but out-of-state undergraduate students

Source: Ohio Board of Regents

- After experiencing strong growth in the early 2000s, total student enrollments at public four-year and two-year campuses have leveled off.
- From FY 2000 to FY 2006, total subsidy-eligible student enrollments increased by 43,976 FTEs, or 14.4%. Of this growth, 72.1% occurred at two-year campuses (49.0% at community colleges, 13.5% at university branches, and 9.6% at technical colleges).
- About 93.6% (41,142 FTEs) of the total enrollment growth from FY 2000 to FY 2006 occurred in FY 2002 through FY 2004, the majority of which (61.1%) occurred at two-year campuses.
- The significant enrollment growth at the two-year campuses from FY 2002 to FY 2004 can be attributed partly to the slowdown in the economy and partly to the Access Challenge program, under which additional state funds subsidized tuition restraints at these campuses.

4. Higher Education Tuitions



Rates of Change in Weighted-Average In-State Undergraduate Tuitions, FY 2000-FY 2006							
Campus Type	Percentage Change in Fiscal Year						
	2000	2001	2002	2003	2004	2005	2006
Four-Year	5.4%	6.0%	9.5%	14.3%	10.4%	11.0%	6.1%
Two-Year	-0.1%	-5.8%	9.6%	11.7%	6.5%	6.8%	4.9%

Sources: Ohio Board of Regents; National Center for Education Statistics

- From FY 2000 to FY 2006, in-state undergraduate tuition increased by 73.0% at four-year campuses, from \$4,524 to \$7,828, and by 37.5% at two-year campuses, from \$2,422 to \$3,331. The largest tuition increase during this period occurred in FY 2003 for both four-year (14.3% or \$754) and two-year campuses (11.7% or \$307).
- With the exception of FY 2002 and FY 2003, the General Assembly has imposed limits (caps) on annual increases of in-state undergraduate tuition at Ohio's public colleges and universities. In FY 2006 and FY 2007, the tuition cap for all campuses is the lesser of 6% or \$500 for a full-time student.
- Tuition decreases at two-year campuses in FY 2000 and FY 2001 were due to the Access Challenge tuition subsidy program, which required two-year campuses (university branches, community colleges, and technical colleges) to reduce their tuitions by an average of 5% or more. Since then, the tuition restraint requirement has been eliminated from the program.
- In FY 2005 the average undergraduate tuitions at two-year and four-year campuses in Ohio exceeded the U.S. average tuitions by 62% (\$1,152) and 60% (\$3,003), respectively.

5. State Share of Instruction Appropriation per Student

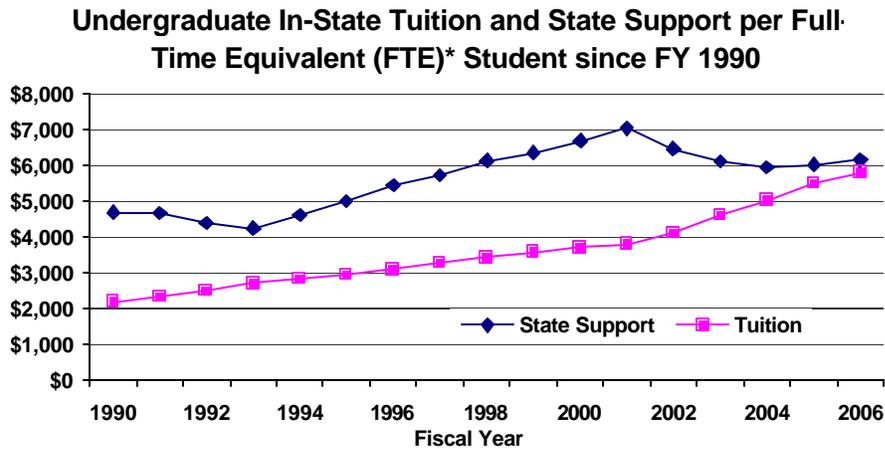
State Share of Instruction Appropriation per Subsidy-Eligible FTE Student,* FY 2000-FY 2006							
Campus Type	Amount in Fiscal Year						
	2000	2001	2002	2003	2004	2005	2006
Four-year	\$6,301	\$6,397	\$5,910	\$5,639	\$5,542	\$5,455	\$5,454
Two-year	\$3,376	\$3,403	\$3,019	\$2,786	\$2,681	\$2,950	\$3,011
Average	\$5,263	\$5,323	\$4,824	\$4,531	\$4,408	\$4,455	\$4,475
Percent Change	2.5%	1.1%	-9.4%	-6.1%	-2.7%	1.1%	0.4%

*An FTE (full-time equivalent) student is based on one student taking 15 credit hours per quarter or the equivalent. Subsidy-eligible FTEs include all but out-of-state undergraduate students.

Source: Ohio Board of Regents

- The State Share of Instruction (SSI), a state General Revenue Fund (GRF) appropriation distributed by the Board of Regents, provides the bulk of state subsidies to all public colleges and universities to help support their core academic activities. For the current biennium this one appropriation item constitutes 63% of Regents' total GRF budget.
- The decline in the SSI per subsidy-eligible FTE from FY 2002 through FY 2004 can be attributed to the state's flat or decreasing appropriation for the SSI during a period of significant increases in enrollments, especially at two-year campuses. Since then, the enrollment surge has subsided while the SSI appropriation has increased, resulting in small growth in the SSI per FTE.
- The SSI appropriation is allocated among campuses through a complex formula that is largely based on each campus's enrollment and courses offered. SSI allocations to four-year campuses are significantly higher than those to two-year campuses because four-year campuses offer higher cost baccalaureate, medical, and doctoral courses.
- The state provided an additional \$128.0 million of core academic activity subsidies in FY 2006 through the two main academic Challenge appropriations (Access and Success), as well as the Shawnee State University and Central State University supplements. These funds increased the state subsidy per FTE for FY 2006 by an average of \$413.

6. Undergraduate In-State Tuition and State Support



*An FTE is based on one student taking 15 credit hours per quarter or the equivalent.

Source: Ohio Board of Regents

- State support per FTE is calculated by subtracting the capital-related item amounts from the Board of Regents' total General Revenue Fund (GRF) expenditures, and dividing by the total number of subsidy-eligible FTEs (which include all but out-of-state undergraduate students). Tuition represents the weighted average of the sticker price charged to full-time, in-state undergraduate students at each of Ohio's public colleges and universities.
- From FY 1990 to FY 2006, state support per FTE increased on average by 1.9% per year as compared to 6.3% for tuition. As a result, the difference between state support and tuition decreased from \$2,493 per FTE in FY 1990 to \$337 per FTE in FY 2006.
- Annual changes in state support for higher education coincide with the economic cycle. State support per FTE decreased in the early 1990s and early 2000s when the economy was in recession and increased in the mid- and late-1990s when the economy was strong. The average annual change in state support per FTE was a decrease of 3.2% (\$146) from FY 1990 to FY 1993, an increase of 6.5% (\$349) from FY 1994 to FY 2001, and a decrease of 2.6% (\$179) from FY 2002 to FY 2006.
- In-state undergraduate tuition has increased consistently since FY 1990 although the rates of increase tended to be higher during recession years, especially in the early 2000s. The average annual tuition increase was 7.3% (\$172) from FY 1990 to FY 1993, 4.3% (\$135) from FY 1994 to FY 2001, and 9.0% (\$403) from FY 2002 to FY 2006.

MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2008 AND FY 2009

The following table provides a comprehensive presentation of the executive's recommendations for each of the agency's line items and the programs each line item supports. Please note that some line items may provide funding for multiple program series (PS) and/or programs. See the Analysis of Executive Proposal section for more information on specific program funding.

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	235-321	Operating Expenses	\$3,141,351	\$3,141,351
		PS 12: Planning and Coordination		
		Program 12.01: Program Management		
GRF	235-401	Lease Rental Payments	\$203,177,900	\$136,017,500
		PS 2: Facilities and Debt Service		
		Program 2.01: Rental and Debt Service Payments		
GRF	235-402	Sea Grants	\$231,925	\$231,925
		PS 7: Workforce and Regional Economic Development		
		Program 7.05: Sea Grant		
GRF	235-406	Articulation and Transfer	\$2,900,000	\$2,900,000
		PS 8: Higher Education Collaborations		
		Program 8.05: Articulation and Transfer		
GRF	235-408	Midwest Higher Education Compact	\$95,000	\$95,000
		PS 8: Higher Education Collaborations		
		Program 8.06: Midwest Higher Education Compact		
GRF	235-409	Information System	\$1,175,172	\$1,175,172
		PS 12: Planning and Coordination		
		Program 12.02: Information System		
GRF	235-414	State Grants and Scholarship Administration	\$1,707,881	\$1,707,881
		PS 4: Student Access		
		Program 4.06: State Grants and Scholarships Management		
GRF	235-415	Jobs Challenge	\$9,348,300	\$9,348,300
		PS 7: Workforce and Regional Economic Development		
		Program 7.02: Jobs Challenge		
GRF	235-417	Ohio Learning Network	\$3,119,496	\$3,119,496
		PS 8: Higher Education Collaborations		
		Program 8.02: Ohio Learning Network		
GRF	235-418	Access Challenge	\$78,342,183	\$78,694,875
		PS 4: Student Access		
		Program 4.03: Access Challenge		
GRF	235-420	Success Challenge	\$53,653,973	\$53,653,973
		PS 5: Academic Success		
		Program 5.01: Success Challenge		
GRF	235-428	Appalachian New Economy Partnership	\$1,176,068	\$1,176,068
		PS 7: Workforce and Regional Economic Development		
		Program 7.04: Appalachian New Economy Partnership		
GRF	235-433	Economic Growth Challenge	\$17,186,194	\$17,186,194
		PS 6: Basic and Applied Research		
		Program 6.02: Economic Growth Challenge		
GRF	235-434	College Readiness and Access	\$12,655,425	\$12,655,425
		PS 3: Pre-Kindergarten Through Sixteen Preparation and Access		
		Program 3.01: College Readiness and Access		

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
GRF	235-435	Teacher Improvement Initiatives	\$4,697,506	\$11,197,506
		<u>PS 3: Pre-Kindergarten Through Sixteen Preparation and Access</u>		
		Program 3.02: Teacher Improvement		
GRF	235-436	AccelerateOhio	\$2,500,000	\$5,000,000
		<u>PS 7: Workforce and Regional Economic Development</u>		
		Program 7.03: EnterpriseOhio Network		
GRF	235-451	Eminent Scholars	\$0	\$1,370,988
		<u>PS 6: Basic and Applied Research</u>		
		Program 6.04: Eminent Scholars		
GRF	235-455	EnterpriseOhio Network	\$1,373,941	\$1,373,941
		<u>PS 7: Workforce and Regional Economic Development</u>		
		Program 7.03: EnterpriseOhio Network		
GRF	235-474	Area Health Education Centers Program Support	\$1,571,756	\$1,571,756
		<u>PS 11: Medical Support</u>		
		Program 11.10: Area Health Education Centers Program Support		
GRF	235-501	State Share of Instruction	\$1,589,096,031	\$1,589,096,031
		<u>PS 1: College and University Instructional Operations</u>		
		Program 1.01: State Share of Instruction		
GRF	235-502	Student Support Services	\$795,790	\$795,790
		<u>PS 4: Student Access</u>		
		Program 4.07: Student Support Services		
GRF	235-503	Ohio Instructional Grants	\$42,533,966	\$18,315,568
		<u>PS 4: Student Access</u>		
		Program 4.01: Need-based Student Financial Aid		
GRF	235-504	War Orphans Scholarships	\$4,812,321	\$4,812,321
		<u>PS 4: Student Access</u>		
		Program 4.05: War Orphans Scholarships		
GRF	235-507	OhioLINK	\$6,887,824	\$6,887,824
		<u>PS 8: Higher Education Collaborations</u>		
		Program 8.01: OhioLINK		
GRF	235-508	Air Force Institute of Technology	\$1,925,345	\$1,925,345
		<u>PS 6: Basic and Applied Research</u>		
		Program 6.07: Air Force Institute of Technology (AFIT)		
GRF	235-509	Women in Transition	\$200,000	\$200,000
		<u>PS 4: Student Access</u>		
		Program 4.03: Access Challenge		
GRF	235-510	Ohio Supercomputer Center	\$4,271,195	\$4,271,195
		<u>PS 6: Basic and Applied Research</u>		
		Program 6.03: Ohio Supercomputer Center (OSC)		
GRF	235-511	Cooperative Extension Service	\$25,644,863	\$25,644,863
		<u>PS 7: Workforce and Regional Economic Development</u>		
		Program 7.01: Cooperative Extension Service		
GRF	235-513	Ohio University Voinovich Center	\$669,082	\$669,082
		<u>PS 9: General Public Service</u>		
		Program 9.03: Ohio University Voinovich Center		
GRF	235-515	Case Western Reserve University School of Medicine	\$3,011,271	\$3,011,271
		<u>PS 11: Medical Support</u>		
		Program 11.08: Case Western Reserve University School of Medicine		
GRF	235-518	Capitol Scholarship Program	\$125,000	\$125,000
		<u>PS 5: Academic Success</u>		
		Program 5.02: Academic Scholarships		
GRF	235-519	Family Practice	\$4,548,470	\$4,548,470
		<u>PS 11: Medical Support</u>		
		Program 11.06: Family Practice and Primary Care Residencies Support		

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
GRF	235-520	Shawnee State Supplement	\$2,502,323	\$2,577,393
		PS 4: Student Access		
		Program 4.04: Supplements		
GRF	235-521	The Ohio State University Glenn Institute	\$619,082	\$619,082
		PS 9: General Public Service		
		Program 9.04: The Ohio State University Glenn Institute		
GRF	235-524	Police and Fire Protection	\$171,959	\$171,959
		PS 10: Public Safety		
		Program 10.1: Police and Fire Protection		
GRF	235-525	Geriatric Medicine	\$750,110	\$750,110
		PS 11: Medical Support		
		Program 11.11: Geriatric Medicine		
GRF	235-526	Primary Care Residencies	\$2,245,688	\$2,245,688
		PS 11: Medical Support		
		Program 11.06: Family Practice and Primary Care Residencies Support		
GRF	235-527	Ohio Aerospace Institute	\$1,764,957	\$1,764,957
		PS 6: Basic and Applied Research		
		Program 6.08: Ohio Aerospace Institute (OAI)		
GRF	235-530	Academic Scholarships	\$7,800,000	\$7,800,000
		PS 5: Academic Success		
		Program 5.02: Academic Scholarships		
GRF	235-531	Student Choice Grants	\$17,985,376	\$17,985,376
		PS 4: Student Access		
		Program 4.08: Student Choice Grants		
GRF	235-535	Ohio Agricultural Research and Development Center	\$36,674,292	\$36,674,292
		PS 6: Basic and Applied Research		
		Program 6.01: Ohio Agricultural Research and Development Center (OARDC)		
GRF	235-536	The Ohio State University Clinical Teaching	\$13,565,885	\$13,565,885
		PS 11: Medical Support		
		Program 11.09: Clinical Teaching		
GRF	235-537	University of Cincinnati Clinical Teaching	\$11,157,756	\$11,157,756
		PS 11: Medical Support		
		Program 11.09: Clinical Teaching		
GRF	235-538	University of Toledo Clinical Teaching	\$8,696,866	\$8,696,866
		PS 11: Medical Support		
		Program 11.09: Clinical Teaching		
GRF	235-539	Wright State University Clinical Teaching	\$4,225,107	\$4,225,107
		PS 11: Medical Support		
		Program 11.09: Clinical Teaching		
GRF	235-540	Ohio University Clinical Teaching	\$4,084,540	\$4,084,540
		PS 11: Medical Support		
		Program 11.09: Clinical Teaching		
GRF	235-541	Northeastern Ohio Universities College of Medicine Clinical Teaching	\$4,200,945	\$4,200,945
		PS 11: Medical Support		
		Program 11.09: Clinical Teaching		
GRF	235-547	School of International Business	\$450,000	\$450,000
		PS 9: General Public Service		
		Program 9.01: Urban University Programs		
GRF	235-552	Capital Component	\$19,306,442	\$19,306,442
		PS 2: Facilities and Debt Service		
		Program 2.02: Capital Component		
GRF	235-553	Dayton Area Graduate Studies Institute	\$2,806,599	\$2,806,599
		PS 6: Basic and Applied Research		
		Program 6.05: Dayton Area Graduate Studies Institute (DAGSI)		

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
GRF	235-554	Priorities in Collaborative Graduate Education	\$2,355,548	\$2,355,548
		<u>PS 6: Basic and Applied Research</u>		
		Program 6.06: Priorities in Collaborative Graduate Education		
GRF	235-555	Library Depositories	\$1,696,458	\$1,696,458
		<u>PS 8: Higher Education Collaborations</u>		
		Program 8.03: Regional Library Depositories		
GRF	235-556	Ohio Academic Resources Network	\$3,727,223	\$3,727,223
		<u>PS 8: Higher Education Collaborations</u>		
		Program 8.04: Ohio Academic Resources Network (OARNet)		
GRF	235-558	Long-term Care Research	\$211,047	\$211,047
		<u>PS 11: Medical Support</u>		
		Program 11.01: Long-term Care Research		
GRF	235-561	Bowling Green State University Canadian Studies Center	\$100,015	\$100,015
		<u>PS 7: Workforce and Regional Economic Development</u>		
		Program 7.06: Bowling Green State University Canadian Studies Center		
GRF	235-563	Ohio College Opportunity Grant	\$139,974,954	\$151,113,781
		<u>PS 4: Student Access</u>		
		Program 4.01: Need-based Student Financial Aid		
GRF	235-567	Central State University Speed to Scale	\$4,400,000	\$3,800,000
		<u>PS 4: Student Access</u>		
		Program 4.04: Supplements		
GRF	235-568	Higher Education Compact	\$79,454,801	\$112,825,818
		<u>PS 1: College and University Instructional Operations</u>		
		Program 1.01: State Share of Instruction		
GRF	235-572	The Ohio State University Clinic Support	\$1,277,019	\$1,277,019
		<u>PS 11: Medical Support</u>		
		Program 11.07: The Ohio State University Clinic Support		
GRF	235-583	Urban University Program	\$5,550,937	\$5,550,937
		<u>PS 9: General Public Service</u>		
		Program 9.01: Urban University Programs		
GRF	235-587	Rural University Projects	\$1,147,889	\$1,147,889
		<u>PS 9: General Public Service</u>		
		Program 9.02: Rural University Projects		
GRF	235-596	Hazardous Materials Program	\$360,435	\$360,435
		<u>PS 10: Public Safety</u>		
		Program 10.02: Firefighter Hazardous Materials Program		
GRF	235-599	National Guard Scholarship Program	\$16,611,063	\$16,611,063
		<u>PS 10: Public Safety</u>		
		Program 10.03: National Guard Scholarship Program		
GRF	235-909	Higher Education General Obligation Debt Service	\$172,722,400	\$208,747,200
		<u>PS 2: Facilities and Debt Service</u>		
		Program 2.01: Rental and Debt Service Payments		
General Revenue Fund Subtotal			\$2,651,172,945	\$2,650,527,541
General Services Fund Group				
220	235-614	Program Approval and Reauthorization	\$800,000	\$800,000
		<u>PS 12: Planning and Coordination</u>		
		Program 12.03: Program Authorization		
456	235-603	Sales and Services	\$700,000	\$700,000
		<u>PS 12: Planning and Coordination</u>		
		Program 12.01: Program Management		
General Services Fund Subtotal			\$1,500,000	\$1,500,000
Federal Special Revenue Fund Group				
3BG	235-626	Star Schools	\$2,980,865	\$2,990,746
		<u>PS 3: Pre-Kindergarten Through Sixteen Preparation and Access</u>		
		Program 3.02: Teacher Improvement		

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
3H2	235-608	Human Services Project	\$3,000,000	\$3,000,000
		<u>PS 11: Medical Support</u>		
		Program 11.05: The Medicaid Technical Assistance Policy Program		
3H2	235-622	Medical Collaboration Network	\$3,346,144	\$3,346,144
		<u>PS 11: Medical Support</u>		
		Program 11.12: Medical Collaboration Network		
3N6	235-605	State Student Incentive Grants	\$2,196,680	\$2,196,680
		<u>PS 4: Student Access</u>		
		Program 4.02: State Student Incentive Grants		
3T0	235-610	National Health Service Corps –Ohio Loan Repayment	\$250,000	\$250,000
		<u>PS 11: Medical Support</u>		
		Program 11.04: National Health Service Corps Loan Repayment		
312	235-609	Tech Prep	\$183,850	\$183,850
		<u>PS 3: Pre-Kindergarten Through Sixteen Preparation and Access</u>		
		Program 3.01: College Readiness and Access		
312	235-611	Gear-up Grant	\$3,300,000	\$3,300,000
		<u>PS 3: Pre-Kindergarten Through Sixteen Preparation and Access</u>		
		Program 3.01: College Readiness and Access		
312	235-612	Carl D. Perkins Grant/Plan Administration	\$112,960	\$112,960
		<u>PS 7: Workforce and Regional Economic Development</u>		
		Program 7.07: Carl D. Perkins Grant/Plan Administration		
312	235-617	Improving Teacher Quality Grant	\$3,200,000	\$3,200,000
		<u>PS 3: Pre-Kindergarten Through Sixteen Preparation and Access</u>		
		Program 3.02: Teacher Improvement		
312	235-621	Science Education Network	\$1,686,970	\$1,686,970
		<u>PS 3: Pre-Kindergarten Through Sixteen Preparation and Access</u>		
		Program 3.02: Teacher Improvement		
Federal Special Revenue Fund Subtotal			\$20,257,469	\$20,267,350
State Special Revenue Fund Group				
4E8	235-602	Higher Educational Facility Commission Administration	\$50,000	\$45,000
		<u>PS 2: Facilities and Debt Service</u>		
		Program 2.03: Higher Educational Facility Commission Administration		
4P4	235-604	Physician Loan Repayment	\$476,870	\$476,870
		<u>PS 11: Medical Support</u>		
		Program 11.02: Physician Loan Repayment Program		
649	235-607	The Ohio State University Highway/Transportation Research	\$760,000	\$760,000
		<u>PS 6: Basic & Applied Research</u>		
		Program 6.09: The Ohio State University Highway/Transportation Research		
682	235-606	Nursing Loan Program	\$893,000	\$893,000
		<u>PS 11: Medical Support</u>		
		Program 11.03: Nurse Education Assistance Loan Program		
5DT	235-627	American Diploma Project	\$250,000	\$0
		<u>PS 3: Pre-Kindergarten Through Sixteen Preparation and Access</u>		
		Program 3.01: College Readiness and Access		
State Special Revenue Fund Subtotal			\$2,429,870	\$2,174,870
Agency Total Funding			\$2,675,360,284	\$2,674,469,761

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series

1: College and University Instructional Operations

Purpose: This program series provides basic state support for instructional and general operations and activities at Ohio's 61 public colleges and universities.

The following table shows the line items that are used to fund the College and University Instructional Operations program series, as well as the Governor's recommended funding levels.

Appropriation Amounts for Program Series 1: College and University Instructional Operations				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	235-501	State Share of Instruction	\$ 1,589,096,031	\$ 1,589,096,031
GRF	235-568	Higher Education Compact	\$ 79,454,801	\$ 112,825,818
General Revenue Fund Subtotal			\$ 1,668,550,832	\$ 1,701,921,849
Total Funding: College and University Instructional Operations			\$ 1,668,550,832	\$ 1,701,921,849

The College and University Instructional Operations program series contains one program:

■ **Program 1.01: State Share of Instruction**

Program 1.01: State Share of Instruction

For this program, the executive budget recommends an increase of 5.0% in FY 2008 and an increase of 2.0% in FY 2009. Of this program's biennial total of \$3,370.5 million, all is funded through the GRF. Details for the two appropriation items used to fund this program are given below.

State Share of Instruction. SSI serves as the state's primary financial support to public higher education in Ohio. For this line item, the executive budget recommends flat funding in FY 2008 and FY 2009. SSI provides unrestricted operating subsidies to Ohio's 61 public colleges and universities and funds a portion of the operating costs of serving the approximately 352,000 full-time equivalent students (FTEs) enrolled in those colleges and universities. In FY 2007, it is estimated that the state pays approximately 41.5% of the institutions' instructional and operation modeled costs. SSI is distributed to campuses in approximately equal monthly payments during a given fiscal year. The amount of the subsidy for each campus is primarily driven by enrollment and the level and type of instruction that is being provided (e.g., undergraduate versus graduate education, or humanities versus science).

The executive budget includes a revised SSI formula based on BOR's recommendations. While following the same general funding method used by the current SSI formula, the proposed SSI formula contains several significant changes. These changes include a new taxonomy to group courses offered across campuses, updated curricular model costs that are not broken into components, additional weights for non-doctoral graduate and STEM² models, and a uniform base state share percentage for the total weighted cost of all non-doctoral curricular models. The State Share of Instruction Funding Formula section of this Redbook provides more detailed information on the similarities and key differences between the current and the proposed SSI formulas, including the 26 new curricular models, curricular model costs for FY 2008 and FY 2009, and an example of the step-by-step illustration of the proposed SSI formula calculations.

Higher Education Compact. This new line item, funded at \$79.5 million in FY 2008 and \$112.8 million in FY 2009, provides funds to be distributed as an incentive for institutions to restrain tuition increases and increase efficiency. To participate in the compact, state-assisted institutions must commit to restraining in-state tuition and fee increases to the 2006-2007 academic year levels in the 2007-2008 academic year and no more than 3% over the 2007-2008 academic year levels in the 2008-2009 academic year. The compact also requires a participating institution to demonstrate, through increasing internal efficiencies, a 1.0% savings in FY 2008 and a 3.0% savings in FY 2009. The funds for this line item are to be distributed proportionally to participating institutions based on their proportional SSI funding. Any excess funds remaining because of institutions that choose not to participate or do not meet all of the compact's criteria will be redistributed to participating institutions that surpass savings criteria.

Truth in Tuition. The executive budget creates new Revised Code section 3345.02 that would require each state university, community college, state community college, university branch, and technical college to provide students with an itemized list of instructional and general fees and all other fees or charges owed by the student, beginning in the 2008-2009 academic year. This list is aimed at achieving greater transparency and "truth in tuition."

Program Series

2: Facilities and Debt Service

Purpose: This program series provides funds for the servicing of debt obligations incurred by the state and for the administration of capital-related activities.

The following table shows the line items that are used to fund the Facilities and Debt Service program series, as well as the Governor's recommended funding levels.

Appropriation Amounts for Program Series 2: Facilities and Debt Service				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	235-401	Lease Rental Payments	\$ 203,177,900	\$ 136,017,500
GRF	235-552	Capital Component	\$ 19,306,442	\$ 19,306,442
GRF	235-909	Higher Education General Obligation Debt Service	\$ 172,722,400	\$ 208,747,200
General Revenue Fund Subtotal			\$ 395,206,742	\$ 364,071,142
State Special Revenue Fund (SSR)				
SSR 4E8	235-602	Higher Educational Facility Commission Administration	\$ 50,000	\$ 45,000
State Special Revenue Fund Subtotal			\$ 50,000	\$ 45,000
Total Funding: Facilities and Debt Service			\$ 395,256,742	\$ 364,116,142

The Facilities and Debt Service program series contains three programs. These programs and their shares of the biennial funding for this program series are:

- **Program 2.01: Rental and Debt Service Payments – 94.90%**
- **Program 2.02: Capital Component – 5.08%**
- **Program 2.03: Higher Educational Facility Commission – 0.02%**

For this program series, the executive budget recommends a 6.2% increase for FY 2008, and a 7.9% decrease for FY 2009. Of this series' biennial total of \$759.3 million, all but \$95,000 is funded through the GRF. Details for each of the three programs are given below.

Program 2.01: Rental and Debt Service Payments

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-401	Lease Rental Payments	\$ 203,177,900	\$ 136,017,500
GRF	235-909	Higher Education General Obligation Debt Service	\$ 172,722,400	\$ 208,747,200
Total Funding: Rental and Debt Service Payments			\$ 375,900,300	\$ 344,764,700

This program provides the funds necessary to make debt service payments during the FY 2008-FY 2009 biennium on bonds issued to build and renovate facilities at state-supported colleges and universities throughout the state. If all required debt service payments are not made in full, the state's bond rating will likely decline, resulting in higher interest rates on future bonds.

Until FY 2000 the capital needs of higher education were entirely met by the issuance of special obligation bonds. This type of bond is considered to be direct debt of the state but it is not backed by the full faith and credit of the state. Special obligation bonds are supported and repaid only by a dedicated state revenue source, in this case, the GRF.

In November 1999, Ohio voters approved a constitutional amendment authorizing the state to issue another type of bond – general obligation (GO) bonds – for funding higher education's capital projects. In addition to being considered direct debt of the state, GO bonds are backed by the full faith and credit of the state. This additional backing reduces the risk to the bondholder market, and as a result, GO bonds can usually be sold at lower interest rates than are required for issuing special obligation bonds. Because of the lower interest charges from the issuance of GO bonds, since FY 2000, the state has not issued any more special obligation bonds for higher education's capital projects. Accordingly, debt service for GO bonds has been increasing, while debt service for special revenue bonds has been decreasing. Special obligation debt service will continue to decline over several biennia until 2014 when all of the special obligation debt will be retired. As of January 1, 2007, there was \$1,725.0 million in general obligation higher education debt, and \$663.9 million in special obligation higher education debt outstanding for the state. The executive budget recommends an increase of 6.5% in FY 2008 and a decrease of 8.3% in FY 2009 for this program. These funds are expected to meet all higher education related debt service obligations for the biennium.

Debt Service for Special Revenue Bonds. Funds from GRF appropriation items 235-401, Lease Rental Payments, pay the principal and interest on special obligation bonds that have been issued for capital improvements at state-supported colleges and universities. For this appropriation item, the executive budget recommends an increase of 1.2% in FY 2008 and a decrease of 33.1% in FY 2009. As indicated earlier, no new special obligation debt has been issued for higher education since FY 2000; all existing higher education-related special obligation debt will be retired by 2014. From FY 2006 to FY 2008, debt service for special obligation debt remained fairly constant, however, in FY 2009 it is to decline again. This debt service plateau ending in FY 2009 is a result of the dates of issuance, dates of maturity, and the interest rates of the special obligation bonds.

Debt Service for GO Bonds. Funds from GRF appropriation item 235-909, Higher Education General Obligation Debt Service, pay the principal and interest on GO bonds that have been issued for capital improvements at state-supported colleges and universities. For this appropriation item, the executive budget recommends increases of 13.5% and 20.9% for FY 2008 and FY 2009, respectively. All bonds issued for higher education since FY 2000 have been GO bonds. H.B. 16 of the 126th General Assembly provided BOR and colleges and universities \$488.3 million in GO bond moneys for the FY 2005-FY 2006 biennium. Am. Sub. H.B. 699 of the 126th General Assembly provided \$578.6 million in GO bond moneys for the FY 2007-FY 2008 biennium.

Tobacco Securitization. The executive budget establishes the Ohio Tobacco Financing Authority to implement the securitization of 100% of the payment Ohio is expected to receive under the Tobacco Master Settlement Agreement over the next 40 or more years. The executive budget estimates that the net proceeds will be approximately \$5.04 billion and proposes to use \$920 million of that amount to help finance the capital needs of higher education in the next three years. GRF funds that would otherwise be used to finance bonds will be available to other programs.

