ment, the legislature allowed $195,790 for new teachers. Yet if this sum were "trans-ferred," as Mr. Davey wishes, together with salary restoration funds, to buy fuel, water, etc., the present reduced and overburdened teaching staff would have to meet these demands and at salaries still below the worst depression level, (with all other state employees restored to full salary).

IX. Some Public Statements regarding the University's Crisis

President George W. Rightmire:
"Mr. Davey's vetoes are a purchase order for mediocrity for the Ohio State University. We should be false to any honorable and intelligent sense of trusteeship to the people of this state, if we fail, in this greatest crisis in the history of the University, to speak out and tell the truth."

Honorable Newton D. Baker, for the University Board of Trustees:
"Minimum efficiency requires all that the legislature voted. The Board expresses its earnest hope that the Governor, now apprised of the emergency confronting the University, may lend his assistance in providing the necessary revenue."

Governor Martin L. Davey:
"President Rightmire can cry his eyes out and squawk to his heart's content. I shall stand by the people of Ohio and not let him get away with it."

President Phil S. Bradford, Law, '12, for the Ohio State University Association:
"Does anyone think that the citizens of this commonwealth are going to sit supinely by while their prized institutions are riddled to make selfish political capital for a single individual? Ohio State men and women, from one end of this state to the other will stand by these leaders and will fight for fair treatment for the University."

How The Situation Stands Sept. 15.

1. Unless the legislature acts in its expected impending special sessions, Ohio State University will have no money for fuel or water beginning January 1. Already, because funds for telephones were shut off July 1, it has informed the Telephone Co. that it cannot be responsible for its bills.

2. It will not have a prancy for new books, nor for periodicals and scientific journals.

3. Mr. Davey had hoped to transfer funds for fuel and water and other essentials from the salary funds, but action of the Supreme Court denied him this privilege.

4. Accordingly, the legislature will have to draft a new appropriation bill and provide the amounts needed for essentials.

5. Mr. Davey hopes to force the legislature to do what he was unable to do, namely, transfer funds from University salaries, etc., for these purposes.

6. "Not a penny more shall the University have than is allowed under the vetoes," Mr. Davey has declared.

7. Will the legislature, which after thorough study and investigation, allowed the University $7,155,000, now reduce it to Mr. Davey's figure of $5,800,100, at Mr. Davey's behest?

8. Will the legislature, in the face of an expected 1500 increase in enrollment, force the University to operate on less than '98 and '99 than it received during the previous biennium?

9. Will the legislature permit all other state employees to enjoy a restoration in salary while a harassed and worried teaching staff at the University is forced to take on more work for salaries cut three times, cut 18 months earlier than all others, cut deeper, and not yet restored although for six months all others have had such restoration?

WE DO NOT THINK THAT THE LEGISLATURE, MINDFUL OF THE UNIVERSITY'S RESPONSIBILITIES, WILL PERMIT ANY OF THESE THINGS

IF ALL OF ITS MEMBERS ARE FULLY APPRIZED OF SUCH FACTS, THERE CAN BE NO DOUBT AS TO THE ACTION OF THE MEMBERS OF THE 91ST GENERAL ASSEMBLY

Make It Your Duty To See That Your Representatives and Senators Know These Facts!

Concerning the crisis confronting the Ohio State University as a result of Martin L. Davey's vetoes of its appropriations.

It is necessary for the friends of the University to make sure that each and every member of the Legislature is informed of such facts as are found in this leaflet.

Published by THE OHIO STATE UNIVERSITY ASSOCIATION
Official Organization of the Alumni and Former Students in the Interest of the Youth of Ohio
I. Amounts and Percentages In Two Year Appropriation Bill ("32'-36").

