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September 27, 2011

Dear President Williams,

On behalf of the University Faculty Senate, I wanted to forward to you an addendum report of the ad hoc committee of the Faculty Senate on *Deregulation, Autonomy, and Internal Restructuring (DAIR)*, which Faculty Senate unanimously endorsed on September 19, 2011. The report provides an analysis of the Chancellor's Enterprise University Plan released on August 11th. The DAIR Committee took note of Chancellor Petro's public statements that he views the plan as a basis to "begin a conversation." The Senate's expectation is that any planning that does advance will enable the University of Cincinnati to fulfill its mission as a public research university of the highest quality.

The Senate also took note of the productive working relationship that has developed on this issue between the administration and faculty representatives as an example of effective shared governance at work. The Senate, therefore, went on record and unanimously endorsed the following resolution.

Be it resolved, that Faculty Senate,

Remain engaged with the Chancellor's Plan for Enterprise Universities as discussions progress around its possible legislative development;

Encourage President Williams to continue to seek Faculty Senate counsel on the plan as it develops;

Recommend that President Williams seek to provide Chancellor Petro with input and suggestions that will produce an outcome that advances the mission of the University of Cincinnati as a public research university and leverages the entire University System of Ohio to provide accessible, affordable educational opportunities of the highest quality.

Sincerely,

Richard J. Harknett, PhD
Chair of the University Faculty

DAIR REPORT

TO: University Faculty Senate
FR: Senate Ad Hoc Committee on Deregulation, Autonomy, and Institutional Restructuring (D.A.I.R.)
RE: DAIR Committee Review of Chancellor Petro's Enterprise University Report
September 5, 2011

Introduction

The DAIR Committee was originally formed and Charged in Winter Quarter 2011 to examine issues related to preliminary planning in the Ohio State Legislature involving the concept of "Charter Universities." The Committee provided a twenty-five page report titled, UC: An Ohio preeminent 21st Century Public University to the entire University Community at the All-University Faculty Meeting on May 24, 2011. The report is available on-line at

http://www.uc.edu/content/dam/uc/facultysenate/senate/docs/alluniversityfacultymeeting/DAIR_revisedreport_May202011.pdf

On August 11, 2011, the Office of the Chancellor released, *An Enterprise University Plan for Ohio* available at: <http://www.ohiohighered.org/enterprise-university-plan>, which had been mandated by the State Legislature for release no later than August 15th.

The sixty-two page report proposes criteria to establish so-called "enterprise universities", or "international enterprise universities." These schools would ostensibly be given greater autonomy in return for less state funding and oversight. Details of how this might be implemented are admittedly not fully defined in the plan. In reviewing the criteria suggested, it appears that UC would qualify for both of these new designations. Unfortunately, based on our own internal research, the actual savings that could be achieved are relatively meager: less than one-tenth of one percent of the university's total annual budget (approximately \$250,000 saved set against potential state investment loss of \$30 million). Therefore, the opinion of the committee is that the advantages of such a designation would not outweigh the potential costs.

To summarize, the consensus of our committee is that the Enterprise University plan, as currently presented in the Chancellor's initial report, would not produce a net benefit to UC or its stakeholders. While the committee finds several of the ideas in the report conceptually appealing, including the desire to unburden universities from costly regulations as a means to make the universities more cost efficient, and the effort to enhance the universities' role in workforce development, the Enterprise University plan, as currently proposed, is unlikely to produce actual savings that could enhance academic programming or affordability for students. In fact, it likely will lead to tuition increases combined with operating cuts—the same pattern we have seen for the last two decades.

Discussion

The committee finds that the education-specific goals for Ohio, including accessibility, affordability, and retention of university graduates choosing to live and work in the state, are laudable. These goals could indeed be assisted with tax credits for graduates who find employment, both for in-state and out-of-state students. The "fit" for encouraging Ohio's economy, i.e. training students with a range of contemporary skills and general knowledge for a changing global economy, accords with the ongoing Academic Master Plan, and ongoing restructuring, being implemented at UC. The particular strengths of UC should be explored in relationship to these goals to the degree that the Enterprise Plan could ultimately be fine tuned to address accessibility, affordability, retention of graduates in Ohio, thus growing an educated citizenry and a more prosperous workforce.

With regard to some specific regulatory proposed changes, a few are worth more careful consideration. For example, altering transparency provisions in administrative meetings could invite unwelcome suspicion of routine deliberation and cause unnecessary controversy. Any provision which abrades the bond of responsibility to Ohio citizenry, including parents, students, donors and alumni for any state university, “damages the brand” to use marketing terms, and should be reconsidered or deployed with caution.

Relative autonomy in exchange for a reduction in SSI funding has quite limited utility, as our report in May documented. Moreover, the university’s independence and consistent amount of continued state funds are subject to change, in terms of state politics and revenue levels. This has already been proven in similar compacts in the New Jersey and Virginia systems, again as our May report indicated. Tuition setting autonomy is also limited by the overall economy, as well as the expectations of Ohio students and parents. Based on review of reforms in other states, finding the right balance between tuition and operating state mandates is the critical relationship (rather than viewing the relationship as subsidies versus mandates, because decreases in state investments will lead likely to tuition increases).

DAIR Committee members:

Frank Wray, Committee Chair, UC Blue Ash

Sid Barton, College of Business

Jeffrey Bauer, Clermont College

Janine Hartman, McMicken College of Arts & Sciences

Pamela Heaton, College of Pharmacy

Jennifer Krivickas, University of Cincinnati Libraries

Alex Lentsch, College of Medicine

Stephen Mockabee, McMicken College of Arts & Sciences

Richard Harknett (ex-officio member), Chair of the University Faculty