Local Administration Competency Certification. Am. Sub. H.B. 66 of the 126th General Assembly required the State Architect to establish a Local Administration Competency Certification program to certify state colleges and universities to administer state-funded capital facilities projects without the oversight of the Department of Administrative Services (DAS). The program must provide instruction about the Public Improvements Law and DAS rules and policies regarding capital projects to employees selected by the institutions who will be responsible for administering capital facilities projects. The program must specifically cover the planning, design, and construction processes; contract requirements; and construction and project management.

The executive budget makes changes to the Local Administration Competency Certification program. It eliminates references about State Architect's certification indicating that certified institution employees have a "satisfactory level of knowledge" and "competency" to administer projects "successfully and in accordance with all provisions of the Revised Code."

Energy Conservation Analysis. The executive budget also permits DAS, upon request, to contract for analyses and recommendations pertaining to energy conservation measures for buildings owned by public institutions of higher education.

Program 2.02: Capital Component

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-552	Capital Component	\$ 19,306,442	\$ 19,306,442
Total Funding: Capital Component			\$ 19,306,442	\$ 19,306,442

This program provides funding for campuses that request and receive capital appropriations lower than their formula allocated capital appropriation amounts. The executive budget recommends a 1.3% increase in FY 2008 and flat funding in FY 2009. In addition to these appropriations, five institutions are likely to have their SSI allocations in FY 2008 and FY 2009 reduced by a total of \$255,708, which will be transferred to this appropriation item. These five institutions have requested and received capital appropriations above their formula allocated amounts. The transferred funds and the original appropriations will be distributed to the remaining eligible institutions. The funding for each eligible campus equals the difference between the campus's formula allocated debt service amount and the debt service amount actually received by the campus. Campuses can use these funds only for capital projects.

This program intends to provide an incentive for campuses to make sound choices in capital-related decisions. It was established in FY 1998 to implement a new incentive-based capital funding policy. Under this policy, BOR uses a formula that takes into account campuses' educational activities and the ages of their facilities to recommend capital funding. Funding for the Capital Component program equals the difference between BOR's recommended capital funding amount and the actual capital appropriations. This incentive-based capital funding policy also provides each campus with a formula determined capital appropriation share based on the amount and age of space, the number of student enrollments, and the total capital appropriations available. It reduces a campus's subsidy if it requests and receives capital appropriations greater than its formula determined amount. The reduction amount equals the difference between a campus's formula determined debt service amount and the debt service amount actually received by the campus. These reduced subsidies are deducted from GRF appropriation item 235-501, State Share of Instruction, and transferred to GRF appropriation item 235-552, Capital Component.

Program 2.03: Higher Educational Facility Commission Administration

Fund	ALI	Title/Earmark	FY 2008	FY 2009
SSR 4E8	235-602	Higher Educational Facility Commission	\$ 50,000	\$ 45,000
Total Funding: Higher Educational Facility Commission			\$ 50,000	\$ 45,000

This program supports BOR's administration of the Higher Educational Facility Commission (HEFC), an agency of the state that provides for the issuance of tax-exempt revenue bonds for Ohio's independent nonprofit private colleges and universities and nonprofit hospitals and health care systems.

For this program, the executive budget recommends a 9.1% decrease in FY 2008 and a 10.0% decrease in FY 2009.

HEFC is an agency of the state of Ohio; therefore, interests on bonds issued by HEFC are exempt from federal and state taxes. This allows HEFC to provide capital loans to Ohio's independent nonprofit colleges, universities, and hospitals at lower cost than they could obtain on their own. Each eligible entity pays a total fee of from \$1,000 to \$3,000 for each issuance of bonds; the fee is deposited in the Agency Fund (Fund 461) and used to fund the operations of HEFC. While the bonds issued by HEFC are held by the state, the entity for which the bonds are issued makes all of the principal and interest payments. The state disclaims any liability in the case of default. When HEFC approves a capital loan for an eligible entity, it enters an agreement with that entity under which the entity leases the HEFC-assisted facility from HEFC and pays rent in amounts needed to retire the bonds.

HEFC does not have a separate staff or permanent offices; it relies on bond counsel (who is paid by the entities for which bonds are issued) and the support of BOR for its operations. Am. Sub. H.B. 66 of the 126th General Assembly implemented a 2004 audit recommendation that BOR employ and maintain one staff person to manage the administrative duties of HEFC. The executive budget authorizes the transfer of up to \$50,000 in FY 2008 and \$45,000 in FY 2009 from the HEFC's Agency Fund (Fund 461) to the HEFC Administration Fund (Fund 4E8) of BOR, in order to enable BOR to maintain one staff person to perform HEFC's administrative duties.

Program Series 3: Pre-Kindergarten through Sixteen Preparation and Access

Purpose: This program series supports initiatives that facilitate access to college through improved readiness and through initiatives that focus on improving the capability of the "P-16" educational system to prepare students for success in college and in professional careers.

The following table shows the line items that are used to fund the Pre-K through 16 Preparation and Access program series, as well as the executive budget's recommended funding levels.

Appropriation Amounts for Program Series 3: Pre-K through 16 Preparation and Access					
Fund	ALI	Title		FY 2008	FY 2009
General Revenue Fund (GRF)					
GRF	235-434	College Readiness and Access	\$	12,655,425	\$ 12,655,425
GRF	235-435	Teacher Improvement Initiatives	\$	4,697,506	\$ 11,197,506
General Revenue Fund Subtotal			\$	17,352,931	\$ 23,852,931
Federal Special Revenue Fund (FED)					
3BG	235-626	Star Schools	\$	2,980,865	\$ 2,990,746
312	235-609	Tech Prep	\$	183,850	\$ 183,850
312	235-611	Gear-up Grant	\$	3,300,000	\$ 3,300,000
312	235-617	Improving Teacher Quality Grant	\$	3,200,000	\$ 3,200,000
312	235-621	Science Education Network	\$	1,686,970	\$ 1,686,970
Federal Special Revenue Fund Subtotal			\$	11,351,685	\$ 11,361,566
State Special Revenue Fund (SSR)					
5DT	235-627	American Diploma Project	\$	250,000	\$ -
State Special Revenue Fund Subtotal			\$	250,000	\$ -
Total Funding: Pre-K through 16 Preparation and Access			\$	28,954,616	\$ 35,214,497

The Pre-K through 16 Preparation and Access program series contains two programs. These programs and their shares of the biennial funding for this program series are as follows:

- **Program 3.01: College Readiness and Access – 50.7%**
- **Program 3.02: Teacher Improvement Initiatives – 49.3%**

For this program series, the executive budget recommends a 2.4% increase for FY 2008 and a 21.6% increase for FY 2009. Almost all of those increases are for line item 235-434, College Readiness and Access, and 235-435, Teacher Improvement Initiatives. Of this series' biennial total of \$64.2 million, 64.2% comes from the GRF, 35.4% from the Federal Special Revenue Fund Group, and 0.4% from State Special Revenue Fund Group. Details of both of the programs are provided below.

Program 3.01: College Readiness and Access

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-434	College Readiness and Access	\$ 12,655,425	\$ 12,655,425
		<i>Ohio Appalachian Center for Higher Education</i>	\$ 798,684	\$ 822,645
		<i>Student Achievement in Research and Scholarship (STARS)</i>	\$ 169,553	\$ 174,640
		<i>Early College High Schools</i>	\$ 3,503,985	\$ 3,503,985
		<i>Remainder</i>	\$ 8,183,203	\$ 8,154,155
FED 312	235-609	Tech Prep	\$ 183,850	\$ 183,850
FED 312	235-611	Gear-up Grant	\$ 3,300,000	\$ 3,300,000
SSR 5DT	235-627	American Diploma Project	\$ 250,000	\$ -
Total Funding: College Readiness and Access			\$ 16,389,275	\$ 16,139,275

This program supports efforts to improve the ability of high school students to enroll and succeed in higher education and to reduce the need for college remediation. Collaborations among primary, secondary, and higher education are emphasized in this program as well. For this program the executive budget recommends a 28.4% increase in FY 2008 and a 1.5% decrease in FY 2009. All of the increase in funding for this program is through the GRF appropriation item 235-434, College Readiness and Access, which is used to promote innovative statewide strategies and projects to increase access to success in higher education for specialized populations. A portion of the College Readiness and Access appropriation provides the state's matching funds for the federal Gear-up program (Gaining Early Awareness and Readiness for Undergraduate Program) through the Ohio College Access Network (OCAN), which receives the majority of the funding provided under line item 235-434, College Readiness and Access.

Ohio College Access Network. Funded in 1999 by the KnowledgeWorks Foundation, in collaboration with BOR and the Department of Education, OCAN is a nonprofit statewide coordinating body for college access programs, which are nonprofit organizations aiming at increasing higher education participation by providing financial counseling, "last-dollar" scholarships (after all other financial aid resources have been tapped), college visits, career guidance, tutoring, and test preparation. Currently OCAN's membership includes 35 college access programs in 46 counties. Services offered by OCAN include providing professional development, such as technical assistance, on-site visits, and annual conferences; securing and administering grants; and facilitating resource sharing among its member organizations. The executive budget recommends an increase of \$4.25 million over the biennium for OCAN. The increased funding for OCAN will be used to support current and new college access programs and to increase private contributions to college access programs.

Ohio Appalachian Center for Higher Education. Created in 1993 by the General Assembly, the Ohio Appalachian Center for Higher Education (OHACHE) is a consortium of ten public colleges and universities in the 29 Appalachian counties. Its mission is to increase the level of educational attainment of residents in the region. OHACHE works with colleges, universities, K-12 schools, and private organizations to increase the region's college-going rate. It awards two-year "Access Project" competitive grants to K-12 schools in the region to fund activities that encourage students to aspire to and prepare for college. Since its inception, OHACHE has awarded 80 "Access Project" grants to 49 schools or school consortia.

Early College High Schools. The early college high school initiative is funded by appropriations provided in both the BOR and Department of Education budgets. The executive budget increases the combined funding for this initiative from \$5.5 million in FY 2007 to \$7.0 million in FY 2008 and

\$7.8 million in FY 2009. These funds are used to support current operations and expansions of early college high schools, which have been established in collaboration with the KnowledgeWorks Foundation. These schools are partnerships between school districts and universities that provide students from disadvantaged backgrounds opportunities to attend special high school programs that take place on college campuses. The students follow individualized learning plans in order to graduate from high school with an associate degree or up to two years of college credit. The current six early college high schools are located in Canton, Columbus, Dayton, Lorain, Toledo, and Youngstown public schools. The first early college high school, Dayton Early College will graduate its first class this year with 48% of the students being on track to simultaneously attain high school diplomas and complete 60 hours of college credits or associate degrees.

Student Achievement in Research and Scholarship (STARS). Administered by the University of Miami, STARS is a statewide program that is designed to help academically talented African-American, Hispanic, and Native American undergraduates pursue graduate studies in Ohio. The main goal of the program is to increase the number of these targeted students who will obtain Ph.Ds and move on to academic careers. The STARS program offers those undergraduate students opportunities to conduct research with faculty mentors, paid research assistantships, travel scholarships to attend academic conferences, and participation in the campus-based STARS clubs. Students must have 3.0 cumulative grade point averages in order to participate in the program. Scholarship amounts vary between \$750 to \$1,200 per semester plus travel stipends of \$200.

Tech Prep. These federal funds support a combined secondary and higher education program to facilitate a seamless transition from high school to college by reducing remediation rates and preparing students for high-technology jobs. The funds are used to support a professional staff member to work collaboratively with the Department of Education to administer the statewide Tech Prep program. The program enables either the direct entry into the workplace after high school, the continuation of study at a two-year college leading to an associate degree with advanced skills, or the completion of an appropriate baccalaureate degree.

Gear-up Grant. These federal funds support efforts to increase college participation among rural Appalachian and inner-city Ohioans by promoting college awareness among low-income students, helping them prepare for college, and enhancing their transitions to higher education. The required state match is provided in GRF appropriation item 235-434, College Readiness and Access.

American Diploma Project. These state special revenue funds support Ohio's participation in the American Diploma Project (ADP) network, an initiative designed to improve students' college and workplace readiness. Ohio's ADP works in alignment with its other access initiatives to develop college entry standards, create seamless transitions from high school to college, adopt high school assessments aligned with college entry examinations, and develop curriculum models linked to rigorous high school requirements. The project is funded by grants from the Bill and Melinda Gates Foundation, contingent upon matching funds from GRF appropriation item 235-434, College Readiness and Access.

Program 3.02: Teacher Improvement

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-435	Teacher Improvement Initiatives	\$ 4,697,506	\$ 11,197,506
		<i>Ohio Mathematics and Science Coalition</i>	\$ 106,619	\$ 106,619
		<i>Teacher Quality Partnerships Study</i>	\$ 100,000	\$ 100,000
		<i>Ohio Resource Center for Mathematics, Science, and Reading</i>	\$ 874,871	\$ 874,871
		<i>Regional Summer Academies</i>	\$ 2,000,000	\$ 2,000,000
		<i>Teacher Signing Bonuses</i>	\$ -	\$ 4,000,000
		<i>Teacher Loan Forgiveness</i>	\$ -	\$ 2,500,000
		<i>Remainder</i>	\$ 1,616,016	\$ 1,616,016
FED 312	235-617	Improving Teacher Quality Grant	\$ 3,200,000	\$ 3,200,000
FED 312	235-621	Science Education Network	\$ 1,686,970	\$ 1,686,970
FED 3BG	235-626	Star Schools	\$ 2,980,865	\$ 2,990,746
Total Funding: Teacher Improvement			\$ 12,565,341	\$ 19,075,222

This program supports efforts to improve the academic and professional preparation of mathematics, science, and reading teachers in primary, secondary, and higher education, as well as to identify best teaching practices. For this program the executive budget recommends a 24.9% increase in FY 2008 and a 51.8% increase in FY 2009. Almost all of the increase in funding for this program is through GRF appropriation item 235-435, Teacher Improvement Initiatives. The majority of the funds provided under this line item are earmarked for various teacher improvement initiatives. The remainder (\$1.6 million per year) is used to fund programs such as OSI-Discovery and centers of Excellence in Mathematics and Science.

OSI-Discovery. Started in 2002 and located at Miami University, OSI-Discovery is a classroom and web-based initiative that supports professional development workshops and institutes and provides follow-up online support for educators as they implement inquiry-based and problem-solving-based instructional programs. It strives to create and sustain learning communities that support mathematics and science educators as they implement systemic reform-based curricula; to provide knowledge and skills for teachers and principals enabling their success in improving student achievement; and to increase teacher use of standards and web-based resources in classrooms.

Centers of Excellence in Mathematics and Science. BOR has funded six centers of Excellence in Mathematics and Science across the state. These centers are designed to contribute to the expanding statewide infrastructure constructed to improve K-16 mathematics and science teaching and learning through collaborations among higher education institutions and school districts. The main activities provided by these centers include providing professional development for mathematics and science teachers, increasing student access to quality mathematics and science learning opportunities, improving mathematics and science teacher preparation programs, conducting applied research and evaluation focused on mathematics and science areas, and increasing recruitment and retention of mathematics and science teachers and faculty dedicated to mathematics and science teacher education.

Ohio Mathematics and Science Coalition (OMSC). As a coordinating organization for all the entities associated with mathematics and science education in Ohio, OMSC is comprised of individuals from the education, business, and public sectors, working toward the goal of improving K-16 education in mathematics, science, and technology. Its mission is to facilitate collaboration for continuous, systemic, and sustainable improvement in mathematics, science, and technology education for Ohio's nearly two million students. Examples of services provided by OMSC include maintaining a web site to disseminate

current information on improving K-16 mathematics and science education, developing and publishing evaluation tools for use by school districts in selecting standard-based mathematics and science textbooks and instructional materials, and distributing bookmarks to 9th grade students that focus on six important reasons to study mathematics and science.

Teacher Quality Partnership Study. Launched in 2003, the Teacher Quality Partnership is a comprehensive, longitudinal study of the preparation, in-school support, and effectiveness of Ohio teachers. As a research consortium of Ohio's 50 colleges and universities providing teacher preparation programs, the partnership is identifying how the preparation and development of new teachers affect their success in the classroom as measured by the academic performance of their students. In addition to this funding, the executive budget provides \$200,000 per fiscal year in the Department of Education budget for the Partnership.

Ohio Resource Center for Mathematics, Science, and Reading (ORC). Located in and administered through The Ohio State University, ORC operates primarily as a virtual best practice center, with working groups and research teams drawn from faculties in cooperation with schools and school districts across the state. ORC's resources are available primarily via the web and are coordinated with other state and regional efforts to improve student achievement and teacher effectiveness in K-12 mathematics, science, and reading. The resources are correlated with Ohio's academic content standards. In addition to this funding, the executive budget provides \$200,000 per fiscal year in the Department of Education budget for ORC.

Regional Summer Academies. The funds for this earmark are to be used to support up to ten regional summer academies for 11th and 12th grade students to focus on learning foreign language and science, technology, mathematics, and engineering (STEM). This initiative was first funded in FY 2007 as part of the funding for the Ohio Core. The goal of the regional summer academies is to prepare 11th and 12th grade public school students to pursue college-level foreign language and STEM courses, with a focus on secondary teaching in these disciplines.

Teacher Signing Bonuses and Loan Forgiveness. Am. Sub. S.B. 311 of the 126th General Assembly established the Ohio Core, a set of minimum state graduation requirements that apply starting with students who enter 9th grade in FY 2011. The executive budget provides funds in both the BOR and Department of Education budgets for various activities designed to increase the capacity of school districts in providing their students with opportunities to meet the Ohio Core requirements. Within BOR budget, the executive proposal establishes two new programs in FY 2009 to provide incentives for licensed foreign language, science, and mathematics teachers to teach in hard-to-staff schools as identified by the Department of Education. The signing bonus program is funded at \$4.0 million and the loan forgiveness program is funded at \$2.5 million in FY 2009. To qualify for either program, an individual must (a) be licensed to teach; (b) be assigned to teach in foreign language, science, or mathematics; and (c) agree to teach in a hard-to-staff traditional public school for a minimum of five years. An individual who has met all requirements will receive either \$20,000 in a signing bonus or \$20,000 in loan forgiveness funding.

Federally Funded Teacher Improvement Initiatives. The three federal line items in this program support a variety of teacher improvement activities. Item 235-617, Improving Teacher Quality Grant, provides competitive grants to universities for research-based, content-rich professional development projects for pre-K-12 teachers. Item 235-621, Science Education Network, provides funds to connect colleges and universities to the Third Frontier Network to improve K-12 and undergraduate science education. And item 235-626, Star Schools, allows the state to participate in a five-state research partnership focused on the use of emerging mobile technologies to improve learning in mathematics and literacy.

Program Series

4: Student Access

Purpose: This program series supports efforts to increase college access and participation in higher education by providing a variety of student aid, from direct financial assistance to college students to institutional subsidies that help institutions maintain lower and more affordable tuitions.

The following table shows the line items that are used to fund the Student Access program series, as well as the Governor's recommended funding levels.

Appropriation Amounts for Program Series 4: Student Access				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	235-414	State Grants and Scholarship Administration	\$ 1,707,881	\$ 1,707,881
GRF	235-418	Access Challenge	\$ 78,342,183	\$ 78,694,875
GRF	235-502	Student Support Services	\$ 795,790	\$ 795,790
GRF	235-503	Ohio Instructional Grants	\$ 42,533,966	\$ 18,315,568
GRF	235-504	War Orphans Scholarships	\$ 4,812,321	\$ 4,812,321
GRF	235-509	Women in Transition	\$ 200,000	\$ 200,000
GRF	235-520	Shawnee State Supplement	\$ 2,502,323	\$ 2,577,393
GRF	235-531	Student Choice Grants	\$ 17,985,376	\$ 17,985,376
GRF	235-563	Ohio College Opportunity Grant	\$ 139,974,954	\$ 151,113,781
GRF	235-567	Central State University Speed to Scale	\$ 4,400,000	\$ 3,800,000
General Revenue Fund Subtotal			\$ 293,254,794	\$ 280,002,985
Federal Special Revenue Fund (FED)				
3N6	235-605	State Student Incentive Grants	\$ 2,196,680	\$ 2,196,680
Federal Special Revenue Fund Subtotal			\$ 2,196,680	\$ 2,196,680
Total Funding: Student Access			\$ 295,451,474	\$ 282,199,665

The Student Access program series contains eight programs. These programs and their shares of the biennial funding for this program series are:

- **Program 4.01: Need-based Student Financial Aid – 60.9%**
- **Program 4.02: State Student Incentive Grant – 0.8%**
- **Program 4.03: Access Challenge – 27.2%**
- **Program 4.04: Supplements – 2.3%**
- **Program 4.05: War Orphans Scholarships – 1.7%**
- **Program 4.06: State Grants and Scholarships – 0.6%**
- **Program 4.07: Student Support Services – 0.3%**
- **Program 4.08: Student Choice Grants – 6.2%**

For this program series, the executive budget recommends decreases of 11.1% for FY 2008 and 4.5% for FY 2009. Of this series' biennial total of \$577.7 million, 99.2% comes from the GRF and 0.8% from the Federal Special Revenue Fund Group. Details for each of the eight programs are given below.

The executive budget makes various changes to student financial aid programs. These changes are discussed in the following analysis of the affected programs. The executive budget also eliminates the Student Workforce Development Grants (235-534) under sections 3333.04, 3333.38, and 3333.29 of the Revised Code. This program provides financial support to eligible Ohio resident students attending for-

profit private institutions registered with the State Board of Career Colleges and Schools. Awards under this program are not based on financial need. Rather, career colleges and schools that have job placement rates of at least 75% are eligible to make these grants available to qualifying students who must be enrolled full-time and be successfully pursuing two-year or four-year degrees. The amount of the awards is determined by BOR based on the amount of funds available for the program. In FY 2007, a total of \$2.1 million has been provided for the program. So far 7,157 students have received grants amounting to \$1.4 million.

Program 4.01: Need-Based Student Financial Aid

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-503	Ohio Instructional Grants	\$ 42,533,966	\$ 18,315,568
GRF	235-563	Ohio College Opportunity Grant	\$ 139,974,954	\$ 151,113,781
Total Funding: Need-Based Student Financial Aid			\$ 182,508,920	\$ 169,429,349

This program provides funds for the state's primary need-based financial aid programs. The executive budget recommends a 21.2% increase for FY 2008 and a 7.2% decrease for FY 2009. The decrease in FY 2009 is entirely due to the phase-out of the Ohio Instructional Grants (OIG). Funds provided in this program will be used to support both the expected number of grant recipients remaining in OIG, as well as the grants to be provided under the new Ohio College Opportunity Grant system (OCOG). Students who have not received college credit (excluding post-secondary enrollment option and early college high school students) prior to the start of the 2006-2007 academic year are eligible to receive grants under the OCOG program, which will be fully implemented by FY 2011; at that time OIG will be completely eliminated.

Ohio Instructional Grants. GRF appropriation item 235-503, Ohio Instructional Grants, provides tuition assistance to full-time undergraduate students from low and moderate-income families. For this item the executive budget recommends a 54.0% decrease for FY 2008 and a 56.9% decrease for FY 2009. These decreases are related to the phase-out of OIG and the phase-in of OCOG. OIG awards are granted only to eligible Ohio resident undergraduates based on family income, dependency status, the number of dependent children in the family, and the type of institution the student is attending (public, private, or career college). The grant awards for each of several family income ranges are listed in six tables in section 3333.12 of the Revised Code. The awards range from \$174 to \$5,466 for dependent students, and from \$192 to \$5,466 for independent students. The maximum family gross income levels to receive an award are \$39,000 for dependent students, and \$35,300 for independent students. As OCOG implementation continues, the OIG program will decrease its awards from 72,892 students in FY 2007 to 32,000 students in FY 2008 and 16,000 students in FY 2009. Since FY 2007, OIG recipients must have received college credit (excluding post-secondary enrollment option and early college high school students) prior to the start of the 2006-2007 academic year.

OIG grants for part-time students are provided under GRF appropriation item 235-549, Part-time Student Instructional Grants (PSIG). PSIG is also being phased out as OCOG is being phased in. The executive budget eliminates this separate PSIG line item after FY 2007. The estimated expenditure for PSIG is \$10.5 million in FY 2007.

The funds provided under item 235-503, Ohio Instructional Grants, are also used to provide tuition waivers for children and spouses of public service officers killed in the line of duty. H.B. 576 of the 126th General Assembly expanded this provision to include the spouses of individuals in the United

States armed forces killed in the line of duty in a combat zone. In FY 2006, this program provided 45 individuals tuition waivers totaling \$232,908, or 0.19% of the OIG appropriation.

Ohio College Opportunity Grant. GRF appropriation item 235-563, Ohio College Opportunity Grant, began in FY 2007 and continues to phase in a new need-based financial aid program. For this item the executive budget recommends a 140.7% increase for FY 2008 and an 8.0% increase for FY 2009. Beginning in FY 2010, the OCOG is to replace the OIG program. This consolidation is one of the recommendations of the 2004 Commission for Higher Education and the Economy (CHEE). The OCOG uses the federally determined "Expected Family Contribution" (EFC) as the basis for determining the grant awards. The EFC is calculated using the information that students provide when they fill out the Free Application for Federal Student Aid (FAFSA) form, and is the same method that the federal government uses to determine eligibility for Pell Grants. The EFC system is a more sophisticated measure of a family's ability to pay for higher education than using family income only; it takes into account a number of other factors, including family assets, student income, number of family members in college, and the ages of the parents.

The OCOG grant awards are specified in four tables under section 3333.122 of the Revised Code. Each table includes the awards for public, private, and career colleges. The EFC in each table ranges from an EFC of \$0 (if the family can contribute nothing to the student's education) up to the highest EFC of between \$2,101 and \$2,190, in \$100 increments. The first table is for students attending full-time, followed by tables for students attending three-quarters-time, half-time, and one-quarter-time. The awards in these three tables are approximately three-fourths, one-half, and one-fourth of the awards in the full-time tables. The annual family income cap for OCOG qualification is \$75,000.

For public institutions, a full-time student can receive an award of from \$300 at the highest EFC level (an annual EFC of \$2,101 to \$2,190) to \$2,496 at the lowest EFC level (an EFC of \$0). For full-time students attending private institutions, the awards are approximately twice the amounts awarded for students attending public institutions, ranging from \$600 to \$4,992. For full-time students attending career colleges, the awards are approximately 1.6 times the amounts awarded for students attending public institutions, ranging from \$480 to \$3,996. In FY 2007 an estimated 41,046 students will receive OCOG awards and that number is expected to grow to 70,000 and 80,000 students in FY 2008 and FY 2009, respectively.

The executive budget proposes statutory changes to OCOG qualifications under section 3333.122 of the Revised Code. It disqualifies from receiving OCOG grants those students entering for-profit proprietary schools and nonprofit technical education programs not authorized by the Board of Regents after the 2007-2008 academic year. BOR indicates that it is possible for for-profit proprietary schools and career colleges with associate degree programs to pursue authorization from BOR, even if they are registered with the State Board of Career Colleges and Schools. However, BOR also indicates that the process can be costly and requires a significant amount of time and oversight. Approximately 26,000 students are currently enrolled in associate programs that are not authorized by BOR. As of March 19, 2007, 15,282 of them have received state need-based financial aid grants amounting to approximately \$30.0 million.

The executive budget includes a provision which permits the Director of Job and Family Services to enter into an interagency agreement to claim eligible OCOG expenditures each fiscal year to help meet the state's Temporary Assistance for Needy Families (TANF) maintenance of effort requirement.

Program 4.02: State Student Incentive Grants

Fund	ALI	Title/Earmark	FY 2008	FY 2009
FED 3N6	235-605	State Student Incentive Grants	\$ 2,196,680	\$ 2,196,680
Total Funding: State Student Incentive Grants			\$ 2,196,680	\$ 2,196,680

This program provides federal funds for need-based tuition assistance and is the only program in this program series that is not funded by the GRF. For this program the executive budget recommends flat funding for both FY 2008 and FY 2009. In Ohio these funds support the Ohio Instructional Grants program and are awarded to low-income students on the same basis as the Ohio Instructional Grants program. Funds from this program may also be used to support the new need-based financial aid program, Ohio College Opportunity Grant. This program is expected to provide grants to approximately 30,000 needy Ohio students.

Program 4.03: Access Challenge

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-418	Access Challenge	\$ 78,342,183	\$ 78,694,875
		Central State Supplement	\$ 11,756,414	\$ 12,109,106
		Remainder	\$ 66,585,769	\$ 66,585,769
GRF	235-509	Women in Transition	\$ 200,000	\$ 200,000
Total Funding: Access Challenge			\$ 78,542,183	\$ 78,894,875

Access Challenge. This line item provides funds to enable designated "access" campuses to buy down or restrain tuition increases for in-state undergraduate students. Access campuses include all 47 two-year public colleges, as well as Central State University, Cleveland State University, Shawnee State University, and the two-year technical-community college components of the University of Akron, the University of Cincinnati, and Youngstown State University. These funds are intended to enable more Ohioans to afford and attend college, thereby serving to improve Ohio's educational attainment levels. According to BOR, approximately 70,000 undergraduate students enrolled at access campuses pay tuition that is approximately 30-40% lower than they would otherwise pay if this program had not been funded.

For this line item the executive budget recommends a 4.8% increase for FY 2008 and a 0.5% increase for FY 2009. The funds are allocated to campuses in proportion to their shares of the statewide total General Studies full-time equivalent (FTE) students. The table below shows, for each fiscal year from FY 2003 to FY 2007, the total expenditure for the Access Challenge, the number of statewide General Studies FTEs used in the calculation for that fiscal year, the expenditure per General Studies FTE, and annual percentage changes in the expenditures per FTE. As seen from the table, the total number of General Studies FTEs in access campuses increased every year while the total access challenge funding has stayed flat after FY 2004, resulting in decreases in access challenge funding per General Studies FTE.

Prior to FY 2004, the basis for this calculation was the number of General Studies FTEs in FY 1999. Beginning with FY 2004, a campus's share is based on the average of General Studies FTEs in the second and third previous fiscal years. So FY 2004's campus share is based on the average of General Studies FTEs for FY 2001 and FY 2002. In FY 2008, an access campus will receive an amount equal to its proportion of the average statewide General Studies FTEs in FY 2005 and FY 2006. In FY 2009, an

access campus will receive an amount equal to its proportion of the average statewide General Studies FTEs in FY 2006 and FY 2007.

Fiscal year	Access Challenge Expenditures	General Studies FTEs used in Access Challenge Allocation	Access Challenge per General Studies FTE	% Change from Previous Fiscal Year
FY 2003	\$56,839,497	65,443	\$869	
FY 2004	\$67,333,622	72,092	\$934	7.5%
FY 2005	\$63,123,081	78,811	\$801	-14.3%
FY 2006	\$63,115,381	84,020	\$751	-6.2%
FY 2007	\$63,115,381	86,342	\$731	-2.7%

A small portion of the Access Challenge appropriations is made available for the administration of the program, which includes the support of approximately 2.2 full-time equivalent staff positions. In FY 2007 an estimated \$225,295 or 0.3% of the Access Challenge was used for administration of the program. BOR expects to use the same amount as in FY 2007 for administration of the program in the FY 2008-FY 2009 biennium.