<table>
<thead>
<tr>
<th>Bill</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. University Budgeted</td>
<td>$9,992,192</td>
<td>100%</td>
</tr>
<tr>
<td>2. Legislature Granted</td>
<td>$7,980,000</td>
<td>100%</td>
</tr>
<tr>
<td>3. Mr. Davey Vetted Out</td>
<td>1,268,800</td>
<td>100%</td>
</tr>
<tr>
<td>4. University Received State Grant</td>
<td>$5,965,000</td>
<td>100%</td>
</tr>
<tr>
<td>5. University Received Biennial of</td>
<td>$7,207,600</td>
<td>100%</td>
</tr>
<tr>
<td>6. University Received Biennial of</td>
<td>$7,207,600</td>
<td>100%</td>
</tr>
<tr>
<td>7. Total Salaries in Its Revenue</td>
<td>$7,272,000</td>
<td>100%</td>
</tr>
<tr>
<td>8. With Davey cuts, University would get for</td>
<td>$8,868,100*</td>
<td>110%</td>
</tr>
</tbody>
</table>

II. Figures Pertaining to Entire State Appropriations.

<table>
<thead>
<tr>
<th>Bill</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Legislatures Provided for All State Departments</td>
<td>$897,607,000</td>
<td>100%</td>
</tr>
<tr>
<td>2. Governor Davey Vetted Out</td>
<td>$7,207,600</td>
<td>0%</td>
</tr>
<tr>
<td>3. Increase Over Previous Appropriation Bill</td>
<td>$5,050,403</td>
<td>9%</td>
</tr>
<tr>
<td>4. Percentage of Cuts In Appropriation Bill by Davey</td>
<td>$5,050,403</td>
<td>9%</td>
</tr>
<tr>
<td>5. Percentage of Cuts in University Appropriation by Davey</td>
<td>$175,607,600</td>
<td>9%</td>
</tr>
</tbody>
</table>

III. Some Figures on Per Capita University Costs (Mr. Davey Would Compare Ohio State University with the smaller Ohio colleges).

<table>
<thead>
<tr>
<th>College</th>
<th>Public Support</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Illinois</td>
<td>$2,453,024</td>
<td>10,079</td>
</tr>
<tr>
<td>University of Wisconsin</td>
<td>$1,531,024</td>
<td>7,187</td>
</tr>
<tr>
<td>Ohio State University</td>
<td>$1,594,801</td>
<td>10,247</td>
</tr>
<tr>
<td>Kansas State University</td>
<td>$1,490,301</td>
<td>8,949</td>
</tr>
<tr>
<td>University of Kentucky</td>
<td>$1,391,101</td>
<td>6,949</td>
</tr>
<tr>
<td>Brown University</td>
<td>$1,309,101</td>
<td>6,949</td>
</tr>
<tr>
<td>Kansas State College</td>
<td>$1,340,301</td>
<td>6,949</td>
</tr>
<tr>
<td>Cornell University</td>
<td>$1,317,101</td>
<td>6,949</td>
</tr>
<tr>
<td>University of Tennessee</td>
<td>$1,317,101</td>
<td>6,949</td>
</tr>
<tr>
<td>University of Nebraska</td>
<td>$1,299,301</td>
<td>6,949</td>
</tr>
</tbody>
</table>

The source of these materials is Circular No. 138, the latest official report (report on the Land Grant Colleges and Universities) published by the United States Department of Interior, Office of Education, for the year ending June, 1934.

The Universities of Michigan and Indiana, not being land grant colleges, are not included in the report.

The revenues cited include Federal appropriations for such activities as agricultural education and agricultural extension work all over the state. Hence the per capita costs per student are higher than those in most state universities. Comparisons are given in this form because they are the only official figures available from sources other than the universities themselves.

IV. The Facts Regarding President Rightmire's Salary.

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary of President</th>
</tr>
</thead>
<tbody>
<tr>
<td>1931</td>
<td>$12,500</td>
</tr>
<tr>
<td>1932</td>
<td>$15,000</td>
</tr>
</tbody>
</table>

The figures show that the President's salary has increased by 36% in the past year.

Mr. Davey, in speeches, has asserted that "the truth behind President Rightmire's fight for appropriation restoration is that he attempted to 'halp in' a $3000 salary increase for himself. Mr. Davey knows that the restorations were ordered by the State Finance Director (the governor's agent) to comply with the expiration of the state salary cutting Act, and that he, Mr. Davey, has been enjoying a $1200 increase since January 1, while no University employee has had a penny of restoration."