Central State Supplement. Temporary law under this appropriation item earmarks \$11.8 million in FY 2008 and \$12.1 million in FY 2009 for supplemental funding for Central State University. Formerly funded through its own appropriation item, 235-514, Central State Supplement, this supplement became an earmark of the Access Challenge appropriation item in FY 2006. The earmark is intended to allow the university to maintain lower tuition, fund scholarships, and increase access for minority students, mainly African Americans. In FY 2007, Central State University's tuition is the lowest among the 13 university main campuses.

Women in Transition. This line item provides funds to partially support Women in Transition centers at Ohio colleges and universities. The centers assist women who have worked primarily as homemakers during their marriages to recover from economic hardship and financial instability during a time of transition due to divorce, death of spouse, disability, etc. The centers provide health and job placement services, as well as education and training. The executive budget recommends \$200,000 per fiscal year for this line item; it received no funding in FY 2007.

Program 4.04: Supplements

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-520	Shawnee State Supplement	\$ 2,502,323	\$ 2,577,393
GRF	235-567	Central State University Speed to Scale	\$ 4,400,000	\$ 3,800,000
Total Funding: Supplements			\$ 6,902,323	\$ 6,377,393

Shawnee State Supplement. This supplement provides an additional subsidy to Shawnee State University. The executive budget recommends 21.6% increase for FY 2008 and a 3% increase for FY 2009. This supplemental funding is provided to enable Shawnee State to maintain lower undergraduate fees and to fund scholarships that will increase access for populations that have been historically under-represented in educational attainment. Shawnee State primarily serves students from the Appalachian region of the state and the funds may also be used to employ new faculty and develop new degree programs that meet the needs of Appalachians. In FY 2007, Shawnee State's tuition is the second lowest among the 13 university main campuses.

Central State University Speed to Scale. This new line item provides funds to implement the Central State University Speed to Scale Plan, which was developed jointly by Central State University, BOR, and five other public institutions. The ultimate goal is to increase Central State's student enrollments in order to improve its economy of scale. As the only state-supported historically black university in the state, 90% of Central State University's student population is African American. With a current enrollment of approximately 1,760 students, Central State University is the smallest public university in the state, making it harder to achieve levels of efficiency similar to those of some other larger public institutions. Central State University has been receiving supplement funding, in addition to the SSI subsidy, to keep its undergraduate tuition below the state average.

The Speed to Scale Plan is designed to increase the student population by increasing traditional freshman enrollment, transfer student enrollment, and the first-to-second-year retention rate. The Plan is also designed to increase the proportion of in-state students from the current 66% to 80% of the total enrollment. The executive budget creates a Speed to Scale Task Force to oversee the implementation of the Plan. By June 30 of each fiscal year the Task Force must submit a report describing the progress of the Speed to Scale Plan. The Plan calls for a total of \$9.9 million in additional operating funds over a three-year period and an additional \$23 million in capital funding (Central State is to eventually repay approximately \$7.0 million to \$9.0 million to the state). It envisions that Central State University will more than triple its enrollment to 6,000 students by FY 2017 and that the supplemental funding will begin to phase down in FY 2011 and be completely eliminated beginning in FY 2017.

Program 4.05: War Orphans Scholarships

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-504	War Orphans Scholarship	\$ 4,812,321	\$ 4,812,321
Total Funding: War Orphans Scholarship			\$ 4,812,321	\$ 4,812,321

This program provides funds for scholarships for the children of deceased or severely disabled Ohio veterans of wartime military service in the U.S. armed forces. For this program the executive budget recommends a 3.0% increase for FY 2008 and flat funding for FY 2009. Scholarship benefits cover all of the instructional and general fees charged at a state supported two-year or four-year institution. The scholarship can also be used at a private or career college and provides a grant equal to the average amount of the scholarship benefits received by those recipients attending state supported two-year or four-year institutions during the previous academic year. The program's mission is to acknowledge and honor the sacrifices made by the United States military by ensuring that children of Ohio veterans have access to higher education. In FY 2006, a total of 765 War Orphans Scholarships were awarded, with an average award of \$5,559. It is expected that the number of eligible students will remain essentially flat in each fiscal year of the FY 2008-FY 2009 biennium, serving an estimated 750 Ohio students.

Program 4.06: State Grants and Scholarships Management

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-414	State Grants and Scholarships Administration	\$ 1,707,881	\$ 1,707,881
Total Funding: State Grants and Scholarships Management			\$ 1,707,881	\$ 1,707,881

This program provides funds to support the operating expenses of all of the student financial aid programs administered by BOR. The funds help promote the timely, efficient, and effective administration of these programs. In addition to administering the financial aid programs included in this program series, the State Grants and Scholarship division of BOR also serves as fiscal manager for the Ohio National Guard Scholarship program, the Physician Loan Repayment program, and federal programs such as the Leveraging Education Assistance Partnership (LEAP) and the Special Leveraging Education Assistance Partnership (SLEAP). The funds are also used in the implementation of the Ohio College Opportunity Grant (OCOG). For this program the executive budget recommends flat funding for both FY 2008 and FY 2009.

Program 4.07: Student Support Services

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-502	Student Support Services	\$ 795,790	\$ 795,790
Total Funding: Student Support Services			\$ 795,790	\$ 795,790

This program provides funds for supplemental state support to Ohio's public colleges and universities that have high concentrations of disabled students and incur disproportionate costs in providing instructional and related services to these students. Examples of these services include tutoring, note-taking, counseling, and transportation services. BOR annually determines the qualified campuses and the statewide average costs for the provision of these services. The purpose of the program is to help Ohio's public colleges and universities conform to the Americans with Disabilities Act and to make their campuses more physically accessible for disabled students. In FY 2005, 22 campuses received funding through this program and in FY 2006, 23 campuses received funding. For this program the executive budget recommends flat funding for FY 2008 and FY 2009.

Program 4.08: Student Choice Grants

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-531	Student Choice Grants	\$ 17,985,376	\$ 17,985,376
Total Funding: Student Choice Grants			\$ 17,985,376	\$ 17,985,376

This program provides funds to narrow the tuition gap between the state's public and independent nonprofit colleges and universities by providing a uniform amount of grants to full-time resident baccalaureate students attending independent nonprofit colleges or universities in Ohio. The goal of the program is to increase college access for more Ohioans by helping to reduce the cost of attending the state's private nonprofit colleges and universities. The maximum grant is revised every two years and is set to equal 25% of the average state subsidy paid for full-time in-state undergraduate enrollments at public university main campuses in the previous biennium. Approximately 50,000 Ohio students in each fiscal year receive the grant awards, which were a maximum of \$900 per student per academic year in the FY 2006-2007 biennium. The actual grant award is based on the number of eligible students and the appropriations for the program. A student is eligible to receive the award for a maximum of five academic years.

For this program the executive budget recommends a 66.1% decrease for FY 2008 and flat funding for FY 2009. The significant decrease in FY 2008 is largely related to changes made by the executive budget in this program. The executive budget narrows eligibility for Student Choice Grants to students who qualify for Ohio College Opportunity Grants. It also eliminates the statutory limit on the amount of Student Choice Grants.

Program Series

5: Academic Success

Purpose: This program series supports efforts to improve the successful completion of baccalaureate degree programs among Ohio's college students and to raise the state's educational attainment levels.

The following table shows the line items that are used to fund the Academic Success program series, as well as the Governor's recommended funding levels.

Appropriation Amounts for Program Series 5: Academic Success					
Fund	ALI	Title		FY 2008	FY 2009
General Revenue Fund (GRF)					
GRF	235-420	Success Challenge		\$ 53,653,973	\$ 53,653,973
GRF	235-518	Capitol Scholarships Program		\$ 125,000	\$ 125,000
GRF	235-530	Academic Scholarships		\$ 7,800,000	\$ 7,800,000
General Revenue Fund Subtotal				\$ 61,578,973	\$ 61,578,973
Total Funding: Academic Success				\$ 61,578,973	\$ 61,578,973

The Academic Success program series contains two programs. These programs and their shares of the biennial funding for this program series are:

- **Program 5.01: Success Challenge – 87.1%**
- **Program 5.02: Academic Scholarships – 12.9%**

For this program series the executive budget recommends a 1.7% increase for FY 2008 and flat funding in FY 2009. All of the funding for this program series comes from the GRF. Details for both of the programs are given below.

Program 5.01: Success Challenge

Fund	ALI	Title/Earmark		FY 2008	FY 2009
GRF	235-420	Success Challenge		\$ 53,653,973	\$ 53,653,973
		<i>"At-risk" baccalaureate student allocation</i>		\$ 35,771,104	\$ 35,771,104
		<i>All baccalaureate student allocation</i>		\$ 17,882,869	\$ 17,882,869
Total Funding: Success Challenge				\$ 53,653,973	\$ 53,653,973

This program supports and rewards Ohio's 13 4-year state universities and one stand-alone medical college in their efforts to promote successful degree completion by "at-risk" undergraduate students and timely degree completion by all undergraduate students. The program's objective is to provide incentives to Ohio's state universities to help students successfully complete their academic programs within a reasonable time and to improve graduation rates among at-risk populations, with a view to raising Ohio's educational attainment level. Campuses must submit plans to BOR describing their efforts to improve degree completion for at-risk students and timely degree completion for all students. These plans are then reviewed and made available to all institutions.

For the portion (2/3) of the Success Challenge earmarked for at-risk students, the funds are allocated to a university by its proportion of the total statewide baccalaureate degrees awarded to at-risk students, who are defined as students who were eligible to receive Ohio Instructional Grants during the past ten years. This definition may be changed as OIG is phased out and the Ohio College Opportunity Grant is phased in. For the portion (1/3) of the Success Challenge earmarked for timely degree completion, the funds are allocated to each university in proportion to its share of the total statewide number of timely degree credits. A timely degree credit measures the completion of a bachelor's degree in a "timely manner" and only takes into account the courses taken at the university in which the student received the degree. Because of this, the total number of degree credits will differ from the total number of degrees granted by a campus. For the purpose of this appropriation, "timely manner" is generally meant to be four years.

The table below details the amounts of expenditures in the Success Challenge program since its beginning in FY 2000. The expenditures are broken down by the portions reserved for at-risk students and timely degree completion. In addition, the number of at-risk students receiving degrees and the number of timely degree credits used in each year's allocation are included, as well as the expenditure per degree/credits. Note that there is a lag of two years in the number of at-risk students receiving degrees and the number of timely degree credits used for distributing the funding. For example, FY 2005 Success Challenge is allocated based on FY 2003 degree and credit data.

Fiscal year	At-risk			Timely completion		
	Expenditure	"At-risk" degrees	Expenditure per degree	Expenditure	Timely degree credits	Expenditure per credit
2000	\$13,258,735	8,686	\$1,526	\$6,629,368	9,849	\$673
2001	\$32,347,330	8,686	\$3,724	\$16,173,667	9,849	\$1,642
2002	\$31,214,000	8,652	\$3,608	\$15,607,000	10,625	\$1,469
2003	\$29,341,160	8,690	\$3,376	\$14,670,580	11,115	\$1,320
2004	\$34,990,795	8,993	\$3,891	\$13,763,274	11,761	\$1,170
2005	\$38,933,958	9,220	\$4,223	\$13,474,116	12,752	\$1,053
2006	\$34,940,463	9,699	\$3,602	\$17,467,611	13,288	\$1,315
2007*	\$34,940,463	9,886	\$3,534	\$17,467,611	14,288	\$1,223

*At-risk degrees and timely degree credits for FY 2007 are projected.

A small portion of the funds is made available for the administration of the program, which includes the support of approximately 1.9 full-time equivalent staff positions. In FY 2007, approximately \$193,860 or 0.4% of the Success Challenge has been used for administration of the program.

Program 5.02: Academic Scholarships

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-518	Capitol Scholarships Program	\$ 125,000	\$ 125,000
GRF	235-530	Academic Scholarships	\$ 7,800,000	\$ 7,800,000
Total Funding: Academic Scholarships			\$ 7,925,000	\$ 7,925,000

This program funds two scholarship programs. For this program, the executive budget recommends flat funding in FY 2008 and FY 2009.

Ohio Capitol Scholarships. This program awards scholarships to full-time students at Ohio universities that participate in internships sponsored by the Washington Center for Internships and Academic Seminars. The scholarships assist with living expenses incurred while living in or around Washington, D.C. The scholarships will be awarded to approximately 54 students in FY 2008 and FY 2009, with maximum grants of \$2,300. The executive budget includes a requirement for the Washington Center to provide a minimum of \$1,300 per student in matching scholarships. The Capitol Scholarships program was originally established in 1997 by Am. Sub. H.B. 215 of the 122nd General Assembly, discontinued in 2003, and brought back in 2005 by Am. Sub. H.B. 66 of the 126th General Assembly.

Ohio Academic Scholarships. The Ohio Academic Scholarships program provides competitive, merit-based financial assistance for up to four years for the state's most academically outstanding high school graduates who enroll for full-time undergraduate study in any public or private Ohio institution of higher education. The program is intended to encourage Ohio's brightest students to attend Ohio colleges and universities; the ultimate goal is to keep such students in the state after they graduate, thereby raising the state's educational attainment levels and, thus, Ohio's economic competitiveness. Scholarship awards are based on a formula that funds at least 1,000 new scholarships of not less than \$2,000 each per year, and awards at least one scholarship to a student at every eligible high school in Ohio. In FY 2007, the scholarship amount is \$2,205. The value of the scholarship is expected to remain at the FY 2007 level over the FY 2008-FY 2009 biennium.

Program Series

6: Basic and Applied Research

Purpose: This program series supports efforts to improve the quality of research programs at Ohio's public universities and in Ohio's industries. These research programs are also aligned with the Third Frontier Project.

The following table shows the line items that are used to fund the Basic and Applied Research program series, as well as the Governor's recommended funding levels.

Appropriation Amounts for Program Series 6: Basic and Applied Research				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	235-433	Economic Growth Challenge	\$ 17,186,194	\$ 17,186,194
GRF	235-451	Eminent Scholars	\$ -	\$ 1,370,988
GRF	235-508	Air Force Institute of Technology	\$ 1,925,345	\$ 1,925,345
GRF	235-510	Ohio Supercomputer Center	\$ 4,271,195	\$ 4,271,195
GRF	235-527	Ohio Aerospace Institute	\$ 1,764,957	\$ 1,764,957
GRF	235-535	Ohio Agricultural Research and Development Center	\$ 36,674,292	\$ 36,674,292
GRF	235-553	Dayton Area Graduate Studies Institute	\$ 2,806,599	\$ 2,806,599
GRF	235-554	Priorities in Collaborative Graduate Education	\$ 2,355,548	\$ 2,355,548
General Revenue Fund Subtotal			\$ 66,984,130	\$ 68,355,118
State Special Revenue Fund (SSR)				
649	235-607	The OSU Highway/Transportation Research	\$ 760,000	\$ 760,000
State Special Revenue Fund Subtotal			\$ 760,000	\$ 760,000
Total Funding: Basic and Applied Research			\$ 67,744,130	\$ 69,115,118

The Basic and Applied Research program series contains nine programs. These programs and their shares of the biennial funding for this program series are as follows:

- **Program 6.01: Ohio Agricultural Research and Development Center (OARDC) – 53.6%**
- **Program 6.02: Economic Growth Challenge – 25.1%**
- **Program 6.03: Ohio Supercomputer Center – 6.2%**
- **Program 6.04: Eminent Scholars – 1.0%**
- **Program 6.05: Dayton Area Graduate Studies Institute – 4.2%**
- **Program 6.06: Priorities in Collaborative Graduate Education – 3.4%**
- **Program 6.07: Air Force Institute of Technology – 2.8%**
- **Program 6.08: Ohio Aerospace Institute – 2.6%**
- **Program 6.09: The OSU Highway/Transportation Research – 1.1%**

For this program series the executive budget recommends a 15.7% decrease for FY 2008 and a 2.0% increase for FY 2009. Of this series' biennial total of \$136.9 million, 98.9% comes from the GRF and 1.1% from the Federal Special Revenue Fund Group. Details of each of the nine programs are provided below.

Program 6.01: Ohio Agricultural Research and Development Center (OARDC)

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-535	Ohio Agricultural Research and Development Center	\$ 36,674,292	\$ 36,674,292
		<i>Purchase of equipment</i>	\$ 467,578	\$ 467,578
		<i>Piketon ARE Center</i>	\$ 822,592	\$ 822,592
		<i>Ellagic acid research</i>	\$ 216,471	\$ 216,471
		<i>Berry administrator</i>	\$ 43,294	\$ 43,294
		<i>Crop development</i>	\$ 86,588	\$ 86,588
		<i>Wilmington College: agricultural product commercialization</i>	\$ 127,500	\$ 127,500
		<i>Remainder</i>	\$ 34,910,269	\$ 34,910,269
Total Funding: Ohio Agricultural Research and Development Center			\$ 36,674,292	\$ 36,674,292

This program's goal is to help Ohio's agricultural industries improve their competitiveness and profitability. For this program the executive budget recommends a 2% increase in FY 2008 and flat funding in FY 2009. The funds are used to support a variety of activities at the Ohio Agricultural Research and Development Center (OARDC), which is the research arm of The Ohio State University's College of Food, Agricultural, and Environmental Sciences. Located at 12 Ohio facilities in addition to OSU's main campus, the OARDC is active in various basic and applied research areas, including agricultural, environmental, and developmental economics; food, agricultural, and biological engineering; animal sciences; entomology; food-animal health; food science and technology; horticulture and crop science; human and community resource development; human ecology; natural resources; and plant pathology. The funds provide technology and scientific infrastructure to attract the nation's top researchers and help leverage external research funding. The Center serves such diverse groups as consumers, farmers, and other producers, food processors, environmentalists, landfill managers, and researchers. A fuller description of the OARDC program can be found in the Redbook *Board of Regents–Agricultural*.

Program 6.02: Economic Growth Challenge

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-433	Economic Growth Challenge	\$ 17,186,194	\$ 17,186,194
		<i>Research Incentive Program</i>	\$ 12,000,000	\$ 12,000,000
		<i>Innovation Incentive Program</i>	\$ 4,686,194	\$ 4,686,194
		<i>Technology Commercialization Incentive Program</i>	\$ 500,000	\$ 500,000
Total Funding: Economic Growth Challenge			\$ 17,186,194	\$ 17,186,194

This program was created in FY 2006 by Am. Sub. H.B. 66 of the 126th General Assembly based on the recommendation of the April 2004 report of the Governor's Commission on Higher Education and the Economy (CHEE). For this program the executive budget recommends a 25.9% decrease in FY 2008 and flat funding in FY 2009. The significant decrease in FY 2008 is due to the executive budget's decision to use the Third Frontier bond proceeds to supplement GRF funding for the Research Incentive Program. The Economic Growth Challenge Program is intended to enhance research and scholarship at Ohio's universities, improve graduate programs throughout the state, and to encourage research that furthers the state's economic development. The program pursues these three goals by rewarding increases in universities' levels of federal and private research funding, supporting doctoral program restructuring,

and promoting the transfer of university-developed technology to private industry in support of Ohio's Third Frontier Project. The funding for the program is earmarked for three incentive programs. Details of these three programs are given below.

Research Incentive Program. This program aims to enhance the basic research capabilities and promote new research strengths at Ohio's 13 public universities, one stand-alone public medical college, and two private universities (Case Western Reserve University and the University of Dayton) in order to strengthen academic research that contributes to economic growth. The program rewards institutions' successes in attracting external research funds by using the earmarked funds to fractionally match those external funds obtained during the previous year. Each institution must submit to BOR a plan that explains its allocation of the matching funds for academic and state purposes, for strengthening research programs, and for increasing external funding; the plan must also include an evaluation process to determine and report the results of the increased state support. Further, an institution's plan must also demonstrate significant investments in Third Frontier activities funded at that institution. The Research Incentive Program had been funded for several years by its own appropriation item, 235-454, Research Challenge, before being consolidated into the Economic Growth Challenge by H.B. 66. Under the executive budget, GRF support for the Research Incentive Program decreases by \$6 million per year; however, \$18 million in dedicated support from Third Frontier funding will actually increase funding for this program to \$30 million in each year, an increase of \$12 million per year.

According to BOR, when the Research Challenge was originally established in FY 1986, the total amount of academic research dollars coming into the state on a per capita basis was 56% of the national average. By FY 2003, the proportion had increased to 78% of the national average, although it has subsequently slipped to 75%. The table below presents for FY 2000 through FY 2007 the amount of approved research dollars eligible to be matched, the amount of Research Challenge/Incentive appropriations less administrative costs, and the ratio of approved research dollars per Research Challenge/Incentive dollar. As seen from the table, an institution obtained, on average, \$24 in approved outside research earnings in FY 2001 for each dollar in Research Challenge funding. By FY 2007, as a result of a 16.9% decline in the Research Challenge appropriation, along with a 76.6% increase in approved research dollars since FY 2001, the ratio had risen to more than 51:1.

Fiscal year	Approved research dollars	Research Challenge/Incentive funding (less administrative costs)	Ratio: Approved research earnings/ Research Challenge funding	Change of ratio from previous fiscal year (%)
2000	\$466,137,396	\$19,156,382	24.33	
2001	\$508,485,706	\$21,018,440	24.19	-0.6%
2002	\$560,969,134	\$18,283,000	30.68	26.8%
2003	\$615,675,116	\$18,250,000	33.74	10.0%
2004	\$679,593,713	\$17,780,000	38.22	13.3%
2005	\$753,934,457	\$16,633,044	45.33	18.6%
2006	\$845,391,151	\$17,436,974	48.48	6.9%
2007	\$898,144,306	\$17,463,026	51.43	6.1%

A small portion of the Research Incentive earmark is made available for the administration of the program, which includes the support of approximately 4.1 full-time equivalent staff positions. In FY 2007, \$550,000 (3.1%) of this earmark has been used for the administration of the program. This percentage is greater than the percentage (0.3%) of the Access and Success Challenges funds devoted to administration because of the greater amount of staff time needed to evaluate institutions' research plans and their submitted expenditure claims. In addition, funds from the Research Incentive have traditionally

been used for the peer and panel review process and for the administration of the Action and Investment Fund, the Ohio Eminent Scholars Program, and, most recently, the Innovation Incentive Program.

Innovation Incentive Program. Created by Am. Sub. H.B. 66 of the 126th General Assembly, this program is designed to support universities' efforts to enhance doctoral programs and research areas that have the greatest potential to (a) attract preeminent researchers and build research capacity, (b) create new commercial products and services to enhance economic growth, and (c) complement the Third Frontier Project. Each university that grants doctoral degrees may elect to participate in the Innovation Incentive plan designed to implement the program's purpose. In addition to requiring this plan, the program allows each university to elect to participate in a doctoral program enhancement competition for more research funding. If a university elects to participate in the competition, BOR sets aside a portion of the state doctoral subsidy received by the institution. The total of the participating universities' set-asides is matched by the funds earmarked for the Innovation Incentive Program under appropriation item 235-433, Economic Growth Challenge. BOR uses the combined amount to make awards through a competitive process among the participants. The universities receiving awards must use the funds to restructure their arrays of doctoral programs. The portion of a participating university's doctoral subsidy that was reallocated in FY 2006 was 1.5%. In FY 2007 the percentage increased to 3.0%. This reallocation percentage will increase to 4.5% in FY 2008 and 6.0% in FY 2009, in line with the goal to increase the set-aside portion to 15.0% by FY 2015.

BOR has convened an Economic Growth Challenge Planning Committee and has issued a guideline for the implementation of the Innovation Incentive Program. According to the guideline, the program will be implemented in three periods: the transition period (FY 2006 and FY 2007), the start-up period (FY 2008 and FY 2009), and the full operation period (FY 2010 to FY 2015). Every participating institution is required to submit a program statement indicating: (a) which of its doctoral programs qualify for strengthening through the Innovation Incentive Program, (b) what measures it will use to determine the success of the identified programs, and (c) what process it will use to accomplish the required internal reallocation of its doctoral subsidy. This program statement and any subsequent revisions to the statement will be subject to internal and external reviews. Participating institutions will have two years to address any concerns raised in the review process. During the transition period, a participating institution will receive the state match funds unless the concerns raised in the preliminary state-level review are not satisfied. Beginning in FY 2008 of the start-up operation period, institutions that fail to fully address the concerns raised in the initial state-level review will lose their state match. Beginning in FY 2010 of the full operation period, institutions with doctoral programs that have failed to meet the standards will lose both the state match and one-half of the state doctoral subsidies that are required to be set aside for internal reallocations to other, successful institutions. The percentage of the state doctoral subsidies that may be lost increases from 3.75% in FY 2010 to 4.50% in FY 2011, 5.25% in FY 2012, 6.00% in FY 2013, 6.75% in FY 2014, and to 7.50% in FY 2015.

Technology Commercialization Incentive Program. This program, in league with the Third Frontier Project, competitively rewards public and private colleges and universities for successful transfers to Ohio-based business and industry of technologies that give rise to product/process/service commercialization, business start-ups, job creation, and industry expansion. The Third Frontier Commission, with input from the Third Frontier Advisory Board, establishes the eligibility criteria for institutions desiring to apply for TCI funding. To qualify for funds, colleges and universities must maintain significant investments in their own technology-transfer and commercialization operations and capabilities and must have a significant history of successful research partnerships with Ohio-based business and industry. The awards are made from the funds earmarked for the program.

Program 6.03: Ohio Supercomputer Center (OSC)

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-510	Ohio Supercomputer Center	\$ 4,271,195	\$ 4,271,195
		Supercomputer Center, Beaver Creek	\$ 250,000	\$ 250,000
		Remainder	\$ 4,021,195	\$ 4,021,195
Total Funding: Ohio Supercomputer Center			\$ 4,271,195	\$ 4,271,195

This program supports the operations of the Ohio Supercomputer Center (OSC), located at The Ohio State University. For this program, the executive budget recommends flat funding in FY 2008 and FY 2009. The OSC, established in 1987, provides faculty, students, and researchers at Ohio's public and private colleges and universities access to a statewide high-performance computing resource. The center is also available to researchers in private industry on a cost-recovery basis. High-performance computing (HPC), including the center's modeling and simulation services and support, provides the most effective technological tools currently available for solving a range of engineering and scientific problems and enabling advanced research by Ohio's academic and business communities. During the past several years the center has expanded to provide training, scientific computing, and network research services to national HPC and networking groups, enhancing the services offered to Ohio users while building a national reputation. In FY 2006 the center employed approximately 683 researchers; they worked on 277 projects consuming 6.9 million computational hours. The executive budget funds include support for the Ralph Regula School for Computation and the early phases of a Blue Collar Computing initiative for industries that do not currently have the time, money, or expertise to invest in HPC resources.

Program 6.04: Eminent Scholars

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-451	Eminent Scholars	\$ -	\$ 1,370,988
Total Funding: Eminent Scholars			\$ -	\$ 1,370,988

This program is to invest educational resources to attract and sustain senior faculty scholar-leaders and entrepreneurs of national or international prominence to Ohio's public universities. These scholars are expected to assist the state by conducting scientific and technological research to address issues that are of vital statewide significance (e.g., K-12 education and public safety) while fostering the growth in eminence of Ohio's academic programs. Further, by providing an essential basic-science platform for commercialization efforts, they are expected to help accelerate Ohio's economic growth. Temporary law requires all new Eminent Scholar awards to be associated with a Wright Center of Innovation, a Partnership Award from the Biomedical Research and Technology Transfer Trust Fund, or a Wright Capital Project.

Eminent Scholar funds are distributed as matching endowment grants of approximately \$685,000 each to Ohio's public universities. The grants must be matched by equivalent amounts in nonstate endowment gifts in science and technology. The program awards funds to Ohio universities strictly on the basis of selective excellence. Normally grant proposals are solicited and reviewed during the first fiscal year of each biennium and the grants are awarded during the second fiscal year.

In line with the program's timing, all of the biennial funding for this program is appropriated for the second fiscal year, or FY 2009, when the grants are to be awarded. The executive budget appropriation for FY 2009 is the same as FY 2007 estimated expenditures.

Program 6.05: Dayton Area Graduate Studies Institute (DAGSI)

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-553	Dayton Area Graduate Studies Institute	\$ 2,806,599	\$ 2,806,599
		<i>Development Research Corporation</i>	\$ 350,000	\$ 350,000
		<i>Remainder</i>	\$ 2,456,599	\$ 2,456,599
Total Funding: Dayton Area Graduate Studies Institute			\$ 2,806,599	\$ 2,806,599

The Dayton Area Graduate Studies Institute (DAGSI) is a graduate engineering consortium of three universities in the Dayton area: the University of Dayton, Wright State University, and the Air Force Institute of Technology, with the participation of The Ohio State University and the University of Cincinnati. DAGSI is intended to increase and improve the quantity and quality of graduate educational and research opportunities of the member institutions and to create an environment conducive to economic development in Ohio. The program's appropriation supports a scholarship program for graduate-level engineering and logistics students at the five institutions. Currently, the program supports from 100 to 200 students. For this program, the executive budget recommends flat funding in FY 2008 and FY 2009.

Program 6.06: Priorities in Collaborative Graduate Education

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-554	Priorities in Collaborative Graduate Education	\$ 2,355,548	\$ 2,355,548
Total Funding: Priorities in Collaborative Graduate Education			\$ 2,355,548	\$ 2,355,548

Under this program BOR coordinates improvements in economically important graduate programs, including computer science programs, at selected public universities. The program also supports the development of institutional collaborations in order to improve education in those graduate programs. The program's funding is provided to the universities to support its main activities, including collaborations among the universities' programs, collaborations with industry, the recruitment of faculty and staff, the promotion of research, the acquisition of specialized equipment and infrastructure, and recruitment and retention of quality graduate students. The participating institutions must submit a plan to the Board of Regents describing how they will work collaboratively to improve quality of graduate programs and how the funds are to be used. For this program, the executive budget recommends flat funding for both FY 2008 and FY 2009.

Program 6.07: Air Force Institute of Technology (AFIT)

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-508	Air Force Institute of Technology	\$ 1,925,345	\$ 1,925,345
		<i>Research projects connecting AFIT laboratories with university partners</i>	\$ 1,233,588	\$ 1,233,588
		<i>Development Research Corporation</i>	\$ 691,757	\$ 691,757
Total Funding: Air Force Institute of Technology			\$ 1,925,345	\$ 1,925,345

This program supports the Air Force Institute of Technology (AFIT) at Wright-Patterson Air Force Base. For this program, the executive budget recommends flat funding in FY 2008 and FY 2009. AFIT, the first joint research program between the state of Ohio and the U.S. Air Force, provides graduate-level education in logistics and engineering for Air Force personnel. The program's purpose is to strengthen the research and educational linkages between the Wright-Patterson Air Force Base and institutions of higher education in Ohio, and to ensure that Air Force personnel have access to critical training and graduate-level education in logistics and engineering.

Temporary law allocates the entire appropriation between two earmarks. The larger is for research projects that connect the Air Force Research Laboratories with university partners. AFIT is to provide the Third Frontier Commission annual reports that discuss collaborations between programs and funding recipients. The smaller earmark provides funds for the Development Research Corporation to match federal dollars to support technology commercialization and job creation in areas that are priorities in Ohio's Third Frontier initiative among industry, academia, and government.