V. Facts Regarding State Salaries.

1. The University made its first reduction, voluntarily, 15 months prior to any other state department, in the interest of economy.

2. University made three salary reductions; other state employees were cut only once. University professors and employees receiving more than $3,000, for example, last twice as much as they would have had the University made strictly to the state's general salary cutting program.

3. All other state employees, including Governor Davey, have been enjoying full salary restoration since January 1, while University employee has had a penny of restoration.

VI. Some comparative costs as to salaries at the Ohio State University.

1. Ohio State is the seventh largest university in America, but its presidents are paid an average salary lower than the other Big Ten state universities with which it compares in size and resources.

2. The average salary of a full professor at Ohio State is $6,600; at Illinois it is $6,800; at Michigan $5,165; at Minnesota $5,017; and at Wisconsin $4,446.

3. Ohio's state's associate professors and assistant professors are paid the second lowest of the Big Ten State Universities.

4. Of its 1,005 employees, 1,015 receive less than $4,000 a year and 986 get $1,000 a year or less.

5. Salary cuts imposed by the university ranged from 32.5 percent of President Rightmire's salary to 4 percent of a $600 yearly salary. The state government cuts ranged from 13.2 to 37 percent.

VII. The University's Economy Program During the Depression.

1. Its drastic economies included the dropping of 225 full-time teachers and the placing of 67 more on part-time basis.

2. It pruned out and dropped 460 courses to reduce expenses, a reduction of 10 percent of the curriculum. It now offers 3,000 courses.

VIII. Enrollment Statistics.

1. The University is faced with mounting enrollment. Last year's freshman class of 800 was 10% larger than the previous year.

2. Total individual registrations for the year were 18,050.

3. The enrollment of the present quarter is 4,072; last year it was 3,694, which shows it has increased 10%, and last year's summer quarter enrollment was 7% ahead of previous year.

4. As of July 17, 1935, freshmen admissions for the fall quarter were 16% ahead of last year (which had a larger freshman enrollment of 850) and 76 percent ahead of the same time in the previous year.

5. As of July 17, 1935, total admissions of new students (both freshmen and upper classes) were 20% ahead of last year.

6. Last year's record breaking freshman class will mean a record breaking sophomore class, and with this coming freshman class running ahead of last year's and with new students running 20% ahead of last year, all signs point to a bumper enrollment.

7. To meet the demands of the rising enroll-
To The General Assembly of Ohio:

We, the Presidents of Bowling Green State College, Kent State College, Miami University, Ohio University and the Ohio State University, representing these institutions, desire to present this petition in behalf of state-supported higher education in Ohio.

The ten per cent reduction in personal service enacted in House Bill 624 precipitates a crisis in the educational program of the State. We make earnest appeal that the Senate prevent this injury to the educational welfare of the commonwealth. We urge this relief upon the following grounds:

I. The reduction is a plain discrimination against education in that no like sacrifice was required of other employees of the State.

II. To the extent that present teaching staffs in these institutions must thereby be reduced despite increased and increasing enrollments, to the extent that morale in these colleges and universities is adversely affected by the sense of unjust discrimination, and to the extent that they can neither hold nor replace many of these best teachers, the service of these institutions to the youth of Ohio is definitely impaired.

III. In spite of nation-wide depression and budgetary stringency, other states with which Ohio must compete and is compared have avoided the doubtful economy of wage and salary reductions in the state educational service. Are Ohio's resources less than those of her sister states? Has Ohio's faith in education suddenly become weakened?

IV. The restoration of the ten per cent cut will place these institutions on a bare minimum of operation with the present body of students; even then the amounts provided will be considerably below the original requests, carefully prepared on the basis of actual needs, which the five colleges and universities first presented.

We ask the General Assembly, the body ultimately responsible to the people of Ohio for the conservation and development of state-supported higher education, to carry forward - not to cripple - its most productive undertaking, the education of its future citizens! On behalf of the teachers in these institutions and in the interest of the 22,000 students who come from every county of the State, we present this appeal.

(Signed) Elmer B. Bryan, President and Chairman of Board of Trustees, Ohio University
A.H. Upham, President, Miami University
G. W. Rightmire, President, Ohio State University
H. B. Williams, President, Bowling Green State College
J. O. Engleman, President, Kent State College
Budget Needs
of the
Ohio State University
For the Biennium
January 1, 1931 to December 31, 1932

Columbus
The Ohio State University Press
March 1, 1931
Education is:
Fundamental Public Welfare

"Present statewide concern for public welfare is abundantly justified. The obligation resting upon society to care for its unfortunates has always been recognized.

"The hope of democracy is in education. The State, therefore, cannot afford to relax its efforts to educate its potentially productive citizens while developing a progressive program for the care of its unfortunates; it can do no less than to carry both obligations.

"A program of education is an integral part of public welfare."

Budget Needs of the Ohio State University
For the Biennium
January 1, 1931 to December 31, 1932

Columbus
The Ohio State University Press
March 1, 1931
The Ohio State University

An Agency of All the People

"The State has no material resources at all comparable with its citizens, and no hope of perpetuity except in the intelligence and integrity of its people."

To the General Assembly and Governor of Ohio:

This institution has been in existence almost sixty years and in answer to the demands of the people it has spread its activities into ten colleges, each presenting a desired type of training, and a graduate school, in which the most advanced range and quality of educational service are rendered. The accompanying chart shows the attendance at this institution since it opened in 1873 and is a most striking and conclusive presentation of the educational place which the University holds increasingly in the life of the Commonwealth.

This institution serves the public on the campus and carries many kinds of service out to the communities and the industries. All of this is in response to a well-defined demand coming from the people, and all of its activities are devoted to an intelligent and constructive educational program to meet their wishes. The people of Ohio, from the beginning, have made education fundamental and have through the years carried forward their purpose of bringing the benefits of education to all the youth of the State, and to extend to the industries and the commerce of the State such further technical and professional instruction as may be presented by a state university in the interest of the
social welfare of all the people. A state university is the thirteenth, fourteenth, fifteenth, and sixteenth grades of the public school system, with graduate facilities at the top.

Your considerate attention to the requests herein presented by the University for the biennium 1931-32 is respectfully solicited.

March 16, 1931.

President.

The University Request

The Ohio State University has presented budget requests to the Director of Finance for the biennium 1931-1932 as follows:

- Personal service: $6,914,532
- Operation and maintenance: $1,542,866
- Capital improvements: $1,073,226
- Lands and buildings: $4,541,528

The Executive Budget:

As recommended in the Executive Budget now before the General Assembly, the University requests stand as follows:

- Personal service: $6,914,532
- Operation and maintenance: $1,512,136
- Capital improvements: $801,500
- Land and buildings: $1,441,528

What Ohio Faces:

These requests take into account the following conditions affecting the State of Ohio and the Ohio State University:

This is a period of economic stress, and proportionately less has been asked for maintenance and operation of the University in the next biennium.

The enrollment continues to increase despite the economic situation.

It is vital that the personal service of the University—that is, its teaching staff—be maintained at its present high standard.

Marked progress has been made by the University in recent years until Ohio is now recognized as among the leaders in state-supported higher education; it is important that the ground thus gained be held and improved.

In times like the present, it is particularly important that the general welfare program of the state, including education, continue to go forward.
Two Years of Progress:

Two years ago the Eighty-eighth General Assembly and the Chief Executive made constructive provision for the needs of the Ohio State University. Its action contributed definitely to the progress of the University in the biennium just ended. More teaching has been provided, class sections are 20 per cent smaller, the work in basic courses is more closely supervised, and the quality of the teaching has been improved.