Program 6.08: Ohio Aerospace Institute (OAI)

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-527	Ohio Aerospace Institute	\$ 1,764,957	\$ 1,764,957
Total Funding: Ohio Aerospace Institute			\$ 1,764,957	\$ 1,764,957

This program supports the Ohio Aerospace Institute (OAI), a nonprofit consortium of nine Ohio universities, the NASA Lewis Research Center in Cleveland, Wright-Patterson Air Force Base, and a number of private Ohio companies. The consortium supports research and graduate instruction in the engineering disciplines related to aeronautical and space studies and the commercialization of related technologies. The program's purpose is to improve Ohio's economic position by promoting research and graduate instruction in these areas. For this program, the executive budget recommends flat funding in FY 2008 and FY 2009. Temporary law requires BOR, in consultation with the Third Frontier Commission, to develop a plan providing for appropriate value-added participation by the OAI in Third Frontier project proposals and grants.

Program 6.09: The Ohio State University Highway/Transportation Research

Fund	ALI	Title/Earmark	FY 2008	FY 2009
SSR 649	235-607	The OSU Highway/Transportation Research	\$ 760,000	\$ 760,000
Total Funding: The OSU Highway/Transportation Research			\$ 760,000	\$ 760,000

This program is a collaborative effort between the Honda Corporation and The Ohio State University to improve highway and automobile safety. The program is supported by a \$6 million OSU endowment fund, created when Honda purchased the Transportation Research Center. The endowment's earnings support OSU's Transportation Research and Engineering program and have been used primarily to purchase equipment. For this program, the executive budget recommends flat funding in FY 2008 and FY 2009.

Program Series

7: Workforce and Regional Economic Development

Purpose: This program series aims to improve Ohio's economic development and competitiveness by supporting services, activities, and partnerships to improve the skills of Ohioans already in the workforce, especially in underdeveloped areas.

The following table shows the line items that are used to fund the Workforce and Regional Economic Development program series, as well as the Governor's recommended funding levels.

Appropriation Amounts for Program Series 7: Workforce and Regional Economic Development					
Fund	ALI	Title	FY 2008	FY 2009	
General Revenue Fund (GRF)					
GRF	235-402	Sea Grants	\$ 231,925	\$ 231,925	
GRF	235-415	Jobs Challenge	\$ 9,348,300	\$ 9,348,300	
GRF	235-428	Appalachian New Economy Partnership	\$ 1,176,068	\$ 1,176,068	
GRF	235-436	AccelerateOhio	\$ 2,500,000	\$ 5,000,000	
GRF	235-455	EnterpriseOhio Network	\$ 1,373,941	\$ 1,373,941	
GRF	235-511	Cooperative Extension Service	\$ 25,644,863	\$ 25,644,863	
GRF	235-561	Bowling Green University Canadian Studies Center	\$ 100,015	\$ 100,015	
General Revenue Fund Subtotal			\$ 40,375,112	\$ 42,875,112	
Federal Special Revenue Fund (FED)					
312	235-612	Carl D. Perkins Grant/Plan Administration	\$ 112,960	\$ 112,960	
Federal Special Revenue Fund Subtotal			\$ 112,960	\$ 112,960	
Total Funding: Workforce and Regional Economic Development			\$ 40,488,072	\$ 42,988,072	

The Workforce and Regional Economic Development program series contains seven programs. These programs and their shares of the biennial funding for this program series are as follows:

- **Program 7.01: Cooperative Extension – 61.4%**
- **Program 7.02: Jobs Challenge – 22.4%**
- **Program 7.03: EnterpriseOhio Network – 12.3%**
- **Program 7.04: Appalachian New Economy Partnership – 2.8%**
- **Program 7.05: Sea Grants – 0.6%**
- **Program 7.06: Bowling Green State University Canadian Studies Center – 0.2%**
- **Program 7.07: Carl D. Perkins Grant/Plan Administration – 0.3%**

For this program series the executive budget recommends a 6.6% increase for FY 2008 and a 6.2% increase for FY 2009. Of this series' biennial total of \$83.5 million, 99.7% comes from the GRF and 0.3% from the Federal Special Revenue Fund Group. Details of each of the seven programs are provided below.

Program 7.01: Cooperative Extension

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-511	Cooperative Extension Service	\$ 25,644,863	\$ 25,644,863
		4-H activities	\$ 178,271	\$ 178,271
		Enterprise Center for Economic Development	\$ 178,271	\$ 178,271
		Farm labor mediation	\$ 55,179	\$ 55,179
		Marion Enterprise Center	\$ 182,515	\$ 182,515
		Ohio Watersheds Initiative	\$ 772,931	\$ 772,931
		Remainder	\$ 24,277,696	\$ 24,277,696
Total Funding: Cooperative Extension Service			\$ 25,644,863	\$ 25,644,863

The executive budget recommends flat funding in FY 2008 and FY 2009 for the Cooperative Extension Service program, which is operated by The Ohio State University Extension under The Ohio State University's land-grant mandate. Located in every one of Ohio's 88 counties, the OSU Extension conducts educational programs for eligible participants, including farmers, homemakers, food and fiber industries, community leaders, and young people. The programs are designed to help people improve their lives, businesses, and communities through research-based education using scientific knowledge focused on identified issues and needs. Current and near-term program areas include agriculture and natural resources, the environment, family and consumer sciences (including home economics and family living), 4-H youth development (serving nearly 400,000 young people annually), business and community assistance, and workforce development for youth and adults. The Extension supports more than 35,500 volunteers, who donate approximately six million hours of their time annually to help implement its programs. A fuller description of the Cooperative Extension Service program can be found in the Redbook *Board of Regents–Agricultural*.

Program 7.02: Jobs Challenge

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-415	Jobs Challenge	\$ 9,348,300	\$ 9,348,300
		Targeted Industries Training Grant Program	\$ 2,819,345	\$ 2,819,345
		Performance Grant Plan	\$ 2,770,773	\$ 2,770,773
		Higher Skills Incentives Program	\$ 3,758,182	\$ 3,758,182
Total Funding: Jobs Challenge			\$ 9,348,300	\$ 9,348,300

The Jobs Challenge program addresses the workforce training needs and competitiveness of Ohio's businesses and employees by supporting a program to expand and improve noncredit job-related training provided by the 53 public two-year campuses that are members of the EnterpriseOhio Network. The program provides funds to these campuses in order to make these training services affordable to students and employers. Campus activities supported by Jobs Challenge include: (1) pre-employment training and development activities to provide skills necessary for entry positions, career changes, or skill upgrades, (2) career advancement and professional certification, and (3) employer-assistance services to improve their competitive abilities.

For this program, the executive budget recommends flat funding in FY 2008 and FY 2009. The funding is allocated among three programs:

Targeted Industry Training Grants. This component assists the 53 EnterpriseOhio Network campuses in forming partnerships with Ohio businesses to accomplish their workforce training goals; the grants require campuses and businesses to collaborate since applications for the grants must be jointly submitted.

Performance Grant Plan. This component works to build the noncredit training capacity of the EnterpriseOhio Network campuses by offering grants of equal amounts that provide basic support for the operations of all 53 campuses.

Higher Skills Incentives Program. This program also works to build the noncredit training capacity of the EnterpriseOhio Network campuses. It rewards the EnterpriseOhio Network campuses by the proportion of each campus's share of total revenue that all of the campuses receive from third-party entities for noncredit job-related training.

The table below presents the expenditures and outputs for the program from FY 2000 to FY 2006. The table includes the state's Jobs Challenge expenditures, the noncredit job-training revenue received by the EnterpriseOhio campuses, the number of workers trained, the Jobs Challenge expenditure per worker trained, the ratio of noncredit job-training revenue received to the Jobs Challenge expenditures, and the number of companies served.

Jobs Challenge: Expenditures and Results, FY 2000 – FY 2006						
Fiscal year	Jobs Challenge expenditures	Noncredit job-related training revenue	Number of workers trained	Jobs Challenge expenditures per worker trained	Ratio of revenue to Jobs Challenge expenditures	Number of companies served
2000	\$8,743,864	\$48,938,300	156,382	\$55.91	5.60	3,547
2001	\$10,979,694	\$61,050,625	205,492	\$53.43	5.56	4,344
2002	\$9,494,400	\$54,203,808	212,373	\$44.71	5.71	4,611
2003	\$9,348,300	\$48,938,300	198,809	\$47.02	5.23	4,305
2004	\$9,348,300	\$48,643,054	220,904	\$42.32	5.20	5,308
2005	\$9,348,300	\$52,535,587	226,347	\$41.30	5.62	6,316
2006	\$9,348,300	\$41,774,352	219,211	\$42.65	4.47	5,139

As can be seen from the table, even though the annual appropriation for the Jobs Challenge has stayed flat since FY 2001, the number of workers trained annually increased by 13,719 or 6.7% from FY 2001 to FY 2006 and the number of companies served increased by 795 or 18.3%. The FY 2006 decline in both noncredit job-related training revenue and the ratio of revenue to Jobs Challenge expenditures is a result of BOR's redefinition of workforce development. The training now must lead to jobs within 18 months in order for the revenue to qualify. The baseline provided by this redefinition, combined with the automation of program data in BOR's HEI system, is expected to improve assessments of the program's results.

Program 7.03: EnterpriseOhio Network

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-436	AccelerateOhio	\$ 2,500,000	\$ 5,000,000
GRF	235-455	EnterpriseOhio Network	\$ 1,373,941	\$ 1,373,941
Total Funding: EnterpriseOhio Network			\$ 3,873,941	\$ 6,373,941

AccelerateOhio. This new line item funds the AccelerateOhio program of competency-based, low-cost, noncredit, and credit-bearing modules and courses with flexible points of entry in communications, mathematics, information technology, and other fields. These modules and courses will be designed to improve the education and skills of Ohio's workforce by assisting low-income working adults in Ohio to improve their education and training. The program will be implemented statewide and designed to culminate in a certificate and provide recipients with low-cost foundations for additional post-secondary education.

EnterpriseOhio Network. The EnterpriseOhio Network (formerly known as the Productivity Improvement Challenge) is a collaborative effort among Ohio's 53 community, technical and regional colleges to meet the workforce development needs of Ohio's business and industry through non-credit job training, training-related services, and assessment services. The program supports network coordination, resource sharing, and statewide outreach to private and public sector organizations that provide these services. Since 1999 more than 950,000 Ohio workers have received job-related noncredit training from EnterpriseOhio Network campuses. For this program, the executive budget recommends flat funding in FY 2008 and FY 2009.

The EnterpriseOhio Network campuses establish partnerships with Ohio employers of all kinds to improve company performance through better selection, development, and retention of their employees. The goal is to help improve Ohio's economic competitiveness by increasing the number of Ohioans who hold critical workforce skills that are needed to attract and maintain business and industry in the state. This program also supports BOR's staffing and resource needs for the EnterpriseOhio Network.

During FY 2006 the EnterpriseOhio Network campuses served more than 219,000 workers and provided services to more than 5,100 companies in Ohio at an average cost of approximately \$43 per trained employee. BOR indicates that EnterpriseOhio's overall return on investment, as self-reported by the companies served, came to approximately \$250 million over the past two years.

Critical Needs Rapid Response System. The executive budget requires BOR, in consultation with the Governor and the Department of Development, to develop a critical needs rapid response system to address critical workforce shortages in the state as identified by the Department of Development. BOR is to develop a response plan within 90 days after a critical need is identified.

The executive budget also requires the Department of Education to work with BOR and the Governor's Workforce Policy Board to develop a plan to move the adult education and career programs from the Department of Education to BOR for the purpose of improving education and technical skills for adult learners through enhanced course offerings and training opportunities. The plan is to be submitted to the Governor by November 30, 2007 and the movement of adult education and career programs to BOR is to occur by July 1, 2008.

Program 7.04: Appalachian New Economy Partnership

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-428	Appalachian New Economy Partnership	\$ 1,176,068	\$ 1,176,068
Total Funding: Appalachian New Economy Partnership			\$ 1,176,068	\$ 1,176,068

This program promotes economic development in Appalachian Ohio through integrated investments designed to improve and target the region's information technology and knowledge infrastructure. For this program, the executive budget recommends flat funding in FY 2008 and FY 2009. Led by Ohio University, the program supports existing and new public-private technology partnerships among Ohio's public and private campuses, private industry, local government, and school districts within the 29-county Appalachia region. The program's goal is to develop talent, technology, and capital in the areas of entrepreneurship/business assistance, regional public management, and K-16 education to transform Ohio's Appalachian region so that its residents can take part in and benefit from the global economy. The executive budget recommends flat funding for this program in FY 2008 and FY 2009.

In recent years, the Partnership has helped business receive \$17 million in bank loans, \$1.5 million in investments from private individuals, \$4.8 million in venture capital, and \$28.2 million in government contracts. The Partnership also provides workshops, marketing strategies for distressed communities, and consultation services in planning, marketing, finance, and information systems. Over 100 students work on these projects and many are hired after graduation to work in the Appalachian region.

Program 7.05: Sea Grant

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-402	Sea Grant	\$ 231,925	\$ 231,925
Total Funding: Sea Grant			\$ 231,925	\$ 231,925

The Ohio Sea Grant program, operated by The Ohio State University Extension, supports education, research, communication, extension, and outreach activities in multiple disciplines to enhance the use, development, and management of Lake Erie and the other Great Lakes and their coastal resources. The Sea Grant program is one of 32 Sea Grant programs in the National Oceanic and Atmospheric Administration's (NOAA) Sea Grant College Program, which includes every coastal and Great Lakes state. The executive budget recommends flat funding for this program in FY 2008 and FY 2009.

Located at The Ohio State University's Lake Erie research center, the Sea Grant program focuses on research and educational issues such as erosion and fishing in the Great Lakes. Three activities affiliated with Sea Grant are the Center for Lake Erie Area Research (CLEAR), the Franz Theodore Stone Laboratory, and the Great Lakes Aquatic Ecosystem Research Consortium. Faculty, staff, and students supported by the program address critical environmental and resource issues affecting the Great Lakes.

The NOAA Sea Grant College Program requires at least fifty cents of nonfederal support for every federal dollar invested in it. Matching funds for Ohio Sea Grant are provided by several sources: GRF appropriation item 235-402, Sea Grant, OSU, private businesses and individuals, and the institutions

receiving grants from Sea Grant. A fuller description of the Sea Grant program can be found in the Redbook *Board of Regents–Agricultural*.

Program 7.06: Bowling Green State University Canadian Studies Center

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-561	BGSU Canadian Studies Center	\$ 100,015	\$ 100,015
Total Funding: BGSU Canadian Studies Center			\$ 100,015	\$ 100,015

This program supports the Bowling Green State University's Canadian Studies Center, which works to strengthen business and trade relations between Ohio and Canada, Ohio's largest trading partner, through research, student education, and engagement with the business community. For this program, the executive budget recommends flat funding in FY 2008 and FY 2009.

Program 7.07: Carl D. Perkins Grant/Plan Administration

Fund	ALI	Title/Earmark	FY 2008	FY 2009
FED 312	235-612	Carl D. Perkins Grant/Plan Administration	\$ 112,960	\$ 112,960
Total Funding: Carl D. Perkins Grant/Plan Administration			\$ 112,960	\$ 112,960

The federal Carl D. Perkins Career and Technical Education Improvement Act aims to increase the quality of academic, career, and technical education within the United States. The program provides direction and funding to develop the academic, career, and technical skills of secondary and post-secondary students who enroll in career and technical education programs to prepare themselves both for post-secondary education and for careers in high-skill, high-wage, or high-demand occupations in the knowledge- and skills-based economy. The program supports technical assistance, program monitoring, data collection and reporting, campus grant funding calculations, and general direction of the program. The continuing focus of the Perkins Act is to integrate academic knowledge and technical skill development and to raise the academic performances of all vocational students.

Perkins funds are provided to states that, in turn, allocate funds by formula to secondary and post-secondary schools. BOR receives a transfer of from 5% to 10% of the federal funds obtained under the Perkins Act by the Ohio Department of Education. BOR uses these funds provided in this line item to administer the transferred grant funds for community and technical colleges and some universities, as well as to provide technical assistance to Perkins campus coordinators.

Program Series

8: Higher Education Collaborations

Purpose: This program series serves the educational needs of Ohio's citizens through enhanced collaborations among institutions of higher education. The series' programs support efforts to enhance the state's delivery of services to higher education consumers and to the broader community through distance education and statewide articulation and transfer policies.

The following table shows the line items that are used to fund the Higher Education Collaborations program series, as well as the Governor's recommended funding levels.

Appropriation Amounts for Program Series 8: Higher Education Collaborations				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	235-406	Articulation and Transfer	\$ 2,900,000	\$ 2,900,000
GRF	235-408	Midwest Higher Education Compact	\$ 95,000	\$ 95,000
GRF	235-417	Ohio Learning Network	\$ 3,119,496	\$ 3,119,496
GRF	235-507	OhioLink	\$ 6,887,824	\$ 6,887,824
GRF	235-555	Library Depositories	\$ 1,696,458	\$ 1,696,458
GRF	235-556	Ohio Academic Resources Network (OARNet)	\$ 3,727,223	\$ 3,727,223
General Revenue Fund Subtotal			\$ 18,426,001	\$ 18,426,001
Total Funding: Higher Education Collaborations			\$ 18,426,001	\$ 18,426,001

The Higher Education Collaborations program series contains six programs. These programs and their shares of the biennial funding for this program series are as follows:

- **Program 8.01: OhioLINK – 37.4%**
- **Program 8.02: Ohio Learning Network – 16.9%**
- **Program 8.03: Regional Library Depositories – 9.3%**
- **Program 8.04: Ohio Academic Resources Network (OARNet) – 20.2%**
- **Program 8.05: Articulation and Transfer – 15.7%**
- **Program 8.06: Midwest Higher Education Compact – 0.5%**

For this program series the executive budget recommends flat funding for FY 2008 and FY 2009. This program series is entirely funded by the GRF. Details for each of the six programs are given below.

Program 8.01: OhioLINK

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-507	OhioLINK	\$ 6,887,824	\$ 6,887,824
Total Funding: OhioLink			\$ 6,887,824	\$ 6,887,824

This program supports the operations of OhioLINK, a statewide cooperative electronic library and information retrieval system. The executive budget recommends flat funding for this program in FY 2008 and FY 2009. Created by the higher education community in 1989 to address a lack of adequate information resources available for research and teaching, OhioLINK enables access to the shared library collections of Ohio's public and private colleges and universities and the State Library of Ohio, with a total of 45.5 million library items statewide. The program's goal is to provide easy access to information

and rapid delivery of library materials throughout the state. OhioLINK offers six main electronic services: a library catalog, research databases, a multi-publisher electronic journal center, a digital media center, a growing collection of e-books, and an electronic theses and dissertations center.

Over 60% of the funding is used to support core statewide electronic content licenses, including electronic journals and research databases. Through the cooperative purchase and use of these electronic information resources, OhioLINK achieves significant economies of scale: With every \$1 million in annual license costs through group licensing of databases, the annual savings over comparable individual licensing by all 85 member libraries is estimated to be \$3 - \$4 million.

Program 8.02: Ohio Learning Network

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-417	Ohio Learning Network	\$ 3,119,496	\$ 3,119,496
Total Funding: Ohio Learning Network			\$ 3,119,496	\$ 3,119,496

This program was established in 1999 to support the continued implementation and enhancement of the Ohio Learning Network (OLN), a state-of-the-art statewide collaborative electronic education system. The executive budget recommends flat funding for this program in FY 2008 and FY 2009. OLN supports 74 colleges and universities in the use of advanced telecommunications and distance education initiatives to promote higher-education access and degree completion for students, workforce training for Ohio's employees, and professional development. It uses shared course hosting, student support services, and faculty development programs to connect learners to courses and programs offered statewide. OLN works with colleges and universities to improve teaching and learning through technology, to test and provide advice on emerging learning-directed technologies, and to build cost-saving technology investments and partnerships among higher education campuses, schools, businesses, and communities. The level of funding recommended by the executive budget will enable OLN to continue providing low-cost, online tutoring services, hundreds of degrees and thousands of courses through distance education and provide means for cost-saving collaborative purchases of software.

Program 8.03: Regional Library Depositories

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-555	Library Depositories	\$ 1,696,458	\$ 1,696,458
Total Funding: Regional Library Depositories			\$ 1,696,458	\$ 1,696,458

This program supports a collaborative effort among Ohio's public universities to provide high-density storage for rarely used and duplicative library materials, thereby providing an economical alternative to additional traditional library space that would be needed to store such materials. The executive budget recommends flat funding for this program in FY 2008 and FY 2009. The program provides funding for the storage operations at five regional depositories. The program's goal is to provide a cost-effective alternative to building new libraries on campuses and to provide regional locations where library books may be stored and shared among all participating campuses.

The five regional depositories are located at the campuses of Miami University, the Northeastern Ohio Universities College of Medicine, Ohio University, and The Ohio State University, and at the Northwestern Ohio Book Depository, which serves Bowling Green State University and the University of

Toledo and its medical campus. The depositories are built and expanded in modular form, with each module typically holding approximately one million items. By the end of FY 2005 the five depositories held more than 6.5 million items, representing over 14% of the total number of items in the OhioLINK electronic library system; on average, the depositories were filled to 78% of capacity.

Program 8.04: Ohio Academic Resources Network (OARNet)

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-556	Ohio Academic Resources Network (OARNet)	\$ 3,727,223	\$ 3,727,223
Total Funding: Ohio Academic Resources Network (OARNet)			\$ 3,727,223	\$ 3,727,223

This program supports the operations of the Ohio Academic Resources Network (OARNet), a networking division of the Ohio Supercomputer Center. OARnet provides Internet access to millions of Ohioans, including students, researchers, and the general public. The program, established in 1987, provides high-quality fiber-optic backbone Internet services to help link Ohio's academics to global information resources, distance learning, and state library networks such as OhioLINK.

The executive budget recommends flat funding for this program in FY 2008 and FY 2009. Program funds are provided to Ohio's state-assisted campuses for improving research, distance learning, education and economic development programs, and maintaining and enhancing network connections, including base operations and expansions for enhanced connectivity, functionality, and services. In FY 2005 OARNet implemented the Third Frontier Network, giving Ohio one of the most advanced fiber optic networks in the country. This Third Frontier Network (TFN) directly connects 87 higher education institutions, providing high-speed network services to almost one-half million users. In addition, two federal facilities, 23 information technology centers serving all of the state's K-12 districts, and nine public broadcasting stations are also directly connected to the TFN in partnership with eTech and the Department of Education. In addition to providing Internet solutions, OARnet's network operations center staff is available 24 hours a day, seven days a week, to assist clients and monitor the network.

Program 8.05: Articulation and Transfer

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-406	Articulation and Transfer	\$ 2,900,000	\$ 2,900,000
		<i>Articulation and Transfer Council</i>	\$ 200,000	\$ 200,000
		<i>Remainder</i>	\$ 2,700,000	\$ 2,700,000
Total Funding: Articulation and Transfer			\$ 2,900,000	\$ 2,900,000

This program supports BOR's long-time efforts to achieve an effective statewide articulation and transfer system that will address issues arising from the increasing student mobility throughout Ohio's higher education system, in particular those issues arising from the transfers of students and their course credits among state-assisted colleges and universities. The system is to facilitate such transfers by establishing and implementing uniform course equivalencies and transfer policies; by creating a seamless transfer module so that course credits earned by students at one institution may be applicable or transferable to other institutions in Ohio; and by ensuring the equitable treatment of all students. The system's goals are to improve access to higher education and to promote students' college success.

BOR's efforts at designing and implementing an articulation and transfer policy have received added impetus and direction from initiatives in the current and previous budget bills (Am. Sub. H.B. 66 of

the 126th General Assembly and Am. Sub. H.B. 95 of the 125th General Assembly), specifically in Ohio Revised Code sections 3333.16, 3333.161, and 3333.162. These sections reflect the General Assembly's expressed concerns about students' abilities to effectively transfer coursework credits and degrees among Ohio's public post-secondary institutions of higher education.

In its response to the General Assembly's initiatives, BOR has collaborated with the college and university campuses in a complex effort to develop specific articulation and transfer regimes for many academic disciplines. BOR has also augmented its Higher Education Information (HEI) computer system to establish the necessary database and processing software to conduct articulation and transfer operations. The new system includes a central hub where transcripts can be reviewed and compared, as well as other necessary components. The central hub obviates each campus's review of transcripts for course acceptability. In order to interact with HEI, each campus has had to develop its own access programs. As results of its efforts, BOR expects students to become more conscientious in their choices of majors, to transfer more often from one campus to another, and to more likely succeed in higher education because they will be better able to plan their academic careers.

All state articulation issues are overseen by an Articulation and Transfer Advisory Council, whose membership currently consists of 41 officials from Ohio's public colleges and universities and seven officials from state and private organizations in both K-12 and post-secondary education. The Council conducts an annual survey to assess the degree of institutional compliance with statewide articulation and transfer policy.

BOR has been developing and implementing the articulation and transfer policy in three main modules: the Ohio Transfer Module and Transfer Assurance Guides, the Career Technical Credit Transfer initiative, and the Articulation and Transfer Clearinghouse. These are described in detail below.

Ohio Transfer Module and Transfer Assurance Guides: The Articulation and Transfer Advisory Council led the development of the Ohio Transfer Module (OTM), which represents each institution's general education requirements. In turn, the Transfer Module led to the ongoing creation of the Transfer Assurance Guides (TAGs) to address the transfers of credits for beginning courses in the institutions' majors. The TAGs include the Ohio Transfer Module—both required and elective courses, but then move beyond those courses into additional hours in pre-major and major courses. Courses in a TAG are guaranteed to transfer and apply directly to the major. In all, the TAG becomes a guaranteed pathway for students and is a very powerful advising tool for faculty and other advisors. Currently there are 38 TAGs in eight specific discipline areas presently involving more than 6,500 courses. The TAGs are developed, approved, and monitored by Ohio's public institutions for higher education. The guaranteed course matrix is intended to be available for all institutions beginning in early 2007.

Career Technical Credit Transfer: The Career Technical Credit Transfer (CT2) initiative, also ongoing, will enable students to transfer agreed-upon technical courses completed through an adult career-technical educational institution, a public secondary career-technical institution, or a state institution of higher education, to another state institution of higher education without unnecessary duplication or institutional barriers. BOR is mandated to collaborate with the Ohio Department of Education, public adult and secondary career-technical institutions, and state-supported institutions of higher education to establish criteria, policies, and procedures for these transfers. Presently five areas of transfer are being developed: nursing, engineering technology, medical assisting, information technology (networking), and automotive technology.

Articulation and Transfer Clearinghouse: An Articulation and Transfer Clearinghouse (ATC) is being developed to support the articulation and transfer policies. The ATC will facilitate the electronic exchange of student transcripts among Ohio's state-assisted higher education institutions. It will also

provide institutions receiving transfer students with additional electronic information regarding the matching of the transfer students' coursework with the new institutions' coursework that is guaranteed to transfer and apply through the OTM and TAGS. This will help the receiving institutions consider transfer credits in a consistent manner across the state. The ATC's electronic transcript exchange will allow for significant automation of transfer-student processing, consistent application of TAG and OTM coursework, improved reliability of processed transcript data at the receiving institutions, and faster overall transcript evaluation.

A portion of the articulation and transfer policy development involves the connection of Ohio's articulation and transfer system to the Course Applicability System (CAS), an existing nationwide electronic advising and transfer system that shows universal course equivalencies for all public institutions of higher education. Using computers with access to the World Wide Web, students, advisors, faculty, and administrators at colleges and universities can use CAS to assist them in obtaining consistent and accurate information about transfer courses and their applicability toward degree completions. Thus, CAS enables anyone to plan a college educational pathway from initial enrollment through graduation at any Ohio public college or university. CAS was created by a partnership of Miami University, the Arizona Board of Regents, and the Ohio Board of Regents.

Program 8.06: Midwest Higher Education Compact

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-408	Midwest Higher Education Compact	\$ 95,000	\$ 95,000
Total Funding: Midwest Higher Education Compact			\$ 95,000	\$ 95,000

This program supports Ohio's membership dues to the Midwestern Higher Education Compact's (MHEC) commission for the next two fiscal years. The Midwest Compact is a nonprofit regional organization established in 1991 by an agreement among member states to advance higher education services and opportunities in the Midwest region. The Compact is charged with promoting interstate cooperation and resource sharing in higher education through cost savings programs, student access (including reduced tuition), and policy research.

The eleven member states of MHEC as of 2007 are Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, and Wisconsin. The Compact's members meet twice each year to establish goals and priorities, review programs, and approve the operating budget.

Program Series

9: General Public Service

Purpose: This program series supports several public service research and outreach activities that address a variety of statewide rural, urban, community, and governmental issues. The funds are provided to niche programs operated by universities on or off university campuses.

The following table shows the line items that are used to fund the General Public Service program series, as well as the Governor's recommended funding levels.

Appropriation Amounts for Program Series 9: General Public Service					
Fund	ALI	Title		FY 2008	FY 2009
General Revenue Fund (GRF)					
GRF	235-513	Ohio University Voinovich Center		\$ 669,082	\$ 669,082
GRF	235-521	The Ohio State University Glenn Institute		\$ 619,082	\$ 619,082
GRF	235-547	School for International Business		\$ 450,000	\$ 450,000
GRF	235-583	Urban University Programs		\$ 5,550,937	\$ 5,550,937
GRF	235-587	Rural University Projects		\$ 1,147,889	\$ 1,147,889
General Revenue Fund Subtotal				\$ 8,436,990	\$ 8,436,990
Total Funding: General Public Service				\$ 8,436,990	\$ 8,436,990

The General Public Service program series contains four programs. These programs and their shares of the biennial funding for this program series are:

- **Program 9.01: Urban University Programs – 71.0%**
- **Program 9.02: Rural University Projects – 13.6%**
- **Program 9.03: Ohio University Voinovich Center – 8.1%**
- **Program 9.04: The Ohio State University Glenn Institute – 7.3%**

For this program series the executive budget recommends a 17.0% increase for FY 2008 and flat funding for FY 2009. All of this series' funding comes from the GRF. Details for each of the four programs are given below.

Program 9.01: Urban University Programs

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-547	School of International Business	\$ 450,000	\$ 450,000
		<i>University of Akron School of International Business</i>	\$ 250,000	\$ 250,000
		<i>University of Toledo College of Business</i>	\$ 100,000	\$ 100,000
		<i>Ohio State University BioMEMS Program</i>	\$ 100,000	\$ 100,000
GRF	235-583	Urban University Program	\$ 5,550,937	\$ 5,550,937
		<i>Cleveland State: Public communication outreach program</i>	\$ 247,453	\$ 247,453
		<i>Cleveland State: Study of education and urban child</i>	\$ 117,215	\$ 117,215
		<i>Cleveland State: Maxine Goodman Levin College of Urban Affairs</i>	\$ 1,433,037	\$ 1,433,037
		<i>Kent State: learning and technology</i>	\$ 169,310	\$ 169,310
		<i>Kent State: Ameritech classroom</i>	\$ 65,119	\$ 65,119
		<i>Kent State: Cleveland design center</i>	\$ 32,560	\$ 32,560
		<i>University of Akron: Bliss Institute</i>	\$ 513,886	\$ 513,886
		<i>University of Akron: Advancing-up program</i>	\$ 10,851	\$ 10,851
		<i>University of Akron: Polymer Distance Learning</i>	\$ 723,547	\$ 723,547
		<i>University of Toledo: Strategic Economic Research Collaborative</i>	\$ 139,777	\$ 139,777
		<i>OSU: Institute for Collaborative Research and Public Humanities</i>	\$ 139,777	\$ 139,777
		<i>OSU: African American Studies Program</i>	\$ 150,000	\$ 150,000
		<i>Medina County University Center</i>	\$ 300,368	\$ 300,368
		<i>P.E. Henderson, Sr. Center</i>	\$ 75,000	\$ 75,000
		<i>Three-entity consortium grant</i>	\$ 1,433,037	\$ 1,433,037
Total Funding: Urban University Programs			\$ 6,000,937	\$ 6,000,937

This program provides funding for various research and outreach activities on urban issues. For this program the executive budget recommends a 10.3% increase in FY 2008 and flat funding in FY 2009. The program contains two GRF appropriations. Details of these two items are given below.