CLASS SIZE IN ELEMENTARY SECTIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Sections</th>
<th>Gross Enrollment</th>
<th>Average Size of Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1925-7</td>
<td>1128</td>
<td>40,323</td>
<td>35.7</td>
</tr>
<tr>
<td>1926-7</td>
<td>1234</td>
<td>41,599</td>
<td>33.7</td>
</tr>
<tr>
<td>1927-8</td>
<td>1335</td>
<td>41,626</td>
<td>31.4</td>
</tr>
<tr>
<td>1928-9</td>
<td>1425</td>
<td>41,835</td>
<td>29.4</td>
</tr>
</tbody>
</table>

Other accomplishments are:

Better facilities to meet the gain in resident enrollment from 13,025 to 15,114, and the growth of the Graduate School to 2,420, an increase of 25 per cent.

Closer personal touch with the problems and progress of the individual student both in the classroom and outside.

Improved physical facilities.

Services to the state at large increased in response to public demand.

Greatly improved summer program which in 1930 served 4,500 students.

Further improvement of the quality and the scope of graduate instruction.

Outside the Classroom:

In addition to formal instruction, the University makes a distinct contribution to the life of the State in a variety of ways through: the Ohio Engineering Experiment Station, the bureaus of business and educational research, the departments of agricultural and commerce extension, the medical, dental, and veterinary clinics, Farmers’ Week, the Ohio State Educational Conference, the Veterinary Conference, and many other activities. The outreach of the University to the State at large through these many channels grows each year in response to public demand and is of increasing significance and importance.

Every college in the University contributes to the profession or activity in the State to which it naturally relates. In addition to its thousands of students from all parts of Ohio, therefore, the University serves the entire Commonwealth. As nearly as it can, it makes available all of its facilities to meet the public demands for a great variety of services.

A Look Ahead:

The resident enrollment during the current year will exceed 16,000 and by the end of the biennium probably will pass 17,000.

The fathers and mothers of Ohio believe firmly in state-supported higher education. This is shown by the increasing measure in which they send their sons and daughters to the University year after year. An obligation is thereby placed upon the State, shared jointly by the General Assembly and the University.

Competition for Superior Teachers:

The influence and reputation of state-supported universities like Ohio State and the Universities of Michigan, Illinois, Wisconsin, Minnesota, and California extend far beyond their respective state boundaries and their faculties are built up of the best men obtainable. Ohio State, in common with these leading state universities, necessarily seeks its teaching staff therefore in a national market in which the great endowed universities like Harvard, Yale, Princeton, Columbia, and Chicago also compete.
THE PERSONAL SERVICE BUDGET
For the Biennium 1931-1932

<table>
<thead>
<tr>
<th></th>
<th>University Request</th>
<th>Executive Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present annual rates</td>
<td>$7,918,052</td>
<td>$7,918,052</td>
</tr>
<tr>
<td>New positions</td>
<td>129,080</td>
<td>129,080</td>
</tr>
<tr>
<td>Increase in salaries</td>
<td>70,000</td>
<td>70,000</td>
</tr>
<tr>
<td>Fourth quarter reserve</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td></td>
<td>$8,133,032</td>
<td>$8,133,032</td>
</tr>
<tr>
<td>Less student fees</td>
<td>1,550,000</td>
<td>1,550,000</td>
</tr>
<tr>
<td></td>
<td>$6,583,032</td>
<td>$6,583,032</td>
</tr>
<tr>
<td>Total for A-1 salaries</td>
<td>331,500</td>
<td>331,500</td>
</tr>
<tr>
<td>A-2 wages</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$6,914,532</td>
<td>$6,914,532</td>
</tr>
</tbody>
</table>

A Smaller Request:
As the demands upon the University's facilities continue to grow, it follows that some increase in the provision for operation and maintenance is inevitable. A comparison of the current requests with those of the previous biennium will show, however, that in proportion to the enrollment, the amount asked is less than that of two years ago.

MAINTENANCE REQUEST
Biennium 1931-1932

<table>
<thead>
<tr>
<th></th>
<th>Appropriation 1929-1930</th>
<th>Executive Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>C — Supplies</td>
<td>$503,500</td>
<td>$547,000</td>
</tr>
<tr>
<td>D — Materials</td>
<td>$86,000</td>
<td>99,000</td>
</tr>
<tr>
<td>E — Equipment</td>
<td>77,600</td>
<td>88,430</td>
</tr>
<tr>
<td>F — Contract and Open Order</td>
<td>644,500</td>
<td>669,300</td>
</tr>
<tr>
<td>H — Fixed charges</td>
<td>121,906</td>
<td>135,906</td>
</tr>
<tr>
<td>Total Maintenance</td>
<td>$1,432,506</td>
<td>$1,542,136</td>
</tr>
</tbody>
</table>

|                           | Increase of 5.6%         |

CAPITAL IMPROVEMENT REQUEST
Biennium 1931-1932

<table>
<thead>
<tr>
<th></th>
<th>Appropriation 1929-1930</th>
<th>Executive Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remodel Buildings</td>
<td>$275,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>Capital Equipment</td>
<td>574,200</td>
<td>516,000</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>247,500</td>
<td>210,000</td>
</tr>
<tr>
<td>Total Capital</td>
<td>$1,096,700</td>
<td>$801,300</td>
</tr>
</tbody>
</table>

LAND AND BUILDINGS

<table>
<thead>
<tr>
<th></th>
<th>Appropriation 1929-1930</th>
<th>Executive Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$55,000</td>
<td>$66,528</td>
</tr>
<tr>
<td>Buildings</td>
<td>1,475,000</td>
<td>1,375,000</td>
</tr>
<tr>
<td>Total</td>
<td>$1,530,000</td>
<td>$1,441,528</td>
</tr>
</tbody>
</table>

Land and Buildings:
As the enrollment grows and the demands upon the University for other kinds of service increase, additional buildings become necessary. A comparison of the Executive Budget with the building programs of other great state universities would show that the items here asked for are modest.

The following items have been recommended to the General Assembly in the executive budget:

Land........................................ $66,528

The wisdom of adding to the land and holdings of the University has been demonstrated through the years. It now has an option on about 50 acres of farm land on the north side of its present farm which can be exercised for $62,000. The balance of $4,528 is requested to complete the purchase of parcels begun some years ago in a tract just north of the main campus.
Fine Arts Building.................$450,000

This building is badly needed for the departments of music and arts which have grown rapidly in extremely cramped quarters and with entirely inadequate facilities.

Isolation Hospital....................$150,000

The present isolation hospital was built during the World War as a temporary structure and is entirely unsuited to hospital work. Cases of communicable diseases should be cared for by adding a wing to the University Hospital. This is also necessary for more adequate clinical work of the College of Medicine.

Agricultural Laboratory...............$225,000

This is requested to provide modern and more adequate housing of the departments of dairy technology, soils, farm crops and agricultural chemistry. It would relieve the congestion in Townsend Hall which has long been outgrown.

Service Building....................$150,000

This building would enable the University to bring together the large maintenance and supply department necessary to care for the entire upkeep of the University buildings. The present quarters have been used since the University had about a third of its present student body and for some years have been quite unequal to the needs.

Education Building Addition........$200,000

The College of Education has grown very rapidly. Its present building is crowded to a nearly impossible extent and an outlet must be found for its work. The wing requested would relieve much of this congestion.

Horticulture Greenhouses..............$50,000

These are badly needed to enable the Department of Horticulture to satisfy laboratory needs of students in the study of market gardening, small fruits and general horticulture.

Brown Hall Addition..................$150,000

This would complete this building as originally designed and would relieve the crowded condition of the present building which is used by the large departments of engineering drawing, civil engineering, architecture and photography.

Besides these items, the University has also presented the need for other improvements, including an auditorium, preschool and elementary school building, electrical engineering laboratory, education auditorium, and additions to the pharmacy and bacteriology, engineering experiment station, administration and commerce buildings.