School of International Business. This appropriation is to be used for the continued development and support of the Institute for Global Business of the state universities of northeast Ohio. The Institute is located at the University of Akron, which receives the appropriated funds and uses them to operate programs that focus on business development and experience. The aim of the Institute is to increase the state's capacity for international trade by educating Ohio's businesspeople and supporting Ohio industries having international business and clients. The University of Akron may also confer with Kent State University, Youngstown State University, and Cleveland State University regarding the school's curriculum and other matters.

Urban University Programs. This appropriation is entirely allocated among 15 earmarks that support various research and outreach activities on urban issues by providing one-to-one matching funds to Ohio's eight urban universities. The universities' activities include applied research, training, technical assistance, and database development, as well as programs that develop public policy and public administration initiatives related to the specific needs and issues of Ohio's urban communities. The program serves state, county, and municipal governments, regional and nonprofit agencies, neighborhood groups, and business organizations. It also supports public administration initiatives related to the specific needs and issues of Ohio's urban communities. The Urban Center at Cleveland State University's Levin College of Urban Affairs was established to implement the Urban University Program. The executive budget recommends two new earmarks: The Ohio State University African American Studies

program and the P.E. Henderson, Sr. Center, which supports education and technical training in Dayton, Ohio.

Program 9.02: Rural University Projects

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-587	Rural University Projects	\$ 1,147,889	\$ 1,147,889
		<i>Bowling Green: Center for Public Analysis and Public Service</i>	\$ 263,783	\$ 263,783
		<i>Miami University: Center for Public Management and Regional Affairs</i>	\$ 245,320	\$ 245,320
		<i>Ohio University: ILGARD</i>	\$ 575,015	\$ 575,015
		<i>Washington State Community College: Day-care Center</i>	\$ 15,942	\$ 15,942
		<i>COAD/ILGARD/GOA Appalachian Leadership Initiative</i>	\$ 47,829	\$ 47,829
Total Funding: Rural University Projects			\$ 1,147,889	\$ 1,147,889

The executive budget recommends flat funding for this program in FY 2008 and in FY 2009. The funding is entirely allocated among five earmarks in support of specified research and outreach projects that various universities administer in rural areas. These projects help local and state elected and appointed officials improve rural program performance, undertake research, increase human resource capacity, and form cooperative partnerships to create environments that support private and public sector development. Funds also support projects that develop public policy and public administration initiatives related to the specific needs and issues of Ohio's rural communities. The program targets smaller communities, which often lack staff and financial resources for research, training, and development. The goal of this program is to help improve the operational efficiencies of government and public services in rural areas of the state.

Program 9.03: Ohio University Voinovich Center

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-513	Ohio University Voinovich Center	\$ 669,082	\$ 669,082
Total Funding: Ohio University Voinovich Center			\$ 669,082	\$ 669,082

This program provides funds to support the Voinovich Center on the campus of Ohio University in Athens. The executive budget recommends a 99.1% increase for this program in FY 2008 and flat funding in FY 2009. The funds are used for public service research and public policy coursework at the center. Established in FY 2000, the Voinovich Center serves as Ohio University's center for public affairs and leadership. Its purpose is to engage students, alumni, and faculty in developing solutions to challenges brought by governmental officials, educators, and entrepreneurs, and to advance Ohio's knowledge-based economy. The Center offers Ohio University students project-based learning experiences related to the provision of research, technical assistance and training to local and state government agencies, businesses, nonprofit organizations, and communities. The Center maintains strategic relationships with local, state, and national businesses and agencies. The Voinovich Center consists of five major components: (1) the Ohio University Executive Leadership Institute (OUELI), (2) the Strategic Leadership Initiative, (3) Undergraduate Research Scholars, (4) Senior Policy Fellows, and (5) the Consortium for Energy, Economics, and the Environment (CE3).

Program 9.04: The Ohio State University Glenn Institute

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-521	The Ohio State University Glenn Institute	\$ 619,082	\$ 619,082
Total Funding: The Ohio State University Glenn Institute			\$ 619,082	\$ 619,082

This program provides funds for the instructional activities and operations of the John Glenn Institute for Public Service and Public Policy on the campus of The Ohio State University. For this program the executive budget recommends a 116.4% increase in FY 2008 and flat funding in FY 2009. The funds are used for public service research and public policy coursework at the institute. Established in FY 2000, the Glenn Institute provides Ohio State students with course offerings and research opportunities in a wide range of public policy fields. The goal of the Glenn Institute is to engage students in public service, enhance the quality of public service, and create and disseminate high-quality policy research.

Faculty and staff members from more than 50 academic departments are affiliated with the Institute. Six different policy centers sponsor research in interdisciplinary fields ranging from criminal justice to environmental policy. Regular lectures, workshops, and conferences share policy insights among students, faculty, community members, and policymakers. Community Research Partners, an innovative three-way partnership among the Glenn Institute, the City of Columbus, and the United Way of Central Ohio, conducts in-depth research on community problems, evaluates solutions, and maintains databases to assist policymakers at all levels.

Program Series

10: Public Safety

Purpose: This program series is designed to support and improve the safety of the general public.

The following table shows the line items that are used to fund the Public Safety program series, as well as the Governor's recommended funding levels.

Appropriation Amounts for Program Series 10: Public Safety				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	235-524	Police and Fire Protection	\$ 171,959	\$ 171,959
GRF	235-596	Hazardous Materials Program	\$ 360,435	\$ 360,435
GRF	235-599	National Guard Scholarship Program	\$ 16,611,063	\$ 16,611,063
General Revenue Fund Subtotal			\$ 17,143,457	\$ 17,143,457
Total Funding: Public Safety			\$ 17,143,457	\$ 17,143,457

The Public Safety program series contains three programs. These programs and their shares of the biennial funding for this program series are:

- **Program 10.01: Police and Fire Protection – 1.0%**
- **Program 10.02: Firefighter Hazardous Materials – 2.1%**
- **Program 10.03: National Guard Scholarship Program – 96.9%**

For this program series the executive budget recommends flat funding for FY 2008 and FY 2009. All of the \$34.3 million recommended for the biennium comes from the GRF. Details for each of the three programs are provided below.

Program 10.01: Police and Fire Protection

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-524	Police and Fire Protection	\$ 171,959	\$ 171,959
Total Funding: Police and Fire Protection			\$ 171,959	\$ 171,959

This program supports the police and fire departments in small Ohio communities that are heavily affected by the influx of college students attending nearby state-assisted colleges and universities during the academic year. For this program the executive budget recommends flat funding in FY 2008 and FY 2009. The funds assist local governments in providing police and fire services in the municipalities of Athens, Bowling Green, Fairborn, Kent, Nelsonville, Oxford, Portsmouth, Rootstown, and Xenia Township. The minimum grant for each municipality and township is \$5,000 per year. The purpose of the program is to offset and absorb a portion of the additional costs that local municipalities incur when providing safety and emergency services for temporary student residents attending certain public campuses in Ohio.

Program 10.02: Firefighter Hazardous Materials

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-596	Hazardous Materials Program	\$ 360,435	\$ 360,435
		<i>Center for the Interdisciplinary Study of Education and Leadership in Public Service</i>	\$ 177,337	\$ 177,337
		<i>Remainder</i>	\$ 183,098	\$ 183,098
Total Funding: Firefighter Hazardous Materials Program			\$ 360,435	\$ 360,435

For this program the executive budget recommends flat funding in FY 2008 and in FY 2009. The program provides funds for training programs developed by the Cleveland State University's Center for Hazardous Materials Education. Created with the cooperation of the Ohio Professional Fire Fighters Association, the programs train firefighters, other emergency personnel, and relevant personnel in business and industry regarding the treatment, storage, disposal, and clean-up of hazardous materials. The goal of the program is to ensure that firefighters and other emergency professionals have the necessary training for handling hazardous materials and treating victims of hazardous-materials accidents.

An earmark under the appropriation provides support to the Center for the Interdisciplinary Study of Education and Leadership in Public Service at Cleveland State University. The funds are to be used to increase the role of special populations in public service and not-for-profit organizations.

Program 10.03: National Guard Scholarship Program

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-599	National Guard Scholarship Program	\$ 16,611,063	\$ 16,611,063
Total Funding: National Guard Scholarship Program			\$ 16,611,063	\$ 16,611,063

This program provides higher education scholarships to all authorized personnel of the Ohio National Guard. The program serves as both a recruitment and a retention tool for the Guard and has proved to be an effective incentive for enlisting. The appropriation item provides funds for both the scholarship grants and the marketing efforts. The program's purpose is to recognize the service of the Ohio National Guard by providing access to higher education for its members.

For this program the executive budget recommends flat funding in FY 2008 and in FY 2009. A total of 6,748 National Guard Scholarships have been awarded in FY 2007. The program also maintains a National Guard Scholarship Reserve Fund (Fund 5BM) to pay scholarship obligations in excess of the GRF appropriations made for that purpose. The Revised Code authorizes the transfer of any unused balance of GRF appropriation item 235-599, National Guard Scholarship Program, to the Reserve Fund at the end of each fiscal year. The current cash balance in the National Guard Reserve Fund is approximately \$3.3 million.

Program Series

11: Medical Support

Purpose: This program series supports several Ohio universities' medical, dental, and veterinary clinical programs and other medical-related programs that are of special interest to the state.

The following table shows the line items that are used to fund the Medical Support program series, as well as the Governor's recommended funding levels.

Appropriation Amounts for Program Series 11: Medical Support					
Fund	ALI	Title		FY 2008	FY 2009
General Revenue Fund (GRF)					
GRF	235-474	Area Health Education Center Program Support	\$	1,571,756	\$ 1,571,756
GRF	235-515	Case Western Reserve University School of Medicine	\$	3,011,271	\$ 3,011,271
GRF	235-519	Family Practice	\$	4,548,470	\$ 4,548,470
GRF	235-525	Geriatric Medicine	\$	750,110	\$ 750,110
GRF	235-526	Primary Care Residencies	\$	2,245,688	\$ 2,245,688
GRF	235-536	OSU Clinical Teaching	\$	13,565,885	\$ 13,565,885
GRF	235-537	UCN Clinical Teaching	\$	11,157,756	\$ 11,157,756
GRF	235-538	MCO Clinical Teaching	\$	8,696,866	\$ 8,696,866
GRF	235-539	WSU Clinical Teaching	\$	4,225,107	\$ 4,225,107
GRF	235-540	OHU Clinical Teaching	\$	4,084,540	\$ 4,084,540
GRF	235-541	NEOUCOM Clinical Teaching	\$	4,200,945	\$ 4,200,945
GRF	235-558	Long-term Care Research	\$	211,047	\$ 211,047
GRF	235-572	The Ohio State University Clinic Support	\$	1,277,019	\$ 1,277,019
General Revenue Fund Subtotal				\$ 59,546,460	\$ 59,546,460
State Special Revenue Fund (SSR)					
4P4	235-604	Physician Loan Repayment	\$	476,870	\$ 476,870
682	235-606	Nursing Loan Program	\$	893,000	\$ 893,000
State Special Revenue Fund Subtotal				\$ 1,369,870	\$ 1,369,870
Federal Special Revenue Fund (FED)					
3H2	235-608	Human Services Project	\$	3,000,000	\$ 3,000,000
3T0	235-610	National Health Service Corps–Ohio Loan Repayment	\$	250,000	\$ 250,000
3H2	235-622	Medical Collaboration Network	\$	3,346,144	\$ 3,346,144
Federal Special Revenue Fund Subtotal				\$ 6,596,144	\$ 6,596,144
Total Funding: Medical Support				\$ 67,512,474	\$ 67,512,474

The Medical Support program series contains 12 programs. These programs and their shares of the biennial funding for this program series are as follows:

- **Program 11.01: Long-term Care Research – 0.3%**
- **Program 11.02: Physician Loan Repayment – 0.7%**
- **Program 11.03: Nurse Education Assistance Loan Program – 1.3%**
- **Program 11.04: National Health Service Corps Loan Repayment – 0.4%**
- **Program 11.05: Medicaid Technical and Assistance Policy Program – 4.4%**
- **Program 11.06: Family Practice and Primary Care Residencies Support – 10.1%**
- **Program 11.07: The Ohio State University Clinic Support – 1.9%**
- **Program 11.08: Case Western Reserve University School of Medicine – 4.5%**
- **Program 11.09: Clinical Teaching – 68.0%**

- **Program 11.10: Area Health Education Centers Program Support – 2.3%**
- **Program 11.11: Geriatric Medicine – 1.1%**
- **Program 11.12: Medical Collaboration Network – 5.0%**

For this program series the executive budget recommends a 0.9% increase for FY 2008 and flat funding for FY 2009. Of this series' biennial total of \$135.0 million, 88.2% comes from the GRF, 2.0% from the State Special Revenue Fund group, and 9.8% from federal funds. Details for each of the 12 programs are given below.

Program 11.01: Long-term Care Research

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-558	Long-term Care Research	\$ 211,047	\$ 211,047
Total Funding: Long-term Care Research			\$ 211,047	\$ 211,047

This program supports basic and applied research and graduate studies at Miami University's Scripps Gerontology Center. The center provides expertise, education, and research concerning issues of state and federal policy about long-term care. The program's goal is to identify cost-effective alternatives for health care at reasonable levels of quality. For this program the executive budget recommends flat funding in FY 2008 and FY 2009.

Program 11.02: Physician Loan Repayment

Fund	ALI	Title/Earmark	FY 2008	FY 2009
SSR 4P4	235-604	Physician Loan Repayment	\$ 476,870	\$ 476,870
Total Funding: Physician Loan Repayment			\$ 476,870	\$ 476,870

This program supports the repayment of all or part of the student loans taken by physicians who agree to provide primary-care services in areas of Ohio that suffer shortages of quality health care resources. The program's objective is to encourage physicians to locate and work in underserved areas of the state. The program provides a maximum loan repayment of \$80,000 over four years; each year four to six physicians may be awarded funding. The program is measured by the number of grants awarded and the number of doctors who work in underserved areas. For this program the executive budget recommends a 25.1% decrease in FY 2008 and flat funding in FY 2009. The funding is provided by surcharges on the license renewal fees paid by physicians.

Program 11.03: Nurse Education Assistance Loan Program

Fund	ALI	Title/Earmark	FY 2008	FY 2009
SSR 682	235-606	Nursing Loan Program	\$ 893,000	\$ 893,000
		<i>Operating expenses</i>	\$ 159,600	\$ 167,580
		<i>Remainder</i>	\$ 733,400	\$ 725,420
Total Funding: Nurse Education Assistance Loan Program			\$ 893,000	\$ 893,000

This program supports the Nurse Education Assistance Loan Program (NEALP), which provides financial assistance to Ohio students enrolled in at least half-time study in approved Ohio nurse education programs. Awards are made on the basis of need for up to four years of study. After they have obtained

the appropriate licensure and are employed in the field of nursing, students will be eligible to have 100% of their outstanding loans cancelled. Approximately 300 nursing students receive awards in this program each year. The purpose of NEALP is to encourage students to enter the nursing profession—where Ohio suffers a shortage—and to provide affordable college access to nursing students.

For this program the executive budget recommends flat funding in FY 2008 and FY 2009. This level of funding will support a maximum award of \$5,000, which can be put toward the cost of education. The funding for this appropriation item is provided by surcharges on the license renewal fees paid by registered nurses and licensed practical nurses.

Program 11.04: National Health Service Corps Loan Repayment

Fund	ALI	Title/Earmark	FY 2008	FY 2009
FED 3T0	235-610	National Health Service Corps—Ohio Loan Repayment	\$ 250,000	\$ 250,000
Total Funding: National Health Service Corps Loan Repayment			\$ 250,000	\$ 250,000

This program supports the National Health Service Corps—Grants for State Loan Repayment federal program for the repayment of education loans taken out by eligible health service practitioners. Jointly administered by BOR and the Ohio Department of Health, the program provides educational loan repayment for certain health service practitioners (primary care physician assistants, nurse practitioners, and certified nurse midwives, in addition to primary care physicians) who agree to provide primary health care services in designated health care shortage areas of Ohio. Payments are made to the appropriate lending institutions on behalf of the practitioners. The goal of the program is to increase the number of health professionals who work in underserved areas of the state. The program supports maximum loan repayments of \$80,000 over four years for physicians who qualify; the number of qualifying physicians varies from year to year. The executive budget recommends a 54.2% decrease for this program in FY 2008 and flat funding in FY 2009.

Program 11.05: Medicaid Technical and Assistance Policy Program

Fund	ALI	Title/Earmark	FY 2008	FY 2009
FED 3H2	235-608	Human Services Project	\$ 3,000,000	\$ 3,000,000
Total Funding: Medicaid Technical and Assistance Program			\$ 3,000,000	\$ 3,000,000

This federally funded program supports the Medicaid Technical Assistance Policy Program (MEDTAPP) and Workforce Development Initiatives. For this program the executive budget recommends a 100.0% increase in FY 2008 and flat funding in FY 2009.

MEDTAPP is operated by an interagency consortium of the Board of Regents, the Ohio Department of Job and Family Services, and the Health Services Research Task Force of the Ohio Medical School Council of Deans to promote Medicaid-related applied-health services research at Ohio's medical colleges and other universities. The program's goal is to obtain research findings to assist the administration's development of policies for improving the quality and cost-effectiveness of health care delivered to the state's Medicaid population. Each year the ODJFS estimates the number of research projects to be funded; the federal funds are then used to support those projects conducted by campus academics. MEDTAPP funding is made possible through federal pass-through dollars to BOR from the

Ohio Department of Job and Family Services through an interagency agreement. The funds are distributed to the Ohio medical colleges and other universities through a competitive proposal process.

Workforce Development Initiatives supports pilot projects to help the state determine the industry areas that will facilitate economic growth for Ohio (e.g., health care, manufacturing, and information technology). This funding is also made available to BOR through the Ohio Department of Job and Family Services. BOR, in turn, disburses the funds to higher education campuses, which, in partnership with local businesses and industries, provide workforce development services to local and regional companies based on industry need and potential local and regional economic growth.

Program 11.06: Family Practice and Primary Care Residencies Support

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-519	Family Practice	\$ 4,548,470	\$ 4,548,470
GRF	235-526	Primary Care Residencies	\$ 2,245,688	\$ 2,245,688
Total Funding: Family Practice and Primary Care Residencies Support			\$ 6,794,158	\$ 6,794,158

This program funds family practice and primary care residency initiatives. For this program the executive budget recommends flat funding in FY 2008 and FY 2009. The program supports family practice residencies and instruction in the departments of family medicine within each medical college in Ohio, both public and private. (State-assisted medical schools are required to establish and maintain departments of family medicine.) The programs' common purpose is to raise the quality and number of primary care and family physicians in medical practice. Funds are distributed based on the number of medical school graduates who go on to family practices and primary care residencies, and those who establish family and general medicine practices in Ohio.

Family Practice. The Family Practice program is an incentive-based subsidy that rewards medical schools for the numbers of medical school graduates who: (a) go on to family practice residencies (53 statewide in FY 2006), (b) establish family medicine practices in Ohio (67), and (c) serve underserved populations and/or geographic areas of Ohio (11).

Primary Care Residencies. The Primary Care Residencies program is also an incentive-based subsidy that rewards medical schools based on the numbers of medical school graduates who: (a) go on to primary care residencies in pediatrics (43 statewide in FY 2006), internal medicine (77), pediatric internal medicine (6), and osteopathic medicine (11), and (b) establish primary care practices in Ohio (78). Each institution must submit and gain approval of a plan for its primary care residency program in order to obtain a full allocation of funds.

Program 11.07: The Ohio State University Clinic Support

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-572	The Ohio State University Clinic Support	\$ 1,277,019	\$ 1,277,019
Total Funding: The Ohio State University Clinic Support			\$ 1,277,019	\$ 1,277,019

This program supports the clinical components of the instruction programs at the dental and veterinary medicine schools at The Ohio State University. The clinics provide practical education to

dentistry and veterinary medicine students, as well as to dental hygiene students. For this program the executive budget recommends flat funding in FY 2008 and FY 2009.

Program 11.08: Case Western Reserve University School of Medicine

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-515	Case Western Reserve University School of Medicine	\$ 3,011,271	\$ 3,011,271
Total Funding: Case Western Reserve University School of Medicine			\$ 3,011,271	\$ 3,011,271

This program provides supplemental state funding for the Case Western Reserve University School of Medicine. In return, the medical school agrees to use the funds to improve the clinical experiences of its medical students and to increase medical outreach to the residents of Cleveland and Cuyahoga County. For this program the executive budget recommends flat funding in FY 2008 and FY 2009.

The program's goal is to support important medical training and to create an incentive for this private medical college to enroll more Ohioans in its medical program. To that end, the medical school receives the funds under the condition that not less than 60% of each entering class of medical students will be Ohio residents, and that the state support per full-time medical student does not exceed that provided to full-time medical students at state universities. CWRU submits an annual report to BOR providing descriptions and costs of the services provided during the preceding year.

Program 11.09: Clinical Teaching Support

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-536	The Ohio State University Clinical Teaching	\$ 13,565,885	\$ 13,565,885
GRF	235-537	University of Cincinnati Clinical Teaching	\$ 11,157,756	\$ 11,157,756
GRF	235-538	University of Toledo Clinical Teaching	\$ 8,696,866	\$ 8,696,866
GRF	235-539	Wright State University Clinical Teaching	\$ 4,225,107	\$ 4,225,107
		<i>Ellis Institute for Clinical Teaching Studies</i>	\$ 124,644	\$ 124,644
		<i>Remainder</i>	\$ 4,100,463	\$ 4,100,463
GRF	235-540	Ohio University Clinical Teaching	\$ 4,084,540	\$ 4,084,540
GRF	235-541	Northeastern Ohio Universities College of Medicine Clinical Teaching	\$ 4,200,945	\$ 4,200,945
Total Funding: Clinical Teaching Support			\$ 45,931,099	\$ 45,931,099

For this program the executive budget recommends flat funding in FY 2008 and FY 2009. This program's six appropriation items provide subsidies in support of laboratory and clinical teaching components of the medical and other health-related curricula at each of Ohio's six public medical colleges located at the University of Cincinnati, the Northeastern Ohio Universities College of Medicine, Ohio University, The Ohio State University, the University of Toledo, and Wright State University. This program is intended to help defray the costs of clinical training for Ohio's student health professionals; clinical training is regarded as a fundamental component in the education of physicians and other health care professionals. Areas of subsidized training include medicine, nursing, pharmacy, physical and occupational therapy, and medical technologies. In FY 2005 there were 3,521 medical students in state-assisted medical schools; a significant majority of the students receive some clinical experience each year.

Am. Sub. H.B. 66 of the 126th General Assembly required BOR to study and propose a new formula for allocating clinical teaching appropriations to the medical schools. The recommendation is to allocate the clinical teaching funding in two steps: First, for each fiscal year 2008 and 2009 the medical schools receive amounts equal to their proportionate shares of the fiscal year 2007 appropriation; second, if the combined funding for a fiscal year exceeds the FY 2007 level, each school will receive a portion of the excess based on its share of the state's total full-time-equivalent medical students. The executive budget flat funds the six clinics teaching line items in both fiscal years 2008 and 2009.

Program 11.10: Area Health Education Centers Program Support

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-474	Area Health Education Centers Program Support	\$ 1,571,756	\$ 1,571,756
		<i>OU College of Osteopathic Medicine Mobile Unit</i>	\$ 159,158	\$ 159,158
		<i>Ohio Valley Community Health Information Network</i>	\$ 119,369	\$ 119,369
		<i>Remainder</i>	\$ 1,293,229	\$ 1,293,229
Total Funding: Area Health Education Centers Program Support			\$ 1,571,756	\$ 1,571,756

The executive budget recommends flat funding for this program in FY 2008 and in FY 2009. The Area Health Education Centers (AHEC) program coordinates the placement of students of medicine and the other health professions into community-based clinical training sites, especially those in regions of physician shortages such as rural and inner-city areas. The program also supports other health care workforce development efforts, including pipeline programs facilitating STEM² education and the support of practitioners already located in areas with shortages of health care professionals. The program's goal is to improve the geographic distribution and quality of health care personnel and health care delivery in the state. Measurement criteria include the number of training sites served, the number of students receiving educations through the program, and student experiences in areas with current shortages of health care professionals. On average, approximately 2,300 students receive clinical training at 380 community training sites annually.

Program 11.11: Geriatric Medicine

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-525	Geriatric Medicine	\$ 750,110	\$ 750,110
Total Funding: Geriatric Medicine			\$ 750,110	\$ 750,110

This program supports the offices of geriatric medicine within the public medical colleges in Ohio. The maintenance of these offices was mandated by the state in section 3333.111 of the Ohio Revised Code. The program helps ensure that all Ohio medical students receive specific education and training within their medical school curricula concerning the care of older adults. To that end the offices are responsible for including geriatric medicine-related subject matter in existing courses, arranging the courses in sequence, and establishing courses in geriatric medicine wherever appropriate. The program's goal is to improve health care and create a better quality of life for Ohio's senior population. For this program the executive budget recommends flat funding in FY 2008 and FY 2009.

Program 11.12: Medical Collaboration Network

Fund	ALI	Title/Earmark	FY 2008	FY 2009
FED 3H2	235-622	Medical Collaboration Network	\$ 3,346,143	\$ 3,346,144
Total Funding: Medical Collaboration Network			\$ 3,346,143	\$ 3,346,144

This federally funded program connects colleges, universities, and hospitals to Ohio's Third Frontier Network. The program's goal is to promote and enhance collaboration among university-affiliated hospitals in order to improve medical education, medical research, and health care. The collaborations take advantage of the information-carrying capability of the Third Frontier Network to support programs in these areas. For this program the executive budget recommends flat funding in FY 2008 and FY 2009. The funding source of the program is a grant from the U.S. Department of Health and Human Services.

Program Series

12: Planning and Coordination

Purpose: This program series supports BOR's administrative operations, including the maintenance and operation of the Higher Education Information (HEI) system.

The following table shows the line items that are used to fund the Planning and Coordination program series, as well as the Governor's recommended funding levels.

Appropriation Amounts for Program Series 12: Planning and Coordination				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	235-321	Operating Expenses	\$ 3,141,351	\$ 3,141,351
GRF	235-409	Information System	\$ 1,175,172	\$ 1,175,172
General Revenue Fund Subtotal			\$ 4,316,523	\$ 4,316,523
General Services Fund (GSF)				
456	235-603	Sales and Services	\$ 700,000	\$ 700,000
220	235-614	Program Approval and Reauthorization	\$ 800,000	\$ 800,000
General Services Fund Subtotal			\$ 1,500,000	\$ 1,500,000
Total Funding: Planning and Coordination			\$ 5,816,523	\$ 5,816,523

The Planning and Coordination program series contains three programs. These programs and their shares of the biennial funding for this program series are as follows:

- **Program 12.01: Program Management – 66.0%**
- **Program 12.02: Information System – 20.2%**
- **Program 12.03: Program Authorization – 13.8%**

For this program series the executive budget recommends a 3.6% increase for FY 2008 and flat funding for FY 2009. Of this series' biennial total of \$11.6 million, 74.2% comes from the GRF and 25.8%, from the General Services Fund Group. Details of each of the three programs are provided below.

Program 12.01: Program Management

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-321	Operating Expenses	\$ 3,141,351	\$ 3,141,351
		<i>Partnership for Continued Learning</i>	\$ 150,000	\$ 150,000
		<i>Remainder</i>	\$ 2,991,351	\$ 2,991,351
GSF 456	235-603	Service and Publication Fees	\$ 700,000	\$ 700,000
Total Funding: Program Management			\$ 3,841,351	\$ 3,841,351

This program equips BOR with essential resources, mainly personnel, to enable the agency to pursue its mandated mission to serve Ohio's colleges and universities and to provide higher education policy and budget advice to the Governor and to the General Assembly. For this program the executive budget recommends a 4.9% decrease in FY 2008 and flat funding in FY 2009.

This program is supported by two appropriation items. GRF appropriation item 235-321, Operating Expenses, supports BOR's operations by providing moneys for personal services, maintenance, and equipment. Item 235-603, Sales and Services, is funded from fees deposited into Fund 456 of the General Services Fund group and covers the costs of the production of official publications and the delivery of services associated with BOR's Higher Education Information (HEI) system, as well as miscellaneous meeting expenses.

As indicated in Overview, BOR currently has 90 staff members and is likely to fill 10 vacancies over the FY 2008-FY 2009 biennium once the hiring freeze is lifted, bringing its total staffing level to 100. Three of these ten vacancies are newly created positions and the other seven positions were left vacant by employees who have left or moved within the agency.

GRF appropriation item 235-321, Operating Expenses, is not the only source of funds to support personnel costs of BOR. Other 400-series GRF appropriation items generally include funds for program administration. In addition, appropriation items supported by other special purpose state funds and federal funds also contain funds for administration. The executive budget's total recommendation for all personal service costs is approximately \$8.3 million in FY 2008 and \$8.2 million in FY 2009 and, of that total, 37.9% and 38.8%, respectively, come from GRF appropriation item 235-321, Operating Expenses.

Partnership for Continued Learning. Chaired by the Governor, the Partnership for Continued Learning is a partnership between the Ohio Board of Regents and the State Board of Education charged with taking a comprehensive look at the preschool through college educational system in order to further academic achievement. This funding is combined with an earmark of \$150,000 each fiscal year in the Department of Education budget for a total funding of \$300,000 in each fiscal year.

Program 12.02: Information System

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	235-409	Information System	\$ 1,175,172	\$ 1,175,172
Total Funding: Information System			\$ 1,175,172	\$ 1,175,172

This program supports the continual development, expansion, and operations of the Higher Education Information (HEI) system, a comprehensive relational database containing a wide array of information about Ohio's colleges and universities. As inputs to HEI, public campuses report data on student enrollments and demographics, faculties, course offerings, facilities, physical plant inventories, and finances. Both public and private colleges and universities report financial aid data. All state-supported institutions are contributors to HEI's database and users of its data; private institutions report data as well.

The system's data and software enable various complex calculations and applications, including the allocation and disbursement of the state's main subsidy appropriation, the State Share of Instruction, to the campuses and the calculation and distribution of funds to students under Ohio's several financial aid programs. HEI's information is used by BOR, institutions, and other state offices to inform policy and budget decisions, and is used for Basic Data Series reports, performance reporting, and other BOR higher education reporting. Some of the program's funds are provided to state-supported and independent institutions of higher education to assist them in complying with HEI's new reporting procedures and deadlines.

For this program the executive budget recommends flat funding in FY 2008 and FY 2009. BOR will use the appropriations for the equipment, supplies, and personnel needed to maintain and enhance the existing HEI system capabilities; and for the development of information system projects, including the Articulation and Transfer Clearinghouse, capital planning applications, and data agreements with other state agencies and other states.

Program 12.03: Program Authorization

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GSF 220	235-614	Program Approval and Reauthorization	\$ 800,000	\$ 800,000
Total Funding: Program Authorization			\$ 800,000	\$ 800,000

This program enables BOR to directly contract with and reimburse consultants who review and evaluate higher education institutions' degree program proposals, conduct institutional authorization and reauthorization reviews, and perform institutional oversight reviews for private, proprietary, and out-of-state institutions, pursuant to Chapter 1713. of the Ohio Revised Code. BOR's purpose in having programs and proposed programs reviewed by objective outside experts is to provide appropriate institutional oversight by the board in order to ensure that Ohio's degree programs are of the highest educational quality.

For this program the executive budget recommends a 100.0% increase in FY 2008 and flat funding in FY 2009. The funding source of the program is provided by remittances from those institutions requesting reviews, evaluations, authorizations and reauthorizations; the institutions are responsible for all costs associated with the authorization process. The remittances are paid into Fund 220 of the General Services Fund group, which funds the program's appropriations.

The costs incurred by this program are driven by the number of authorization requests that BOR receives from public, private, proprietary, and out-of-state institutions, the number of reauthorization requests received from currently authorized institutions, and the number of institutional oversight reviews performed by BOR. Each institutional request for authorization or reauthorization must be accommodated by BOR, which must also provide appropriate oversight reviews each year. The total number of reviews per year can vary depending on the institutions' circumstances. While BOR will conduct approximately 40-50 reviews in FY 2007, it expects the number to grow to 80-100 per year during the new biennium.

REQUESTS NOT FUNDED

In this section the executive budget recommendation is compared with BOR's budget request to determine those amounts of the requested appropriations that are not funded by the executive budget. In its budget request BOR proposed a "flat budget" based on OBM budget guidelines for the FY 2008-FY 2009 biennium. BOR also proposed a preferred "initiative budget," which is intended to fund enrollment growth and compensate for a certain level of inflation. The Requests Not Funded for both of these proposed budgets are provided in the two tables below for fiscal years 2008 and 2009. The tables are organized based on the 12 program series used by the executive budget. A brief analysis of the major differences between the executive budget and BOR's initiative budget is provided after the tables.

Requests Not Funded–FY 2008

Table 1. Requests Not Funded by Program Series - FY 2008						
Program Series	BOR Budget Request		Executive Budget	Difference: Executive Budget – BOR Budget Request		
	Flat Budget	Initiative Budget		Flat Budget	Initiative Budget	
PS 1	College and University Instructional Operations	\$1,589,346,031	\$1,653,136,601	\$1,668,550,832	\$79,204,801	\$15,414,231
PS 2	Facilities and Debt Service	\$372,019,266	\$372,265,842	\$393,631,742	\$21,612,476	\$21,365,900
PS 3	Pre-K through 16 Preparation and Access	\$21,452,372	\$32,405,272	\$28,954,616	\$7,502,244	(\$3,450,656)
PS 4	Student Access	\$300,498,803	\$400,602,407	\$295,451,474	(\$5,047,329)	(\$105,150,933)
PS 5	Academic Success	\$60,526,934	\$64,982,079	\$61,578,973	\$1,052,039	(\$3,403,106)
PS 6	Basic and Applied Research	\$72,865,026	\$79,847,726	\$67,744,130	(\$5,120,896)	(\$12,103,596)
PS 7	Workforce and Regional Economic Development	\$37,988,072	\$41,624,325	\$40,488,072	\$2,500,000	(\$1,136,253)
PS 8	Higher Education Collaborations	\$18,421,001	\$20,436,505	\$18,426,001	\$5,000	(\$2,010,504)
PS 9	General Public Service	\$7,212,990	\$7,429,380	\$8,436,990	\$1,224,000	\$1,007,610
PS 10	Public Safety	\$17,143,457	\$19,263,366	\$17,143,457	\$0	(\$2,119,909)
PS 11	Medical Support	\$65,912,475	\$70,676,799	\$67,512,474	\$1,599,999	(\$3,164,325)
PS 12	Planning and Coordination	\$5,241,522	\$6,064,668	\$5,816,523	\$575,001	(\$248,145)
TOTAL, FY 2008		\$2,568,627,949	\$2,768,734,970	\$2,673,735,284	\$105,107,335	(\$94,999,686)

Table 1 shows that the executive budget for FY 2008 exceeds the BOR flat-budget request in 10 of the 12 program series and by \$105.1 million in total. Of the \$105.1 million in excess funds, \$79.2 million is provided for PS 1, College and University Instructional Operations.

Compared with the BOR's initiative-budget request, the executive budget appropriations are lower in nine of the 12 program series and by \$95.0 million in total. The major shortfalls occur in PS 4, Student Access, at \$105.2 million and in PS 6, Basic and Applied Research, at \$12.1 million. However, note that the executive budget recommendation for PS 1, College and University Instructional Operations exceeds the BOR's initiative-budget request by \$15.4 million. The executive budget recommendation for PS 2, Facilities and Debt Service, also exceeds the BOR's initiative-budget request by \$21.4 million.

Requests Not Funded –FY 2009

Table 2. Requests Not Funded by Program Series - FY 2009						
Program Series		BOR Budget Request		Executive Budget	Difference: Executive Budget – BOR Budget Request	
		Flat Budget	Initiative Budget		Flat Budget	Initiative Budget
PS 1	College and University Instructional Operations	\$1,589,346,031	\$1,719,758,006	\$1,701,921,849	\$112,575,818	(\$17,836,157)
PS 2	Facilities and Debt Service	\$372,014,266	\$372,260,842	\$371,916,142	(\$98,124)	(\$344,700)
PS 3	Pre-K through 16 Preparation and Access	\$21,202,372	\$33,267,630	\$35,214,497	\$14,012,125	\$1,946,867
PS 4	Student Access	\$300,498,833	\$431,414,786	\$282,199,665	(\$18,299,168)	(\$149,215,121)
PS 5	Academic Success	\$60,526,934	\$69,223,110	\$61,578,973	\$1,052,039	(\$7,644,137)
PS 6	Basic and Applied Research	\$74,236,014	\$86,499,904	\$69,115,118	(\$5,120,896)	(\$17,384,786)
PS 7	Workforce and Regional Economic Development	\$37,988,072	\$45,294,666	\$42,988,072	\$5,000,000	(\$2,306,594)
PS 8	Higher Education Collaborations	\$18,421,001	\$21,188,176	\$18,426,001	\$5,000	(\$2,762,175)
PS 9	General Public Service	\$7,212,990	\$7,652,261	\$8,436,990	\$1,224,000	\$784,729
PS 10	Public Safety	\$17,143,457	\$20,797,817	\$17,143,457	\$0	(\$3,654,360)
PS 11	Medical Support	\$65,912,475	\$74,018,732	\$67,512,474	\$1,599,999	(\$6,506,258)
PS 12	Planning and Coordination	\$5,241,522	\$6,270,401	\$5,816,523	\$575,001	(\$453,878)
TOTAL, FY 2009		\$2,569,743,967	\$2,887,646,333	\$2,682,269,761	\$112,525,794	(\$205,376,572)
TOTAL, biennium (FY 2008 + FY 2009)		\$5,138,371,916	\$5,656,381,303	\$5,356,005,045	\$217,633,129	(\$300,376,258)

As Table 2 shows, the executive budget for FY 2009 exceeds the BOR flat-budget request in nine of the 12 program series and by \$112.5 million in total. PS 1, College and University Instructional Operations, accounts for the whole amount of the difference.

Compared with the BOR's initiative-budget request, the executive budget appropriations are lower in 10 of the 12 program series and by \$205.4 million in total. The major shortfalls again occur in PS 4, Student Access, at \$149.2 million and in PS 6, Basic and Applied Research, at \$17.4 million. The

executive budget recommendation for PS 1, College and University Instructional Operations is also lower by \$17.8 million.

For the biennium's total appropriations, the executive budget exceeds the BOR flat-budget request by \$217.6 million or 4.2%. Of this amount, \$191.8 million or 88.0% arises from the additional funding for PS 1, College and University Instructional Operations. On the other hand, the executive budget falls short of BOR's initiative-budget request by \$300.4 million or 5.3%. Of this amount, \$254.4 million or 85% occurs in PS 4, Student Access.

Analyses of Line Items with Major Differences

This section analyzes those line items with major portions of their BOR budget requests not funded by the executive budget. Since the total executive budget significantly exceeds BOR's total flat-budget request for each of the two fiscal years, this section will focus solely on BOR's initiative-budget request.

Program Series 1: College and University Instructional Operations

235-501, State Share of Instruction (SSI) and 235-568, Higher Education Compact

The initiative budget requested \$1,653.1 million in FY 2008 and \$1,719.8 million in FY 2009 for the SSI line item. BOR indicates that these levels would provide for projected enrollment growth and inflationary increases for the FY 2008-FY 2009 biennium. The executive budget provides flat funding for SSI at \$1,589.1 million for both fiscal years. However, it also adds a new higher education compact, funded at \$79.5 million in FY 2008 and \$112.8 million in FY 2009, into this program. The executive budget's combined SSI and compact funding exceeds BOR's initiative-budget request for SSI by \$15.4 million in FY 2008 and falls short by \$17.8 million in FY 2009.

Program Series 4: Student Access

235-503, Ohio Instructional Grants; 235-549, Part-time Student Instructional Grants; and 235-563, Ohio College Opportunity Grants

As the new Ohio College Opportunity Grants (OCOG) program continues to be phased in after its beginning in FY 2007, two existing programs, Ohio Instructional Grants and Part-time Student Instructional Grants (PSIG), are being phased out. These trends are reflected in the appropriations for these three line items, as shown in Table 3 below.

Table 3. Program Series 4: Initiative-budget Requests Not Funded for three financial-aid line items							
Line Item	FY 2007	FY 2008			FY 2009		
		Initiative Request	Executive Budget	Executive minus Initiative	Initiative Request	Executive Budget	Executive minus Initiative
Ohio Instructional Grants	\$92,496,969	\$42,765,293	\$42,533,966	(\$231,327)	\$19,939,230	\$18,315,568	(\$1,623,662)
Part-time Student Instructional Grants	\$10,534,617	\$7,710,898	\$0	(\$7,710,898)	\$5,406,065	\$0	(\$5,406,065)
Ohio College Opportunity Grants	\$58,144,139	\$175,202,589	\$139,974,954	(\$35,227,635)	\$226,640,774	\$151,113,781	(\$75,526,993)
TOTAL	\$161,175,725	\$225,678,780	\$182,508,920	(\$43,169,860)	\$251,986,069	\$169,429,349	(\$82,556,720)

The table shows that the executive budget for OIG follows approximately BOR's initiative-budget request for the phase-out of that line item. However, the PSIG appropriation, instead of undergoing a phase-out, is eliminated entirely in the executive budget beginning in FY 2008. Finally, the OCOG program being phased in shows sizable increases from FY 2007 to FY 2008 and FY 2009 under the executive budget; nevertheless, large portions of BOR's budget request for this line item are not funded: \$35.2 million (20%) and \$75.5 million (33%), respectively.

235-531, Student Choice Grants

The initiative budget, at \$54.6 million for FY 2008 and \$56.2 million for FY 2009, provides increases from the FY 2007 appropriation of \$53.0 million. The executive budget recommends \$18.0 million per year, resulting in differences of \$36.6 million and \$38.2 million, respectively. The executive budget aligns this program with OCOG. Beginning in FY 2008, only those students who are eligible to obtain OCOG grants may receive student choice grants.

235-628, Temporary Assistance for Needy Families

BOR's initiative budget recommends a \$30.0 million appropriation of federal TANF funds in each fiscal year. The executive budget does not fund this request.

Program Series 5: Academic Success

235-420, Success Challenge

From \$52.6 million in FY 2007, the initiative budget recommends \$56.5 million for FY 2008 and \$60.8 million for FY 2009. The executive recommendation provides an appropriation of \$53.7 million in each fiscal year, resulting in differences of \$2.9 million and \$7.1 million, respectively.

Program Series 6: Basic and Applied Research

235-433, Economic Growth Challenge

Following a \$23.2 million appropriation in FY 2007, the initiative budget requests \$27.5 million for FY 2008 and \$31.2 million for FY 2009. The executive budget provides \$17.2 million in each fiscal year, resulting in differences of \$10.3 million and \$14.0 million, respectively.

The executive budget funds all three of this line item's incentive earmarks, which comprise the entire appropriation. A comparison of each earmarks' funding levels is provided in Table 4, below.

Table 4. Program Series 6: Initiative-budget Requests Not Funded for Three Earmarks Under the Economic Growth Challenge							
Earmark	FY 2007	FY 2008			FY 2009		
		Initiative Request	Executive Budget	Executive minus Initiative	Initiative Request	Executive Budget	Executive minus Initiative
Research Incentive	\$18,000,000	\$18,900,000	\$12,000,000	(\$6,900,000)	\$19,845,000	\$12,000,000	(\$7,845,000)
Innovation Incentive	\$4,686,194	\$8,120,330	\$4,686,194	(\$3,434,136)	\$10,827,106	\$4,686,194	(\$6,140,912)
Technology Commercialization Incentive	\$500,000	\$500,000	\$500,000	\$0	\$500,000	\$500,000	\$0
TOTAL EGC Appropriation	\$23,186,194	\$27,520,330	\$17,186,194	(\$10,334,136)	\$31,172,106	\$17,186,194	(\$13,985,912)

The table shows that the executive budget decreases GRF funding for the Research Incentive Program from \$18.0 million in FY 2007 to \$12.0 million in FY 2008 and FY 2009. However, the executive budget indicates that this earmark will be augmented in each fiscal year by \$18.0 million in Third Frontier bond proceeds, bringing its total funding to \$30.0 million per year, which is higher than BOR's initiative budget by \$11.1 million per year.

Program Series 11: Medical Support

Clinical Teaching (six line items)

For the six medical schools' clinical teaching line items, the initiative budget requests a 6.0% increase per year. The executive budget does not fund this increase and provides flat funding for these items, as shown by the differences provided in Table 5, below.

Table 5. Program Series 11: Initiative-budget Requests Not Funded for Six Clinical Teaching Line Items							
Medical School	FY 2007	FY 2008			FY 2009		
		Initiative Request	Executive Budget	Executive minus Initiative	Initiative Request	Executive Budget	Executive minus Initiative
The Ohio State University	\$13,565,885	\$14,282,557	\$13,565,885	(\$716,672)	\$15,036,525	\$13,565,885	(\$1,470,640)
University of Cincinnati	\$11,157,756	\$11,654,202	\$11,157,756	(\$496,446)	\$12,186,032	\$11,157,756	(\$1,028,276)
Medical University of Ohio at Toledo	\$8,696,866	\$9,215,034	\$8,696,866	(\$518,168)	\$9,762,188	\$8,696,866	(\$1,065,322)
Wright State University	\$4,225,107	\$4,526,200	\$4,225,107	(\$301,093)	\$4,851,900	\$4,225,107	(\$626,793)
Northeastern Ohio Universities College of Medicine	\$4,084,540	\$4,444,958	\$4,084,540	(\$360,418)	\$4,824,708	\$4,084,540	(\$740,168)
Ohio University	\$4,200,945	\$4,564,013	\$4,200,945	(\$363,068)	\$4,946,830	\$4,200,945	(\$745,885)
TOTAL	\$45,931,099	\$48,686,964	\$45,931,099	(\$2,755,865)	\$51,608,183	\$45,931,099	(\$5,677,084)

Am. Sub. H.B. 66 of the 126th General Assembly required BOR to study and propose a new formula for allocating clinical teaching appropriations to the medical schools. The recommendation is to allocate the clinical teaching funding in two steps: First, for each fiscal year 2008 and 2009 the medical schools receive amounts equal to their proportionate shares of the fiscal year 2007 appropriation; second, if the combined funding for a fiscal year exceeds the FY 2007 level, each school is to receive a portion of the excess based on its share of the state's total full-time equivalent medical students. The executive budget flat funds the six clinical teaching line items.

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General Revenue Fund

GRF 235-321 Operating Expenses

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$3,320,303	\$2,700,210	\$2,843,499	\$3,141,351	\$3,141,351	\$3,141,351
	-18.7%	5.3%	10.5%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3333; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the Board of Regents' operations by providing funds for personal services, maintenance and equipment needs. The line item was created for the FY 2000-FY 2001 budget and replaces line items 235-100, Personal Services, 235-200, Maintenance, and 235-300, Equipment.

GRF 235-401 Lease Rental Payments

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$246,044,911	\$215,895,522	\$200,013,593	\$200,795,300	\$203,177,900	\$136,017,500
	-12.3%	-7.4%	0.4%	1.2%	-33.1%

Source: GRF

Legal Basis: Article VIII Section 2i of the Ohio Constitution; ORC 154.21; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides funds to service and retire the debt on special obligation revenue bonds sold to finance capital improvements for higher education. Passed in November 1999, State Issue 1 authorized the use of general obligation (GO) debt for higher education capital improvements. GO bonds are backed by the full faith and credit of the state and can usually be issued at interest rates lower than the rates commanded by special obligation revenue bonds. Since then no new revenue bonds have been issued for higher education capital projects. Consequently, the appropriations for this item will continue to decline until 2014, when all of the special obligation debt will be retired, according to the current debt retirement schedule.

GRF 235-402 Sea Grants

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$263,899	\$257,694	\$231,925	\$231,925	\$231,925	\$231,925
	-2.4%	-10.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 291 of the 115th G.A.)

Purpose: This line item provides partial support to the Ohio Sea Grant College Program, a statewide program based at the Ohio State University's Lake Erie Research Center. Sea Grant funds education, research, communication, extension and outreach efforts in multiple disciplines to enhance the use and development of the nation's ocean, coastal, and Great Lakes resources, and to improve their management.

GRF 235-403 Mathematics and Science Teaching Improvement

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,680,454	\$1,608,159	\$36,390	\$0	\$0	\$0
	-4.3%	-97.7%			

Source: GRF

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 282 of the 123rd G.A.)

Purpose: This line item supported the Board of Regents' efforts to improve the quality of mathematics and science teaching in primary and secondary education and in higher education. A portion of the funds went to the Mathematics and Science Center in Lake County, while another small portion went to the Ohio Mathematics and Science Coalition. Funding for these activities has been consolidated into line item 235-435, Teacher Improvement Initiatives.

GRF 235-404 College Readiness Initiatives

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,963,237	\$2,733,884	\$456,326	\$0	\$0	\$0
	-7.7%	-83.3%			

Source: GRF

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 282 of the 123rd G.A.)

Purpose: This line item supported several programs designed to improve the ability of high school students to enroll and succeed in higher education. The programs used various methods, such as early assessment testing, to promote student success and to improve collaboration between primary/secondary education and higher education. Funding for this program has been consolidated into line item 235-434, College Readiness and Access.

GRF 235-406 Articulation and Transfer

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$640,122	\$751,133	\$1,740,536	\$2,900,000	\$2,900,000	\$2,900,000
	17.3%	131.7%	66.6%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3333.16; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the Board of Regents' effort to establish an effective statewide student articulation and transfer system, addressing issues arising from the transfer of students and their credits between Ohio's colleges and universities, as well as issues arising from increasing student mobility throughout the higher education system.

GRF 235-408 Midwest Higher Education Compact

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$82,500	\$82,500	\$90,000	\$90,000	\$95,000	\$95,000
	0.0%	9.1%	0.0%	5.6%	0.0%

Source: GRF

Legal Basis: ORC 3333.40 and 3333.41; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used to pay Ohio's membership dues to the Midwestern Higher Education Compact's (MHEC) commission. Established in 1991, the MHEC is a non-profit regional organization. Its purpose is to advance higher-education services and opportunities in the Midwest region. It is charged with promoting interstate cooperation and resource sharing in higher education through three core functions: cost-saving programs, tuition reduction, and policy research.

GRF 235-409 Information System

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,028,634	\$1,221,313	\$1,111,302	\$1,175,172	\$1,175,172	\$1,175,172
	18.7%	-9.0%	5.7%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: This line item supports the continual development, expansion and operations of the Higher Education Information (HEI) System, a centrally located data warehouse containing a wide array of information about Ohio's colleges and universities. The information includes student demographics and enrollments, physical plant inventories, financial data, and course offerings. All state-supported institutions are contributors and users of HEI data, and private institutions report data as well.

GRF 235-414 State Grants and Scholarship Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,129,867	\$1,171,760	\$1,794,575	\$1,707,881	\$1,707,881	\$1,707,881
	3.7%	53.2%	-4.8%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. S.B. 215 of the 122nd G.A.)

Purpose: This line item is used to support the operating expenses of the Board of Regents in its administration of various state grant and scholarship programs that provide financial aid to students.

GRF 235-415 Jobs Challenge

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$9,348,300	\$9,296,021	\$9,400,579	\$9,348,300	\$9,348,300	\$9,348,300
	-0.6%	1.1%	-0.6%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item supports the 53 public two-year campuses that are members of the EnterpriseOhio Network providing non-credit job training to Ohio's businesses and employees in order to address their workforce training needs. The funds provided by the Jobs Challenge are divided into three components: (1) Performance Grants of equal amounts are provided to each of the 53 campuses of the EnterpriseOhio Network for basic support for its operations; (2) the Targeted Industries Training Grant Program provides funds for the training of employees in manufacturing, information technology, and health care; and (3) the Higher Skills Incentives Program distributes funds to 53 campuses based on the proportion of each campus's share of total revenue that all of the campuses receive from third-party entities for non-credit job-related training.

GRF 235-417 Ohio Learning Network

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$3,276,524	\$3,119,496	\$3,119,496	\$3,119,496	\$3,119,496	\$3,119,496
	-4.8%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 89 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item supports the Ohio Learning Network (OLN), a statewide state-of-the-art electronic collaborative information system. The system is designed to use advanced telecommunications and distance education initiatives to promote higher-education access and degree completion for students, workforce training for Ohio's employees, and professional development.

GRF 235-418 Access Challenge

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$64,726,452	\$63,336,673	\$73,496,070	\$74,754,671	\$78,342,183	\$78,694,875
	-2.1%	16.0%	1.7%	4.8%	0.5%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item seeks to support efforts by designated “access” campuses to restrict tuition costs for in-state undergraduate students. Access campuses include all two-year public colleges and branch campuses, as well as Central State University, Shawnee State University, and the two-year technical-community college components of the University of Akron, the University of Cincinnati, and Youngstown State University. Access Challenge funds are allocated to the campuses in proportion to their shares of the statewide total of General Studies full-time-equivalent (FTE) students. Beginning in FY 2006, an earmark contains the funding that was previously appropriated through GRF line item 235-514, Central State Supplement.

GRF 235-420 Success Challenge

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$48,977,515	\$52,598,671	\$52,558,447	\$52,601,934	\$53,653,973	\$53,653,973
	7.4%	-0.1%	0.1%	2.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item is used to support 4-year universities' efforts to promote successful degree completion by "at-risk" baccalaureate students and timely degree completion by all baccalaureate students. An "at-risk" student is currently defined as any student who was eligible to receive an Ohio need-based financial aid award during the past ten years. "Timely manner" is generally meant to be four years.

GRF 235-428 Appalachian New Economy Partnership

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,132,697	\$1,076,068	\$1,176,068	\$1,176,068	\$1,176,068	\$1,176,068
	-5.0%	9.3%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is to promote economic development in Appalachia through integrated investments. The investments are designed to improve and target the region's information technology and knowledge infrastructure and to support existing and new private-public technology partnerships among Ohio's public and private campuses, private industry, local government, and school districts within the 29-county Appalachia region.

GRF 235-433 Economic Growth Challenge

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$20,332,567	\$23,186,194	\$17,186,194	\$17,186,194
		N/A	14.0%	-25.9%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is intended to enhance the basic research capabilities of Ohio's colleges and universities, support improved graduate programs throughout the state, and promote the transfer of technology developed by colleges and universities to private industry in order to further the economic goals of the state. Three separate initiatives are funded under this line item: the Research Incentive Program is the continuation of appropriation item 235-454, Research Challenge, which is consolidated into this line item; the Innovation Incentive Program provides funds to match the funds set aside by participating universities from the State Share of Instruction's doctoral subsidies for restructuring their arrays of doctoral programs; the Technology Commercialization Incentive, which is funded beginning in FY 2007, rewards public and private colleges and universities for successful technology transfer to Ohio-based business and industry.

GRF 235-434 College Readiness & Access

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$5,966,725	\$7,655,425	\$12,655,425	\$12,655,425
		N/A	28.3%	65.3%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is intended to support programs that increase the number of students who enroll and succeed in higher education and improve academic preparation. It supports such programs as the Ohio College Access Network (OCAN) and the Ohio Appalachian Center for Higher Education (OACHE), and provides the state match for the federal Gaining Early Awareness and Readiness for Undergraduate Program (Gear-Up) under line item 235-611, Gear-Up Grant. This line item is a consolidation of items 235-404, College Readiness Initiatives and 235-477, Access Improvement Initiatives.

GRF 235-435 Teacher Improvement Initiatives

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$2,233,092	\$2,697,506	\$4,697,506	\$11,197,506
		N/A	20.8%	74.1%	138.4%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports programs such as OSI–Discovery and the Centers of Excellence in Mathematics and Science, which are designed to raise the quality of mathematics and science teaching in primary and secondary education, and the Ohio Resource Center for Mathematics, Science, and Reading. It also supports regional summer academies that focus on foreign language, science, mathematics, engineering, and technology. Furthermore, funds are provided in FY 2009 to provide signing bonuses and loan forgiveness for traditional public school mathematics, science, and foreign teachers who agree to teach in hard-to-staff schools. This line item is a consolidation of items 235-403, Mathematics and Science Teaching Improvement, and 235-588, Ohio Resource Center for Mathematics, Science, and Reading.

GRF 235-436 Accelerate Ohio

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$0	\$2,500,000	\$5,000,000
				N/A	100.0%

Source: GRF

Legal Basis: Proposed by the executive budget

Purpose: This line item supports a statewide program to increase the education and skills of Ohio's workforce by assisting low-income working adults in Ohio to improve their education and training. The Board of Regents collaborates with Ohio's public two-year campuses to develop competency-based, low-cost, non-credit, and credit-bearing modules and courses in communications, mathematics, information technology, and other fields. The program is to culminate in a certificate and provide recipients with a foundation for additional post-secondary education.

GRF 235-451 Eminent Scholars

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$1,462,500	\$0	\$1,370,988	\$0	\$1,370,988
			N/A		

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the Eminent Scholars program, whose purpose is to invest educational resources in attracting and sustaining scholar-leaders of national or international prominence to Ohio's public universities. These scholars are expected to assist the state by conducting scientific and technological research, providing an essential basic-science platform for commercialization efforts, and helping to accelerate Ohio's economic growth.

GRF 235-454 Research Challenge

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$17,540,564	\$16,992,799	\$95,512	\$0	\$0	\$0
	-3.1%	-99.4%			

Source: GRF

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 238 of the 116th G.A.)

Purpose: This line item provided matching funds to universities to support basic and applied research. The program was intended to foster the development of new research strengths of critical importance to Ohio's economic growth. The funds were allocated on the basis of each university's share of qualifying externally funded research from the prior fiscal year. The program included an incentive for increasing the amount of external research funds and for focusing research efforts upon critical state needs. Beginning in FY 2006, this program has been funded as the Research Incentive Program under line item 235-433, Economic Growth Challenge.

GRF 235-455 EnterpriseOhio Network

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,445,052	\$1,367,877	\$1,373,322	\$1,373,941	\$1,373,941	\$1,373,941
	-5.3%	0.4%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 238 of the 116th G.A.)

Purpose: This line item supports the Board of Regents' staffing and resource needs for the EnterpriseOhio Network, as well as network coordination, resource sharing, and statewide outreach to private- and public-sector organizations. The EnterpriseOhio Network represents a collaborative effort among Ohio's 53 community, technical and regional colleges to meet the workforce development needs of Ohio's business and industry through non-credit job training and assessment services.

GRF 235-474 Area Health Education Centers Program Support

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,653,337	\$1,571,756	\$1,571,756	\$1,571,756	\$1,571,756	\$1,571,756
	-4.9%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 694 of the 114th G.A.)

Purpose: This line item provides funds for the Area Health Education Center (AHEC) program, which coordinates the placement of students of medicine and other health professions into community-based training sites, with an emphasis on sites of rural and inner-city areas that have physician shortages. The program is intended to improve the geographic distribution and quality of health care personnel and delivery in the state.

GRF 235-477 Access Improvement Projects

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,021,923	\$1,011,494	\$1,044	\$0	\$0	\$0
	-1.0%	-99.9%			

Source: GRF

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 238 of the 116th G.A.)

Purpose: This line item supported the Access Improvement Projects program, which developed statewide strategies to increase retention and access to higher education for students in specialized populations. The item's funds supported programs and efforts designed to increase college attendance and success rates among groups that traditionally have been under-represented in higher education. A primary portion of the money was provided to the Ohio Appalachian Center for Higher Education (OACHE), which supports access to college in Ohio's 29-county Appalachian region. Beginning in FY 2006, funding for this program has been consolidated into line item 235-434, College Readiness and Access.

GRF 235-501 State Share of Instruction

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,533,822,863	\$1,558,729,618	\$1,558,846,889	\$1,589,096,031	\$1,589,096,031	\$1,589,096,031
	1.6%	0.0%	1.9%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3333.04; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides subsidies to all of Ohio's state-assisted colleges and universities to help offset the cost of higher education for Ohio residents. In-state undergraduate students as well as both in-state and out-of-state graduate students are eligible for the subsidies. The funds from this line item are allocated to each campus according to a complex empirical formula largely based on the number of credit hours taken by students in each of the courses offered. The funds are distributed to the campuses in equal monthly installments during a fiscal year, although payments in the second half of the fiscal year are adjusted to make use of new enrollment data from the campuses' fall terms.

GRF 235-502 Student Support Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$1,631,638	\$795,790	\$795,790	\$795,790	\$795,790
		-51.2%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 715 of the 120th G.A.)

Purpose: This line item provides supplemental state support to state-assisted institutions that have high concentrations of disabled students and incur disproportionate costs in providing instructional and related services to these students. The Board of Regents annually determines the qualified campuses and the statewide average costs of student support services. The purpose of the program is to help Ohio's public colleges and universities conform to the Americans with Disabilities Act and to make Ohio's campuses more physically accessible for disabled students.

GRF 235-503 Ohio Instructional Grants

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$111,966,303	\$114,861,803	\$138,030,470	\$92,496,969	\$42,533,966	\$18,315,568
	2.6%	20.2%	-33.0%	-54.0%	-56.9%

Source: GRF

Legal Basis: ORC 3333.12; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides need-based tuition-assistance grants to full-time Ohio-resident undergraduate students from low- and moderate-income families. The program, enacted in 1969, is intended to expand access to higher education by bringing the cost of college within reach of more Ohio families. Awards are granted only to eligible Ohio resident undergraduates based on family income, dependency status, the number of dependent children in the family, and the type of institution the student is attending (public, private, or career college). The Ohio Instructional Grant program is being phased out and will be replaced by the Ohio College Opportunity Grant for new undergraduates.

GRF 235-504 War Orphans Scholarships

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$3,832,679	\$4,159,256	\$4,282,366	\$4,672,321	\$4,812,321	\$4,812,321
	8.5%	3.0%	9.1%	3.0%	0.0%

Source: GRF

Legal Basis: ORC 5910.01 through 5910.06; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides scholarships, in an amount equal to the amount of undergraduate instructional and general fees charged, for the children of deceased or disabled veterans of wartime military service in the U.S. armed forces to state-assisted institutions. Scholarships are also provided on behalf of eligible students attending independent non-profit and proprietary institutions in amounts equal to the average amounts received by recipients attending state-assisted institutions during the previous academic year. The program's mission is to acknowledge and honor the sacrifices made by the United States military by ensuring that children of deceased or disabled Ohio veterans have access to higher education.

GRF 235-507 OhioLINK

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$6,887,824	\$6,887,824	\$6,887,824	\$6,887,824	\$6,887,824	\$6,887,824
	0.0%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. H.B. 810 of the 117th G.A.)

Purpose: This line item supports the operations of the OhioLINK electronic library information and retrieval system. The OhioLINK program was created in 1988 to address a lack of adequate information resources available for research and teaching. OhioLINK provides statewide access to the library holdings of Ohio's public colleges and universities, forty private campuses, and the State Library of Ohio. Over 60 percent of the funds appropriated are used to support core statewide electronic content licenses.

GRF 235-508 Air Force Institute of Technology

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,012,662	\$1,925,345	\$1,925,345	\$1,925,345	\$1,925,345	\$1,925,345
	-4.3%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 282 of the 123rd G.A.)

Purpose: This line item supports the Air Force Institute of Technology (AFIT) at Wright-Patterson Air Force Base. AFIT, a joint research program between the state of Ohio and the United States Air Force, provides graduate-level education in logistics and engineering for Air Force personnel. The program's purpose is to ensure that Air Force personnel have access to critical training and graduate-level education in those subjects.

GRF 235-509 Women in Transition

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$196,670	\$187,245	\$0	\$0	\$200,000	\$200,000
	-4.8%				0.0%

Source: GRF

Legal Basis: Originally established by Am. Sub. H.B. 32 of the 112th G.A.

Purpose: This line item partially supports displaced women-in-transition centers at five Ohio colleges and universities. The centers provide educational, career readiness, health and job training services; their purpose is to help individuals recover from economic hardships during times of transition. The program was originally funded through a separate line item for a pilot project at Cuyahoga Community College (ALI 372-502), before being funded by this line item under the Board of Regents beginning with Am. Sub. H.B. 291 of the 115th G.A.

GRF 235-510 Ohio Supercomputer Center

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$4,124,303	\$4,021,195	\$4,271,195	\$4,271,195	\$4,271,195	\$4,271,195
	-2.5%	6.2%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 171 of the 117th G.A.)

Purpose: This line item supports the operations of the Ohio Supercomputer Center, located at the Ohio State University. The Center is a statewide high-performance computing resource available to both faculty and students at Ohio's public and private colleges and universities. The resource is also made available to private industry on a cost-recovery basis.

GRF 235-511 Cooperative Extension Service

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$24,619,068	\$25,644,863	\$25,644,863	\$25,644,863	\$25,644,863	\$25,644,863
	4.2%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3333.35; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the Cooperative Extension Service, which is operated by the Ohio State University Extension under the Ohio State University's land-grant mandate. Its programs are intended to help people improve their lives through an educational process, using scientific knowledge focused on identified issues and needs. The service covers every one of Ohio's 88 counties and supports more than 35,500 volunteers. The Extension Service was authorized by the federal Smith-Lever Act in 1914; the state subsidy was originally created in the early 1950's.

GRF 235-513 Ohio University Voinovich Center

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$299,498	\$286,082	\$336,082	\$336,082	\$669,082	\$669,082
	-4.5%	17.5%	0.0%	99.1%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 282 of the 123rd G.A.)

Purpose: This line item supports the operations of the Voinovich Center on the campus of Ohio University in Athens. The funds are used for public service research and public policy coursework at the Center.

GRF 235-514 Central State Supplement

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$11,039,203	\$10,708,027	\$0	\$0	\$0	\$0
	-3.0%				

Source: GRF

Legal Basis: Discontinued line item (originally established by H.B. 31 in 1969)

Purpose: This line item provided a supplemental subsidy to Central State University to help it provide affordable access to higher education to African-Americans and others. This subsidy enabled Central State to maintain relatively low tuition, as well as increase scholarships and other related outreach efforts for minority students. Beginning in FY 2006, funding for this item has been provided as an earmark under GRF line item 235-418, Access Challenge.

GRF 235-515 Case Western Reserve University School of Medicine

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$3,171,468	\$3,011,271	\$3,011,271	\$3,011,271	\$3,011,271	\$3,011,271
	-5.1%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3333.10 (originally established in 1969); Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides supplemental state funding for the Case Western Reserve University School of Medicine under the state's condition that not less than 60% of each entering class of medical students will be Ohio residents, and that the state support per full-time medical student does not exceed that provided to full-time medical students at state universities. The program's goal is to support important medical training and to create an incentive for this private medical college to enroll more Ohioans in its medical program.

GRF 235-518 Capitol Scholarship Program

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$103,600	\$268,600	\$122,400	\$125,000	\$125,000	\$125,000
	159.3%	-54.4%	2.1%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item provides scholarships for full-time undergraduates enrolled in public or private four-year colleges and universities in Ohio to attend internships in Washington, D.C. These internships are sponsored by the Washington Center for Internships and Academic Seminars.

GRF 235-519 Family Practice

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$5,308,255	\$5,053,855	\$4,548,470	\$4,548,470	\$4,548,470	\$4,548,470
	-4.8%	-10.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3333.11 (originally established in 1974); Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports family practice residencies and instructional costs in the departments of family medicine within each medical college in Ohio, public and private. State-assisted medical schools are required to establish and maintain departments of family practice. The purpose of the program is to increase the quality and number of family physicians in medical practice.

GRF 235-520 Shawnee State Supplement

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,082,289	\$2,019,820	\$1,918,830	\$2,056,986	\$2,502,323	\$2,577,393
	-3.0%	-5.0%	7.2%	21.6%	3.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established in 1987)

Purpose: This line item provides a supplemental subsidy to Shawnee State University to help provide Appalachian students affordable access to higher education by allowing Shawnee State to keep its fees at levels lower than the statewide average. The funds also allow Shawnee State to employ new faculty to develop degree programs that meet the needs of Appalachia.

GRF 235-521 The Ohio State University Glenn Institute

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$299,498	\$286,082	\$286,082	\$286,082	\$619,082	\$619,082
	-4.5%	0.0%	0.0%	116.4%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 282 of the 123rd G.A.)

Purpose: This line item supports the instructional activities and operations of the John Glenn Institute for Public Service and Public Policy on the campus of the Ohio State University. The funds are used for public service research and public policy coursework at the Institute.

GRF 235-524 Police and Fire Protection

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$200,684	\$191,066	\$171,959	\$171,959	\$171,959	\$171,959
	-4.8%	-10.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 155 of the 111th G.A.)

Purpose: This line item supports the police and fire departments in small Ohio communities that are heavily affected by the influx of college students attending nearby state-assisted colleges and universities. The funds assist local governments in providing police and fire services in the municipalities of Athens, Bowling Green, Fairborn, Kent, Nelsonville, Oxford, Portsmouth, Rootstown, and Xenia Township. The purpose of the program is to offset a portion of the additional costs that local municipalities incur when providing safety and emergency services for temporary student residents attending certain public campuses in Ohio.

GRF 235-525 Geriatric Medicine

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$787,868	\$750,110	\$750,110	\$750,110	\$750,110	\$750,110
	-4.8%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3333.111 (originally established in 1978); Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the offices of geriatric medicine within each Ohio medical college. The creation of these offices was mandated by the state for each state-assisted medical college in Ohio. Each office is responsible for ensuring that all Ohio medical students receive specific education and training regarding the care of older adults within their medical school curricula.

GRF 235-526 Primary Care Residencies

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,620,812	\$2,495,209	\$2,245,688	\$2,245,688	\$2,245,688	\$2,245,688
	-4.8%	-10.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 191 of the 112th G.A.)

Purpose: This line item supports medical student education and clinical training in primary care specialties of internal medicine and pediatrics. The program's goal is to increase the number and quality of primary care physicians in medical practice. Each institution must submit and gain approval of a plan for its primary care residency program in order to obtain a full allocation of funds.

GRF 235-527 Ohio Aerospace Institute

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,856,263	\$1,764,957	\$1,764,957	\$1,764,957	\$1,764,957	\$1,764,957
	-4.9%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3333.042 (originally established in 1989); Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the Ohio Aerospace Institute (OAI), a non-profit Ohio corporation that is a consortium of nine member universities, the NASA Lewis Research Center in Cleveland, Wright-Patterson Air Force Base, and a number of private Ohio companies. The consortium supports research and graduate instruction in the disciplines related to aeronautical and space studies and the commercialization of related technologies. The program's purpose is to improve Ohio's economic position by promoting research and graduate instruction in those disciplines.

GRF 235-530 Academic Scholarships

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$7,800,000	\$7,800,000	\$7,800,000	\$7,800,000	\$7,800,000	\$7,800,000
	0.0%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3333.21 through 3333.25 (originally established in 1978); Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides competitive, merit-based financial assistance for up to four years for the state's most academically outstanding high school graduates who enroll for full-time undergraduate study in Ohio institutions of higher education. The program is intended to encourage Ohio's brightest students to attend Ohio colleges and universities.

GRF 235-531 Student Choice Grants

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$51,180,029	\$52,310,740	\$47,606,916	\$52,985,376	\$17,985,376	\$17,985,376
	2.2%	-9.0%	11.3%	-66.1%	0.0%

Source: GRF

Legal Basis: ORC 3333.27 (originally established in 1984); Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides uniform tuition grant awards to full-time in-state undergraduate students enrolled for baccalaureate study at eligible Ohio independent (private) non-profit institutions of higher education. The goal of the program is to increase college access for more Ohioans by helping to reduce the cost of attending an independent Ohio college or university. The maximum grant has been revised each biennium to remain at 25% of the average State Share of Instruction paid for full-time in-state undergraduate enrollments at public university main campuses in the previous biennium. For the FY 2008-FY 2009 biennium, the executive budget narrows program eligibility to students who qualify for need-based Ohio College Opportunity Grants and eliminates the statutory maximum grant limit.

GRF 235-534 Student Workforce Development Grants

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,751,652	\$1,333,657	\$3,041,352	\$2,137,500	\$0	\$0
	-23.9%	128.0%	-29.7%		

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 282 of the 123rd G.A.)

Purpose: This line item provides financial support to eligible Ohio resident students attending private career schools registered with the Board of Career Colleges and Schools. Colleges and schools that have job placement rates of at least 75% are eligible to make these grants available to qualifying students. The students must be enrolled full-time and be successfully pursuing a 2-year or 4-year degree. The executive budget eliminates this grant program beginning in FY 2008.

GRF 235-535 Ohio Agricultural Research and Development Center

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$34,396,980	\$35,830,188	\$35,955,188	\$35,955,188	\$36,674,292	\$36,674,292
	4.2%	0.3%	0.0%	2.0%	0.0%

Source: GRF

Legal Basis: ORC 3335.56; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the Ohio Agricultural Research and Development Center (OARDC), which is the research arm of the Ohio State University's college of Food, Agricultural and Environmental Sciences. Located at 12 Ohio facilities in addition to OSU's main campus, the OARDC is active in various basic and applied research areas, including agricultural, environmental and development economics; food, agricultural and biological engineering; animal sciences; entomology; food-animal health; food science and technology; horticulture and crop science; human and community resource development; human ecology; natural resources; and plant pathology. The Ohio Agricultural Experiment Station was created by Congress in 1882; the station was renamed the Ohio Agricultural Research and Development Center (OARDC) in 1965; it became part of the Ohio State University in 1982.

GRF 235-536 The Ohio State University Clinical Teaching

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$13,565,885	\$13,565,885	\$13,565,885	\$13,565,885	\$13,565,885	\$13,565,885
	0.0%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the laboratory and clinical components of medical and other professional education in facilities at the Ohio State University's medical college. Patient care is not funded by this subsidy.

GRF 235-537 University of Cincinnati Clinical Teaching

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$11,157,756	\$11,157,756	\$11,157,756	\$11,157,756	\$11,157,756	\$11,157,756
	0.0%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the laboratory and clinical components of medical and other professional education in facilities at the University of Cincinnati's medical college. Patient care is not funded by this subsidy.

GRF 235-538 University of Toledo Clinical Teaching

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$8,696,866	\$8,696,866	\$8,696,866	\$8,696,866	\$8,696,866	\$8,696,866
	0.0%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the laboratory and clinical components of medical and other professional education in facilities at the Medical University of Toledo. Patient care is not funded by this subsidy.

GRF 235-539 Wright State University Clinical Teaching

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$4,225,107	\$4,225,107	\$4,225,107	\$4,225,107	\$4,225,107	\$4,225,107
	0.0%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the laboratory and clinical components of medical and other professional education in facilities at Wright State University's medical college. The laboratory and clinical education is conducted in community facilities. Patient care is not funded by this subsidy.

GRF 235-540 Ohio University Clinical Teaching

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$4,084,540	\$4,084,540	\$4,084,540	\$4,084,540	\$4,084,540	\$4,084,540
	0.0%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the laboratory and clinical components of medical and other professional education in facilities at Ohio University's medical college. The laboratory and clinical education is conducted in community facilities. Patient care is not funded by this subsidy.

GRF 235-541 Northeastern Ohio Universities College of Medicine Clinical Teaching

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$4,200,945	\$4,200,945	\$4,200,945	\$4,200,945	\$4,200,945	\$4,200,945
	0.0%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the laboratory and clinical components of medical and other professional education in facilities at the Northeastern Ohio Universities' College of Medicine (NEOUCOM). The laboratory and clinical education is conducted in community facilities. Patient care is not funded by this subsidy.

GRF 235-543 Ohio College of Podiatric Medicine Clinic Subsidy

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$407,072	\$397,500	\$250,000	\$250,000	\$0	\$0
	-2.4%	-37.1%	0.0%		

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 171 of the 117th G.A.).

Purpose: This line item provides the Ohio College of Podiatric Medicine (OCPM) with supplemental state funding for the clinical, educational, and patient-care needs of the college, which gives training in the treatment and prevention of foot disorders. OCPM is a privately operated medical school in Cleveland. The executive budget eliminates this subsidy beginning in FY 2008.

GRF 235-547 School of International Business

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,214,027	\$1,155,844	\$450,000	\$450,000	\$450,000	\$450,000
	-4.8%	-61.1%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item provides support funds to the University of Akron's Institute for Global Business, which seeks both to increase the state's capacity for international trade and to serve those Ohio businesses and industries with international interests and clients. In addition, this line item supports international business programs at the University of Toledo and the BioMEMS program at the Ohio State University.

GRF 235-549 Part-time Student Instructional Grants

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$13,957,773	\$13,857,852	\$12,730,872	\$10,534,617	\$0	\$0
	-0.7%	-8.1%	-17.3%		

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item provides need-based financial assistance to Ohio residents who are enrolled as part-time undergraduate students in degree-granting programs at eligible Ohio public, private and degree-granting proprietary institutions of higher education. The funds are provided to the institutions, which, in turn, provide the aid grants to eligible students on the basis of need. Am. Sub. H.B. 66 of the 126th General Assembly started phasing out the Part-time Student Instructional Grants program. The executive budget accerelate this phase-out and eliminates the Part-time Student Instructional Grants after FY 2007.

GRF 235-552 Capital Component

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$19,078,350	\$19,078,349	\$19,309,008	\$19,059,866	\$19,306,442	\$19,306,442
	0.0%	1.2%	-1.3%	1.3%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item provides an eligible campus with the difference between its formula-determined debt service amount and the actual debt-service amount received by the campus. The funds can be used by the campus only for capital projects. Since 1999 the Board of Regents has implemented an incentive-based capital funding policy which determines each campus's debt service amount through a formula that takes into account the amount of space on each campus, the age of that space, the level of enrollment and the available capital appropriation. Campuses receiving debt service amounts higher than their formula-determined amount will have the difference deducted from their SSI allocations. These deducted funds are transferred into this line item. Those transferred funds and the original appropriation for this item are distributed to campuses that received debt service amounts less than their formula-determined amounts.

GRF 235-553 Dayton Area Graduate Studies Institute

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,951,568	\$2,806,598	\$2,806,599	\$2,806,599	\$2,806,599	\$2,806,599
	-4.9%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: This line item supports the Dayton Area Graduate Studies Institute, an engineering graduate consortium of three universities in the Dayton area: the University of Dayton, Wright State University, and the Air Force Institute of Technology, with the participation of the Ohio State University and the University of Cincinnati. The program is intended to increase and improve the quality and quantity of graduate educational and research opportunities of the member institutions and to create an environment conducive to economic development in Ohio.

GRF 235-554 Priorities in Collaborative Graduate Education

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,474,121	\$2,355,548	\$2,355,548	\$2,355,548	\$2,355,548	\$2,355,548
	-4.8%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item supports improvements in graduate programs in computer science at selected public universities, including the four institutions that provide computer science doctoral programs. The supported improvements include the recruitment of faculty, staff and graduate students, the promotion of research and collaboration, and the acquisition of computational sciences research equipment and infrastructure. A portion of the appropriation is earmarked to support the institutions' collaborative efforts in graduate education in this program area.

GRF 235-555 Library Depositories

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,739,958	\$1,696,458	\$1,696,458	\$1,696,458	\$1,696,458	\$1,696,458
	-2.5%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item supports a collaborative effort among Ohio's public universities to provide high-density storage for rarely-used and duplicative library materials. The program provides funding for the storage operations at all five regional depositories, in Portage, Logan, Franklin, Bulter, and Athens counties. The program's goal is to provide a cost-effective alternative to building new libraries on campuses and to provide regional locations where library books may be stored and shared among all participating campuses.

GRF 235-556 Ohio Academic Resources Network

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$3,583,869	\$3,727,223	\$3,727,223	\$3,727,223	\$3,727,223	\$3,727,223
	4.0%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item supports the operations of the Ohio Academic Resources Network (OARNet), which provides internet access to millions of Ohioans, including students, researchers and the general public. The program, established in 1987, provides high-quality internet services to help link Ohio's academics to global information resources, distance learning, and state library networks such as OhioLINK. Program funds are provided to Ohio's state-assisted campuses for maintaining and enhancing network connections, including base operations as well as expansions for enhanced connectivity, functionality, and services. OARNet is to give priority to supporting the Third Frontier Network.

GRF 235-558 Long-term Care Research

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$221,670	\$211,047	\$211,047	\$211,047	\$211,047	\$211,047
	-4.8%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

Purpose: The line item supports basic and applied research and graduate studies at Miami University's Scripps Gerontology Center. The program is concerned with issues related to state and federal policy on long-term care and provides expertise and research. The goal of the program is to identify cost-effective alternatives for health care at reasonable levels of quality.

GRF 235-561 Bowling Green State University Canadian Studies Center

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$116,723	\$111,128	\$100,015	\$100,015	\$100,015	\$100,015
	-4.8%	-10.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

Purpose: This line item supports the Bowling Green State University Canadian Studies Center. The program works to strengthen Ohio-Canada business and trade relations through research, student education, and engagement with the business community.

GRF 235-563 Ohio College Opportunity Grant

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$58,144,139	\$139,974,954	\$151,113,781
			N/A	140.7%	8.0%

Source: GRF

Legal Basis: ORC 3333.122; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item funds the Ohio College Opportunity Grant, a new program that started in FY 2007. This program is currently being phased in while the Ohio Instructional Grant and Part-time Instructional Grant programs are being phased out. The Ohio College Opportunity Grant program will provide need-based financial aid based on the federally determined "Expected Family Contribution" or EFC, which is the same method that the federal government uses to determine eligibility for Pell Grants. The EFC system is a more sophisticated measure of a family's ability to pay for higher education than using family income only (as in the Ohio Instructional Grant program), by taking into account a number of other factors, including family assets, student income, number of family members in college, and the ages of the parents.

GRF 235-567 Central State Speed to Scale

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$0	\$4,400,000	\$3,800,000
				N/A	-13.6%

Source: GRF

Legal Basis: Proposed by the executive budget

Purpose: This line item supports the Central State University Speed to Scale plan, with goals to increase student enrollment through freshman recruitment and student transfers, increase the proportion of in-state students to 80% of the total student population, and increase student retention rates. The program targets student retention, improved articulation agreements with two-year campuses, and strategic partnerships with research institutions to improve the quality of the university's offerings of science, technology, engineering, mathematics, and medical instruction.

GRF 235-568 Higher Education Compact

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$0	\$79,454,801	\$112,825,818
				N/A	42.0%

Source: GRF

Legal Basis: Proposed by the executive budget

Purpose: This line item supports the Higher Education Compact, whose purposes are to increase cooperation between the state and state-supported institutions of higher education, increase efficiencies through collaboration in higher education, and make higher education more affordable at state-supported institutions.

Participation in the compact requires that institutions demonstrate 1% savings through internal efficiencies in FY 2008 and 3% savings in FY 2009. Participation also requires institutions not to increase their in-state undergraduate tuition rates in the 2007-2008 academic year and to increase tuitions by no more than 3% in the 2008-2009 academic year. The appropriation is distributed to state-supported institutions of higher education based upon the institutions' proportional shares of the appropriation provided under line item 235-501, State Share of Instruction, and upon their adherence to the compact's criteria.

GRF 235-572 The Ohio State University Clinic Support

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,344,378	\$1,277,019	\$1,277,019	\$1,277,019	\$1,277,019	\$1,277,019
	-5.0%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 291 of the 115th G.A.)

Purpose: This line item supports the clinical portions of the dental and veterinary medicine schools at the Ohio State University. The clinics provide practical education to dentistry, veterinary medicine, and dental hygiene students. The goal of the program is to support the clinical aspects of Ohio State's dentistry and veterinary medicine programs.

GRF 235-583 Urban University Program

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$5,464,547	\$5,206,009	\$4,992,937	\$4,992,937	\$5,550,937	\$5,550,937
	-4.7%	-4.1%	0.0%	11.2%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 204 of the 113th G.A.)

Purpose: This line item supports research and outreach activities on urban issues at Ohio's eight urban universities by providing one-to-one matching funds. The program serves state, county, and municipal governments, regional and non-profit agencies, neighborhood groups, and business organizations. It also supports public administration initiatives related to the specific needs and issues of Ohio's urban communities.

GRF 235-585 Ohio University Innovation Center

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$39,932	\$38,018	\$0	\$0	\$0	\$0
	-4.8%				

Source: GRF

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 291 of the 115th G.A.)

Purpose: This line item supported the Ohio University Innovation Center's Internet Access program, which educates small businesses on how to gain access to and use the internet, and to assist them in starting up electronic business. This program is intended to address Ohio University's regional economic development mission.

GRF 235-587 Rural University Projects

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,175,530	\$1,147,889	\$1,147,889	\$1,147,889	\$1,147,889	\$1,147,889
	-2.4%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 238 of the 116th G.A.)

Purpose: This line item provides funds for research and outreach activities to help local and state elected and appointed officials improve rural program performance, undertake research projects, increase human resource capacity, and form cooperative partnerships to create an environment that supports private and public sector development. The goal of the program is to improve the operational efficiencies of government and public services in rural areas of the state.

GRF 235-588 Ohio Resource Center for Mathematics, Science, and Reading

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$853,262	\$399,935	\$399,936	\$0	\$0	\$0
	-53.1%	0.0%			

Source: GRF

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 282 of the 123rd G.A.)

Purpose: This line item supported a resource center for teachers, located at a state-assisted university. The center, now located at the Ohio State University, was established through the efforts of the Board of Regents in collaboration with the Ohio Department of Education. The center identifies the best educational practices in primary and secondary schools and establishes methods for communicating them to colleges of education and school districts. Beginning in FY 2006, funding for this program has been consolidated into GRF line item 235-435, Teacher Improvement Initiatives.

GRF 235-595 International Center for Water Resources Development

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$131,858	\$125,538	\$0	\$0	\$0	\$0
	-4.8%				

Source: GRF

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 238 of the 116th G.A.)

Purpose: This line item supported the International Center for Water Resources Development at Central State University. The center develops methods to improve the management of water resources for Ohio and emerging nations. The center offers undergraduate courses leading to the bachelor's degree in water resources management, as well as short courses and conferences.

GRF 235-596 Hazardous Materials Program

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$326,061	\$310,435	\$360,435	\$360,435	\$360,435	\$360,435
	-4.8%	16.1%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 238 of the 116th G.A.)

Purpose: This line item supports Cleveland State University's Hazardous Material Program, which was created with the cooperation of the Ohio Professional Fire Fighters Association. The goal of the program is to support training for firefighters and other emergency personnel in the treatment, storage, clean-up, and disposal of hazardous materials and waste.

GRF 235-599 National Guard Scholarship Program

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$13,516,935	\$13,497,128	\$16,351,109	\$16,611,063	\$16,611,063	\$16,611,063
	-0.1%	21.1%	1.6%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 5919.34; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the Ohio National Guard Scholarship Program, which grants higher education scholarships to all authorized personnel of the Ohio National Guard. The program serves as both a recruitment and a retention tool for the Ohio National Guard. This line item provides funds for both the scholarship grants and the program's marketing efforts. The program's purpose is to recognize the service of the Ohio National Guard by providing access to higher education for their members. Regents was named fiscal manager of this existing Adjutant General program by Am. Sub. H.B. 282 of the 123rd General Assembly.

GRF 235-909 Higher Education General Obligation Debt Service

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$79,302,978	\$107,903,507	\$118,069,455	\$152,114,100	\$172,722,400	\$208,747,200
	36.1%	9.4%	28.8%	13.5%	20.9%

Source: GRF

Legal Basis: Article VIII Section 2n of the Ohio Constitution; ORC 151.01 and 154.04; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides the funds to make debt service payments on general obligation (GO) bonds issued by the state on behalf of higher education institutions to finance their capital projects. The issuance of GO bonds was authorized by the 1999 passage and subsequent voter approval of State Issue 1, which provided for the issuance of such bonds under Article VIII Section 2n of the Ohio Constitution for all education-related facilities, including higher education. The Office of the Sinking Fund or the Director of Budget and Management is required to effectuate all debt service payments by an intrastate transfer voucher.

General Services Fund Group

220 235-614 Program Approval and Reauthorization

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$120,744	\$246,166	\$261,007	\$400,000	\$800,000	\$800,000
	103.9%	6.0%	53.3%	100.0%	0.0%

Source: GSF: Remittances from higher education institutions seeking degree program approval and institutional reauthorization

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on February 12, 2001)

Purpose: This line item enables the Board of Regents to directly contract with and reimburse consultants to review and evaluate degree program proposals and to conduct institutional reauthorization reviews for private, proprietary, and out-of-state institutions, pursuant to Chapter 1713 of the Ohio Revised Code. The purpose of the program is to ensure that Ohio's degree programs are of the highest educational quality and that existing and proposed programs are reviewed by objective outside experts.

456 235-603 Sales and Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$247,467	\$227,576	\$143,058	\$900,000	\$700,000	\$700,000
	-8.0%	-37.1%	529.1%	-22.2%	0.0%

Source: GSF: Proceeds from HEI-related services as well as the sale of the student handbook, conference fees, and publication charges

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in January 1974)

Purpose: This line item covers the costs of delivering goods and services associated with the Higher Education Information (HEI) system; the costs of producing publications such as the Board of Regents' student handbook; and the miscellaneous expenses of conferences and meetings.

5Y5 235-618 State Need-based Financial Aid Reconciliation

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$7,454,951	\$2,448,669	\$0	\$0	\$0
	N/A	-67.2%			

Source: GSF: Refunds of Ohio Instructional Grant and Ohio College Opportunity Grant payments

Legal Basis: As needed line item – ORC 3333.121; Section 209.64.93 of Am. Sub. H.B. 66 of the 126th (originally established by Am. Sub. H.B. 95 of the 125th G.A.)

Purpose: This line item is used to pay any outstanding prior-year obligations from the state's need-based financial aid programs to higher education institutions. By August 1 in each fiscal year, the Board of Regents is to certify to the Director of Budget and Management the amount necessary to pay these obligations. Then the certified amount is to be appropriated under this line item.

5X2 235-632 STEM and Foreign Language Academies

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$3,500,000	\$0	\$0
			N/A		

Source: GSF: Funds earmarked under Ohio Department of Education appropriation item 200-536, Ohio Core Support

Legal Basis: Section 6 of Sub. H.B. 115 of the 126th G.A.; established by Controlling Board on September 25, 2006

Purpose: This appropriation item supports regional summer academies for public school 11th and 12th grade students, with a focus on science, technology, mathematics, and foreign language. Sub. H.B. 115 of the 126th General Assembly established the Ohio Core curriculum for high school students and provided \$13.2 million in FY 2007 to support the implementation of the Ohio Core. Of the total funding, H.B. 115 designated \$3.5 million for summer academies in mathematics, science, and foreign languages. The summer academies are to provide students with intensive study leading to dual high school and college credits. Under the executive budget, funding for regional summer academies is contained in line item 235-435, Teacher Improvement Initiatives.

Federal Special Revenue Fund Group

312 235-609 Tech Prep

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$245,163	\$167,176	\$184,872	\$183,850	\$183,850	\$183,850
	-31.8%	10.6%	-0.6%	0.0%	0.0%

Source: FED: CFDA 84.243, Tech-Prep Education; CFDA 84.048, Vocational Education–Basic Grants to States

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports a professional staff member to work collaboratively with the Ohio Department of Education to administer the statewide Tech Prep program. In preparing high school students for technical occupations, the program enables either the direct entry into the workplace after high school, the continuation of study at a two-year college leading to an associate degree with advanced skills, or the completion of an appropriate baccalaureate degree. Particular targets for the program's funds are urban areas, underserved populations, and non-traditional employment.

312 235-611 Gear-up Grant

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,072,848	\$2,446,003	\$3,332,990	\$4,670,691	\$3,300,000	\$3,300,000
	128.0%	36.3%	40.1%	-29.3%	0.0%

Source: FED: CFDA 84.334A, Gaining Early Awareness and Readiness for Undergraduate Programs (Gear-up)

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on November 12, 1999)

Purpose: This line item supports the Gear-up program, a federal program that promotes college awareness in order to attract more low-income students to college, to help them prepare for college, and to enhance their transitions to higher education. Ohio's Gear-up program seeks to increase college participation among rural Appalachian and inner-city Ohioans by providing advanced curriculum, after-school and summer enrichment services, and advanced advising, tutoring, and mentoring services to middle-school and high-school students in Ironton and inner-city Cleveland.

312 235-612 Carl D. Perkins Grant/Plan Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$109,970	\$85,491	\$101,819	\$112,960	\$112,960	\$112,960
	-22.3%	19.1%	10.9%	0.0%	0.0%

Source: FED: CFDA 84.048, Vocational Education–Basic Grants to States

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on December 20, 2000)

Purpose: This line item supports the administration of the program established by the Carl D. Perkins Act, which provides the direction and funding to support the improvement of vocational, career and technical education. The continuing focus of the Perkins Act is to integrate academic knowledge and technical skill development and to raise the academic performance of all vocational students. The Board of Regents receives a transfer of 10% to 15% of the funds obtained for the program by the Ohio Department of Education.

312 235-615 Professional Development

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$269,535	\$190,796	\$411,804	\$523,129	\$0	\$0
	-29.2%	115.8%	27.0%		

Source: FED: CFDA 84.342, Preparing Tomorrow's Teachers to Use Technology (PT3)

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on October 15, 2001)

Purpose: This line item supports a Board of Regents' effort to improve the application of technology in education through in the ongoing system improvement and restructuring efforts of educational programs. This program uses federal funds under the U.S. Department of Education's PT3 grant program. Grants are received from the USDE through Title III of the Elementary and Secondary Education Act (ESEA).

312 235-616 Workforce Investment Act Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$19,515	\$2,200	\$0	\$0	\$0	\$0
	-88.7%				

Source: FED: CFDA 17.258, Workforce Investment Act Adult Program

Legal Basis: Discontinued line item (originally established by Controlling Board on October 29, 2001)

Purpose: This line item supported the Board of Regents' administration and implementation of the Ohio Higher Skills Partnership Initiative, a program under the federal Workforce Investment Act and the Governor's Workforce Policy Board. The program develops, enhances, and promotes comprehensive partnerships among Adult Workforce Education Centers and EnterpriseOhio Network campuses to ensure that Ohio's employers have one-contact access to fast, flexible, and total training and assessment in order to improve employee skills. The program was administered in collaboration and cooperation with the Ohio Department of Education and the Ohio Department of Job and Family Services, through an interagency agreement.

312 235-617 Improving Teacher Quality Grant

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$188,463	\$806,102	\$2,153,451	\$2,900,000	\$3,200,000	\$3,200,000
	327.7%	167.1%	34.7%	10.3%	0.0%

Source: FED: CFDA 84.367, Improving Teacher Quality State Grants

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on January 27, 2003)

Purpose: This line item supports the federal Improving Teacher Quality State Grants program, which was established under the No Child Left Behind Act of 2001. The program's objective is to initiate and promote long-term, hands-on, intensive, high-quality mathematics and science professional development for K-12 teachers so that they can provide challenging science and mathematics learning experiences for students. Funds are allocated to states based on a formula that considers each state's population of children; the Board of Regents allocates the funds annually through a competitive process to public and private campuses.

312 235-619 Ohio Supercomputer Center

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$6,000,000	\$0	\$10,000,000	\$6,000,000	\$0	\$0
		N/A	-40.0%		

Source: FED: Funded by a grant from the U.S. Department of Energy

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on March 22, 2004)

Purpose: This line item is used to procure a supercomputing data warehouse platform, as well as the associated software and ancillary equipment in order to lay the groundwork for a technology presence in the Springfield area. The goal of the program is to provide a data intensive computing center that will support homeland security, energy related research, and other research that requires computational intensive computing tasks.

312 235-621 Science Education Network

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$93,070	\$673,939	\$1,686,970	\$1,686,970	\$1,686,970
	N/A	624.1%	150.3%	0.0%	0.0%

Source: FED: CFDA 84.215, Fund for the Improvement of Education

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on November 15, 2004)

Purpose: This line item is used to connect colleges and universities to the Third Frontier Network in order to improve K-12 and undergraduate science education. The selection of grantees is achieved through a competitive proposal evaluation process.

312 235-628 Temporary Assistance for Needy Families (TANF)

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$30,000,000	\$0	\$0
			N/A		

Source: FED: CFDA 93.558

Legal Basis: Governor's Executive Order, May 10, 2006; established by Controlling Board on September 11, 2006

Purpose: This one-time funding was provided by a May 10, 2006 executive order to help low-income students pay postsecondary tuition and educational expenses not covered by other grant programs that target low-income students. Funds are used under the TANF Educational Awards Program (TEAP) to provide incentive- and performance-based grants. TANF-eligible students first make commitments to complete college-level coursework, either on a part-time or full-time basis; they are then rewarded upon successful completion of the coursework. The program is jointly administered by the Board of Regents and the Department of Jobs and Family Services.

312 235-629 High Growth Grant

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$589,212	\$0	\$0
			N/A		

Source: FED: CFDA 17.261

Legal Basis: Established by Controlling Board on October 16, 2006–BOR272

Purpose: This is a multi-state grant, awarded in Ohio to the Board of Regents, which serves as fiscal agent. The grant is jointly administered by Jobs for America's Graduates. Three community colleges, Ohio's Stark State Community College at Canton, Louisiana Technical College at Baton Rouge, and Florida Community College at Jacksonville, will be pilot-testing the Jobs for America's Graduates (JAG) enhanced out-of-school model called the Out-of-School Youth Recovery Program. The program is designed to connect out-of-school youth to entry-level jobs in financial services.

This is a multi-state grant, awarded in Ohio to the Board of Regents, which will serve as fiscal agent. The grant is jointly administered by Jobs for America's Graduates (JAG). Three community colleges, Ohio's Stark Community College at Canton, Louisiana Technical College at Baton Rouge, and Florida Community College at Jacksonville, are using these funds to pilot a JAG enhanced out-of-school model called the Out-of-School Youth Recovery Program, which is designed to connect out-of-school youth to entry-level jobs in financial services.

312 235-631 Federal Grants

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,214,181	\$2,014,583	\$769,284	\$250,590	\$0	\$0
	-9.0%	-61.8%	-67.4%		

Source: FED: Federal Special Revenue Fund Group: CFDA 84.336, Teacher Quality Enhancement Grants

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports the Teacher Quality Enhancement Grants program, which is designed to improve the recruitment, preparation and professional development of teachers, particularly in mathematics and science, through a range of activities including the development of courses, the development of expert faculty in mathematics, science, and education to assist colleges of education, and other strategies to better prepare teachers. This line item also includes federal carryover funds for the previous Eisenhower Program.

3BW 235-630 Indirect Cost Recovery-Fed

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$600,000	\$0	\$0
			N/A		

Source: FED:

Legal Basis: Established by the Controlling Board on October 30, 2006

Purpose: This line item receives funds from federal grants administered by the Board of Regents based on a federal indirect cost rate. From this fund the Board of Regents will pay for eligible central services, including payroll for fiscal services, human resources, and information technology services, supplies, and, possibly, some equipment purchases.

3H2 235-608 Human Services Project

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$358,700	\$280,567	\$1,139,037	\$1,500,000	\$3,000,000	\$3,000,000
	-21.8%	306.0%	31.7%	100.0%	0.0%

Source: FED: CFDA 93.778, Medical Assistance Program

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on October 23, 1989)

Purpose: This line item allows Ohio medical schools and universities to conduct and to be reimbursed for applied health services research in support of administration policy-making related to the Ohio Medicaid Program. This program helps address the provision of quality cost-effective health care, especially for the state's Medicaid population. Funding for the line item is subject to an interagency agreement between the Board of Regents and the Department of Job and Family Services.

3H2 235-622 Medical Collaboration Network

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$169,426	\$2,023,859	\$3,346,143	\$3,346,144	\$3,346,144
	N/A	1094.5%	65.3%	0.0%	0.0%

Source: FED: CFDA 93.211, Telehealth Network Grants

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by the Controlling Board on November 15, 2004)

Purpose: This line item is used to link colleges, universities and hospitals to the Third Frontier Network. This collaboration takes advantage of the information-carrying capability of the Third Frontier Network to support related medical education, service and research programs. The program is intended to improve health care, medical research and education by providing funding to promote collaboration among university-affiliated hospitals.

3N6 235-605 State Student Incentive Grants

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$3,112,253	\$3,096,158	\$3,197,971	\$2,196,680	\$2,196,680	\$2,196,680
	-0.5%	3.3%	-31.3%	0.0%	0.0%

Source: FED: CFDA 84.069, Leveraging Educational Assistance Partnership (LEAP)

Legal Basis: ORC 3333.12; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides federal funds for need-based tuition assistance. In Ohio, these funds help support the Ohio Instructional Grant program and are awarded to the neediest students on the same basis as the Ohio Instructional Grants.

3T0 235-610 National Health Service Corps – Ohio Loan Repayment

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$232,398	\$245,147	\$297,131	\$546,001	\$250,000	\$250,000
	5.5%	21.2%	83.8%	-54.2%	0.0%

Source: FED: CFDA 93.165, Grants to States for Loan Repayment Program

Legal Basis: Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in August 1998)

Purpose: This line item supports the National Health Service Corps' Grants for State Loan Repayment program. Jointly administered by the Board of Regents and the Department of Health, the program provides educational loan repayment for certain health service practitioners (primary care physicians, assistants, nurse practitioners, and certified nurse midwives) who agree to provide primary health care services in designated regions of Ohio. Payments are made to the appropriate lending institutions on behalf of the practitioners. The goal of the program is to increase the number of health professionals who work in underserved areas of the state.

3BG 235-626 Star Schools

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$1,215,703	\$2,778,620	\$2,980,865	\$2,990,746
		N/A	128.6%	7.3%	0.3%

Source: FED: CFDA U203G050022, USDE Star Schools Program

Legal Basis: Established by the Controlling Board on October 17, 2005–BOR226

Purpose: This line item provides funds to support the Board of Regents' effort to lead the Middle School Achievement through Technology-Rich Interventions (MATRIX) Project, a five-year national investigation into the application of popular portable technologies and electronic games to improve learning and achievement for students in under-performing middle schools. Funded with a \$15 million federal grant, the project is a partnership of K-16 organizations and local school districts in Ohio, Kansas, New Mexico and California. Researchers from Bowling Green State University, The Ohio State University, Ohio University, and University of Akron will guide the investigation in Ohio.

The MATRIX Project is intended to improve reading and mathematics achievement of middle school students in urban and rural schools who have not met their AYP (annual yearly progress) for at least two years. The project will develop curriculum units and learning games using mobile technologies. Teachers at 12 intensive sites will receive professional development to provide after-school programs for students who are not meeting their achievement targets. A non-profit California educational agency will evaluate the effectiveness of this supplementary program.

State Special Revenue Fund Group

4E8 235-602 Higher Educational Facility Commission Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$3,707	\$4,245	\$15,431	\$55,000	\$50,000	\$45,000
	14.5%	263.5%	256.4%	-9.1%	-10.0%

Source: SSR: Annual transfer from the HEFC to Regents. The HEFC obtains its funding from charges assessed to institutions assisted by the commission.

Legal Basis: ORC 3377; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 298 of the 119th G.A.)

Purpose: This line item enables the Board of Regents to defray the expenses incurred by its staff support of the Ohio Higher Educational Facility Commission (HEFC). These include accounting and record keeping, scheduling and coordinating HEFC meetings and project applications, and preparing the HEFC's annual report. The mission of the HEFC is to assist Ohio's independent non-profit colleges and universities in their efforts to reduce the costs of financing the construction of campus facilities by issuing tax-exempt revenue bonds.

4P4 235-604 Physician Loan Repayment

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$242,098	\$289,075	\$540,176	\$636,870	\$476,870	\$476,870
	19.4%	86.9%	17.9%	-25.1%	0.0%

Source: SSR: Surcharge on license fees

Legal Basis: ORC 3702.71 through 3702.81; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item supports the Physician Loan Repayment Program, which helps repay all or part of the student loans taken by primary-care physicians who agree to provide primary-care services in areas of Ohio that experience shortages of health care resources. The program's objective is to encourage physicians to locate and work in underserved areas of the state where there are shortages of health care resources.

649 235-607 The Ohio State University Highway/Transportation Research

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$613,891	\$561,161	\$508,775	\$760,000	\$760,000	\$760,000
	-8.6%	-9.3%	49.4%	0.0%	0.0%

Source: SSR: The earnings from a \$6.0 million Ohio State University endowment fund, created after Honda purchased the Transportation Research Center.

Legal Basis: ORC 3335.45; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Sub. S.B. 321 of the 117th G.A.; appropriations to the fund were made for the first time in Am. Sub. S.B. 386 of the 117th G.A.)

Purpose: This line item supports the Ohio State University's Transportation Research and Engineering program, a collaborative effort between the Honda Corporation and the Ohio State University to improve highway and automobile safety. The appropriation authority requested by the Regents is based on the forecasted endowment earnings for the fiscal year.

682 235-606 Nursing Loan Program

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$670,269	\$705,883	\$408,613	\$893,000	\$893,000	\$893,000
	5.3%	-42.1%	118.5%	0.0%	0.0%

Source: SSR: Registration surcharge

Legal Basis: ORC 3333.28; Section 209.63 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 298 of the 119th G.A.)

Purpose: This line item supports the Nurse Education Assistance Loan Program (NEALP), which provides financial assistance to Ohio students enrolled in at least half-time study in approved Ohio nurse education programs. Awards are made on the basis of need for up to four years of study. The program's purpose is to alleviate Ohio's shortage of nurses by encouraging students to enter the nursing profession and providing affordable college access to nursing students. The line item also supports the administration of the nursing loan program.

5DT 235-627 American Diploma Project

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$369	\$250,000	\$250,000	\$0
		N/A	67604.8%	0.0%	

Source: SSR: Private grant from the Bill and Melinda Gates Foundation to the Ohio Partnership for Continued Learning

Legal Basis: Originally established by the Controlling Board on April 10, 2006

Purpose: This line item provides funds for the Board of Regents to develop college readiness expectations and college placement strategies in order to improve the channels from high school to college. These activities are part of the work of the American Diploma Project in Ohio, which is funded by a grant from the Bill and Melinda Gates Foundation. Ohio is using its grant to develop college entry standards, create a seamless transition from high school to college, adopt high school assessments aligned with college entry exams, and develop curriculum models linked to rigorous high school requirements. The Office of the Governor, the Department of Education and the Board of Regents are providing support and direction for various aspects of this initiative. The Department of Education is acting as fiscal agent for the grant and will transfer funds to the Board of Regents for its activities

5Z7 235-624 Ohio Dentist Loan Repayment Program

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$37,604	\$0	\$201,121	\$0	\$0
	N/A		N/A		

Source: SSR: Surcharge on license fees

Legal Basis: As-needed line item: ORC 3702.85 through 3702.95; established by Controlling Board on May 9, 2005

Purpose: This line item supports the Ohio Dentist Loan Repayment Program (ODLRP), which may repay all or part of the student loans taken by licensed dentists who agree to provide dental services in areas determined to have a dental health resource shortage. Each dentist who qualifies is eligible for loan repayment in the amount of \$20,000/year renewable yearly for a maximum not to exceed \$80,000. Participants are required to fulfill a one-year obligation, but are encouraged to fulfill two years with one-year amendments. The applications are competitive; a score is assigned to each applicant's response and applicants might be required to participate in interviews. Each application is reviewed by the Ohio Dentist Loan Repayment Advisory Board, a seven-member board appointed by the Governor.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2006</i>	<i>Estimated 2007</i>	<i>Executive 2008</i>	<i>% Change 2007 to 2008</i>	<i>Executive 2009</i>	<i>% Change 2008 to 2009</i>
BOR Regents, Ohio Board of								
GRF	235-321	Operating Expenses	\$ 2,843,499	\$3,141,351	\$ 3,141,351	0.0%	\$ 3,141,351	0.0%
GRF	235-401	Lease Rental Payments	\$ 200,013,593	\$200,795,300	\$ 203,177,900	1.2%	\$ 136,017,500	-33.1%
GRF	235-402	Sea Grants	\$ 231,925	\$231,925	\$ 231,925	0.0%	\$ 231,925	0.0%
GRF	235-403	Mathematics and Science Teaching Improvement	\$ 36,390	\$0	\$ 0	N/A	\$ 0	N/A
GRF	235-404	College Readiness Initiatives	\$ 456,326	\$0	\$ 0	N/A	\$ 0	N/A
GRF	235-406	Articulation and Transfer	\$ 1,740,536	\$2,900,000	\$ 2,900,000	0.0%	\$ 2,900,000	0.0%
GRF	235-408	Midwest Higher Education Compact	\$ 90,000	\$90,000	\$ 95,000	5.6%	\$ 95,000	0.0%
GRF	235-409	Information System	\$ 1,111,302	\$1,175,172	\$ 1,175,172	0.0%	\$ 1,175,172	0.0%
GRF	235-414	State Grants and Scholarship Administration	\$ 1,794,575	\$1,707,881	\$ 1,707,881	0.0%	\$ 1,707,881	0.0%
GRF	235-415	Jobs Challenge	\$ 9,400,579	\$9,348,300	\$ 9,348,300	0.0%	\$ 9,348,300	0.0%
GRF	235-417	Ohio Learning Network	\$ 3,119,496	\$3,119,496	\$ 3,119,496	0.0%	\$ 3,119,496	0.0%
GRF	235-418	Access Challenge	\$ 73,496,070	\$74,754,671	\$ 78,342,183	4.8%	\$ 78,694,875	0.5%
GRF	235-420	Success Challenge	\$ 52,558,447	\$52,601,934	\$ 53,653,973	2.0%	\$ 53,653,973	0.0%
GRF	235-428	Appalachian New Economy Partnership	\$ 1,176,068	\$1,176,068	\$ 1,176,068	0.0%	\$ 1,176,068	0.0%
GRF	235-433	Economic Growth Challenge	\$ 20,332,567	\$23,186,194	\$ 17,186,194	-25.9%	\$ 17,186,194	0.0%
GRF	235-434	College Readiness & Access	\$ 5,966,725	\$7,655,425	\$ 12,655,425	65.3%	\$ 12,655,425	0.0%
GRF	235-435	Teacher Improvement Initiatives	\$ 2,233,092	\$2,697,506	\$ 4,697,506	74.1%	\$ 11,197,506	138.4%
GRF	235-436	Accelerate Ohio	---	---	\$ 2,500,000	N/A	\$ 5,000,000	100.0%
GRF	235-451	Eminent Scholars	---	\$1,370,988	\$ 0	-100.0%	\$ 1,370,988	N/A
GRF	235-454	Research Challenge	\$ 95,512	\$0	\$ 0	N/A	\$ 0	N/A
GRF	235-455	EnterpriseOhio Network	\$ 1,373,322	\$1,373,941	\$ 1,373,941	0.0%	\$ 1,373,941	0.0%
GRF	235-474	Area Health Education Centers Program Support	\$ 1,571,756	\$1,571,756	\$ 1,571,756	0.0%	\$ 1,571,756	0.0%
GRF	235-477	Access Improvement Projects	\$ 1,044	\$0	\$ 0	N/A	\$ 0	N/A
GRF	235-501	State Share of Instruction	\$ 1,558,846,889	\$1,589,096,031	\$ 1,589,096,031	0.0%	\$ 1,589,096,031	0.0%
GRF	235-502	Student Support Services	\$ 795,790	\$795,790	\$ 795,790	0.0%	\$ 795,790	0.0%
GRF	235-503	Ohio Instructional Grants	\$ 138,030,470	\$92,496,969	\$ 42,533,966	-54.0%	\$ 18,315,568	-56.9%
GRF	235-504	War Orphans Scholarships	\$ 4,282,366	\$4,672,321	\$ 4,812,321	3.0%	\$ 4,812,321	0.0%

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2006</i>	<i>Estimated 2007</i>	<i>Executive 2008</i>	<i>% Change 2007 to 2008</i>	<i>Executive 2009</i>	<i>% Change 2008 to 2009</i>
<i>BOR Regents, Ohio Board of</i>								
GRF	235-507	OhioLINK	\$ 6,887,824	\$6,887,824	\$ 6,887,824	0.0%	\$ 6,887,824	0.0%
GRF	235-508	Air Force Institute of Technology	\$ 1,925,345	\$1,925,345	\$ 1,925,345	0.0%	\$ 1,925,345	0.0%
GRF	235-509	Women in Transition	----	\$0	\$ 200,000	N/A	\$ 200,000	0.0%
GRF	235-510	Ohio Supercomputer Center	\$ 4,271,195	\$4,271,195	\$ 4,271,195	0.0%	\$ 4,271,195	0.0%
GRF	235-511	Cooperative Extension Service	\$ 25,644,863	\$25,644,863	\$ 25,644,863	0.0%	\$ 25,644,863	0.0%
GRF	235-513	Ohio University Voinovich Center	\$ 336,082	\$336,082	\$ 669,082	99.1%	\$ 669,082	0.0%
GRF	235-515	Case Western Reserve University School of Medicir	\$ 3,011,271	\$3,011,271	\$ 3,011,271	0.0%	\$ 3,011,271	0.0%
GRF	235-518	Capitol Scholarship Program	\$ 122,400	\$125,000	\$ 125,000	0.0%	\$ 125,000	0.0%
GRF	235-519	Family Practice	\$ 4,548,470	\$4,548,470	\$ 4,548,470	0.0%	\$ 4,548,470	0.0%
GRF	235-520	Shawnee State Supplement	\$ 1,918,830	\$2,056,986	\$ 2,502,323	21.6%	\$ 2,577,393	3.0%
GRF	235-521	The Ohio State University Glenn Institute	\$ 286,082	\$286,082	\$ 619,082	116.4%	\$ 619,082	0.0%
GRF	235-524	Police and Fire Protection	\$ 171,959	\$171,959	\$ 171,959	0.0%	\$ 171,959	0.0%
GRF	235-525	Geriatric Medicine	\$ 750,110	\$750,110	\$ 750,110	0.0%	\$ 750,110	0.0%
GRF	235-526	Primary Care Residencies	\$ 2,245,688	\$2,245,688	\$ 2,245,688	0.0%	\$ 2,245,688	0.0%
GRF	235-527	Ohio Aerospace Institute	\$ 1,764,957	\$1,764,957	\$ 1,764,957	0.0%	\$ 1,764,957	0.0%
GRF	235-530	Academic Scholarships	\$ 7,800,000	\$7,800,000	\$ 7,800,000	0.0%	\$ 7,800,000	0.0%
GRF	235-531	Student Choice Grants	\$ 47,606,916	\$52,985,376	\$ 17,985,376	-66.1%	\$ 17,985,376	0.0%
GRF	235-534	Student Workforce Development Grants	\$ 3,041,352	\$2,137,500	\$ 0	-100.0%	\$ 0	N/A
GRF	235-535	Ohio Agricultural Research and Development Center	\$ 35,955,188	\$35,955,188	\$ 36,674,292	2.0%	\$ 36,674,292	0.0%
GRF	235-536	The Ohio State University Clinical Teaching	\$ 13,565,885	\$13,565,885	\$ 13,565,885	0.0%	\$ 13,565,885	0.0%
GRF	235-537	University of Cincinnati Clinical Teaching	\$ 11,157,756	\$11,157,756	\$ 11,157,756	0.0%	\$ 11,157,756	0.0%
GRF	235-538	University of Toledo Clinical Teaching	\$ 8,696,866	\$8,696,866	\$ 8,696,866	0.0%	\$ 8,696,866	0.0%
GRF	235-539	Wright State University Clinical Teaching	\$ 4,225,107	\$4,225,107	\$ 4,225,107	0.0%	\$ 4,225,107	0.0%
GRF	235-540	Ohio University Clinical Teaching	\$ 4,084,540	\$4,084,540	\$ 4,084,540	0.0%	\$ 4,084,540	0.0%
GRF	235-541	Northeastern Ohio Universities College of Medicine	\$ 4,200,945	\$4,200,945	\$ 4,200,945	0.0%	\$ 4,200,945	0.0%
GRF	235-543	Ohio College of Podiatric Medicine Clinic Subsidy	\$ 250,000	\$250,000	\$ 0	-100.0%	\$ 0	N/A
GRF	235-547	School of International Business	\$ 450,000	\$450,000	\$ 450,000	0.0%	\$ 450,000	0.0%

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
BOR Regents, Ohio Board of								
GRF	235-549	Part-time Student Instructional Grants	\$ 12,730,872	\$10,534,617	\$ 0	-100.0%	\$ 0	N/A
GRF	235-552	Capital Component	\$ 19,309,008	\$19,059,866	\$ 19,306,442	1.3%	\$ 19,306,442	0.0%
GRF	235-553	Dayton Area Graduate Studies Institute	\$ 2,806,599	\$2,806,599	\$ 2,806,599	0.0%	\$ 2,806,599	0.0%
GRF	235-554	Priorities in Collaborative Graduate Education	\$ 2,355,548	\$2,355,548	\$ 2,355,548	0.0%	\$ 2,355,548	0.0%
GRF	235-555	Library Depositories	\$ 1,696,458	\$1,696,458	\$ 1,696,458	0.0%	\$ 1,696,458	0.0%
GRF	235-556	Ohio Academic Resources Network	\$ 3,727,223	\$3,727,223	\$ 3,727,223	0.0%	\$ 3,727,223	0.0%
GRF	235-558	Long-term Care Research	\$ 211,047	\$211,047	\$ 211,047	0.0%	\$ 211,047	0.0%
GRF	235-561	Bowling Green State University Canadian Studies C	\$ 100,015	\$100,015	\$ 100,015	0.0%	\$ 100,015	0.0%
GRF	235-563	Ohio College Opportunity Grant	----	\$58,144,139	\$ 139,974,954	140.7%	\$ 151,113,781	8.0%
GRF	235-567	Central State Speed to Scale	----	----	\$ 4,400,000	N/A	\$ 3,800,000	-13.6%
GRF	235-568	Higher Education Compact	----	----	\$ 79,454,801	N/A	\$ 112,825,818	42.0%
GRF	235-572	The Ohio State University Clinic Support	\$ 1,277,019	\$1,277,019	\$ 1,277,019	0.0%	\$ 1,277,019	0.0%
GRF	235-583	Urban University Program	\$ 4,992,937	\$4,992,937	\$ 5,550,937	11.2%	\$ 5,550,937	0.0%
GRF	235-587	Rural University Projects	\$ 1,147,889	\$1,147,889	\$ 1,147,889	0.0%	\$ 1,147,889	0.0%
GRF	235-588	Ohio Resource Center for Mathematics, Science, an	\$ 399,936	\$0	\$ 0	N/A	\$ 0	N/A
GRF	235-596	Hazardous Materials Program	\$ 360,435	\$360,435	\$ 360,435	0.0%	\$ 360,435	0.0%
GRF	235-599	National Guard Scholarship Program	\$ 16,351,109	\$16,611,063	\$ 16,611,063	0.0%	\$ 16,611,063	0.0%
GRF	235-909	Higher Education General Obligation Debt Service	\$ 118,069,455	\$152,114,100	\$ 172,722,400	13.5%	\$ 208,747,200	20.9%
General Revenue Fund Total			\$ 2,462,053,520	\$ 2,550,632,969	\$ 2,651,172,945	3.9%	\$ 2,650,527,541	0.0%
220	235-614	Program Approval and Reauthorization	\$ 261,007	\$400,000	\$ 800,000	100.0%	\$ 800,000	0.0%
456	235-603	Sales and Services	\$ 143,058	\$900,000	\$ 700,000	-22.2%	\$ 700,000	0.0%
5Y5	235-618	State Need-based Financial Aid Reconciliation	\$ 2,448,669	\$0	\$ 0	N/A	\$ 0	N/A
5X2	235-632	STEM and Foreign Language Academies	----	\$3,500,000	\$ 0	-100.0%	\$ 0	N/A
General Services Fund Group Total			\$ 2,852,733	\$ 4,800,000	\$ 1,500,000	-68.8%	\$ 1,500,000	0.0%
312	235-609	Tech Prep	\$ 184,872	\$183,850	\$ 183,850	0.0%	\$ 183,850	0.0%
312	235-611	Gear-up Grant	\$ 3,332,990	\$4,670,691	\$ 3,300,000	-29.3%	\$ 3,300,000	0.0%
312	235-612	Carl D. Perkins Grant/Plan Administration	\$ 101,819	\$112,960	\$ 112,960	0.0%	\$ 112,960	0.0%

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
BOR Regents, Ohio Board of								
312	235-615	Professional Development	\$ 411,804	\$523,129	\$ 0	-100.0%	\$ 0	N/A
312	235-617	Improving Teacher Quality Grant	\$ 2,153,451	\$2,900,000	\$ 3,200,000	10.3%	\$ 3,200,000	0.0%
312	235-619	Ohio Supercomputer Center	\$ 10,000,000	\$6,000,000	\$ 0	-100.0%	\$ 0	N/A
312	235-621	Science Education Network	\$ 673,939	\$1,686,970	\$ 1,686,970	0.0%	\$ 1,686,970	0.0%
312	235-628	Temporary Assistance for Needy Families (TANF)	----	\$30,000,000	\$ 0	-100.0%	\$ 0	N/A
312	235-629	High Growth Grant	----	\$589,212	\$ 0	-100.0%	\$ 0	N/A
312	235-631	Federal Grants	\$ 769,284	\$250,590	\$ 0	-100.0%	\$ 0	N/A
3BW	235-630	Indirect Cost Recovery-Fed	----	\$600,000	\$ 0	-100.0%	\$ 0	N/A
3H2	235-608	Human Services Project	\$ 1,139,037	\$1,500,000	\$ 3,000,000	100.0%	\$ 3,000,000	0.0%
3H2	235-622	Medical Collaboration Network	\$ 2,023,859	\$3,346,143	\$ 3,346,144	0.0%	\$ 3,346,144	0.0%
3N6	235-605	State Student Incentive Grants	\$ 3,197,971	\$2,196,680	\$ 2,196,680	0.0%	\$ 2,196,680	0.0%
3T0	235-610	National Health Service Corps – Ohio Loan Repaym	\$ 297,131	\$546,001	\$ 250,000	-54.2%	\$ 250,000	0.0%
3BG	235-626	Star Schools	\$ 1,215,703	\$2,778,620	\$ 2,980,865	7.3%	\$ 2,990,746	0.3%
Federal Special Revenue Fund Group Total			\$ 25,501,861	\$ 57,884,846	\$ 20,257,469	-65.0%	\$ 20,267,350	0.0%
4E8	235-602	Higher Educational Facility Commission Administrati	\$ 15,431	\$55,000	\$ 50,000	-9.1%	\$ 45,000	-10.0%
4P4	235-604	Physician Loan Repayment	\$ 540,176	\$636,870	\$ 476,870	-25.1%	\$ 476,870	0.0%
649	235-607	The Ohio State University Highway/Transportation R	\$ 508,775	\$760,000	\$ 760,000	0.0%	\$ 760,000	0.0%
682	235-606	Nursing Loan Program	\$ 408,613	\$893,000	\$ 893,000	0.0%	\$ 893,000	0.0%
5DT	235-627	American Diploma Project	\$ 369	\$250,000	\$ 250,000	0.0%	\$ 0	-100.0%
5Z7	235-624	Ohio Dentist Loan Repayment Program	----	\$201,121	\$ 0	-100.0%	\$ 0	N/A
State Special Revenue Fund Group Total			\$ 1,473,363	\$ 2,795,991	\$ 2,429,870	-13.1%	\$ 2,174,870	-10.5%
Total All Budget Fund Groups			\$ 2,491,881,477	\$ 2,616,113,806	\$ 2,675,360,284	2.3%	\$ 2,674,469,761	0.0%