Student Fees:

Three years ago the University increased its student fees. The level of these fees as compared with neighboring State Universities is shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>College of Arts</th>
<th>College of Law</th>
<th>College of Medicine</th>
<th>College of Dentistry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio State</td>
<td>$60.00</td>
<td>$105.00</td>
<td>$100.00</td>
<td>$150.00</td>
</tr>
<tr>
<td>Michigan</td>
<td>$65.50</td>
<td>$105.00</td>
<td>$150.00</td>
<td>$150.00</td>
</tr>
<tr>
<td>Illinois</td>
<td>$70.00</td>
<td>$100.00</td>
<td>$165.00</td>
<td>$170.00</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>$70.00</td>
<td>$100.00</td>
<td>$165.00</td>
<td>$170.00</td>
</tr>
</tbody>
</table>

In addition, all students, not residents of Ohio, must pay a "non-resident fee" of $105 a year. At the Universities of Michigan and Illinois this supplementary non-resident fee is $25 a year and at the University of Wisconsin it is $200.

Limitation of Enrollment:

The suggestion is heard occasionally that perhaps the time has come to consider limiting enrollment in the state-supported colleges and universities. It should be remembered that the University, like other land-grant colleges, was established on a broad, democratic basis; its purpose was—and continues to be—to serve all of the people. As such it is an extension of the system of public education carried to its natural and logical conclusion. The University continually seeks to improve its teaching; its facilities are constantly at the disposal of the high schools and elementary schools to help in solving their problems.

It is significant to note that 80 per cent of the freshman class entering the University last year was from the upper two-
thirds of the high school classes. Only 20 per cent was from the lowest third.

A student's high school record, however, is not always the best test of his latent ability. Any adult has merely to recall his own youth to prove that this is true and to assure himself that society owes the supreme educational opportunity to every individual who gives evidence of profiting thereby to the ultimate benefit of the State itself. While it gives the best possible training for leadership, the University also strives for the production of the intelligent followership that is equally necessary in a democracy.

The State of Ohio, through all the years, has kept open the door of educational opportunity for its youth by means of its consistent support of higher education. To adopt a policy of exclusion would be to set up an educational aristocracy entirely foreign to the expressed desire of the plain thinking people of Ohio.

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In common with its sister colleges and universities maintained by the State of Ohio, it presents this program on behalf of the citizens of Ohio, to whom, in the final analysis, the University belongs.

The Educational Objective of the Land Grant College

"I call, therefore, a complete and generous education, that which fits a man to perform justly, skillfully and magnanimously all the offices, both private and public, of peace and war."—John Milton.

This statement from Milton's famous Tractate on Education was the inspiration which led Senator Justin S. Morrill of Vermont to conceive and carry to a successful conclusion the Land Grant Act of 1862, which created the Land Grant Colleges and placed them "upon a sure and perpetual foundation, accessible to all, but especially to the sons of toil, where all the needful sciences for the practical vocations of life should be taught, where neither the higher graces of classical studies, nor the military drill our country so greatly appreciates, will be entirely ignored and where agriculture, the foundation of all present and future prosperity, may look for troops of earnest friends, studying its familiar and recondite economics, and at last elevating it to a higher level, where it may fearlessly invoke comparison with the most advanced standard of the world."
A Smaller Request:

As the demands upon the University's facilities continue to grow, it follows that some increase in the provision for operation and maintenance is inevitable. A comparison of the current requests with those of the previous biennium will show, however, that in proportion to the enrollment, the amount asked is less than that of two years ago.

**MAINTENANCE REQUEST**

<table>
<thead>
<tr>
<th>Item</th>
<th>Appropriation 1931-1932</th>
<th>Executive Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>C — Supplies</td>
<td>$500,000</td>
<td>$547,000</td>
</tr>
<tr>
<td>D — Materials</td>
<td>$86,000</td>
<td>$99,000</td>
</tr>
<tr>
<td>E — Equipment</td>
<td>$77,000</td>
<td>$66,400</td>
</tr>
<tr>
<td>F — Contract and Open Order</td>
<td>$64,500</td>
<td>$66,900</td>
</tr>
<tr>
<td>H — Fixed charges</td>
<td>$121,906</td>
<td>$135,006</td>
</tr>
<tr>
<td><strong>Total Maintenance</strong></td>
<td><strong>$1,432,506</strong></td>
<td><strong>$1,512,136</strong></td>
</tr>
</tbody>
</table>

Increase of 5.6%

**CAPITAL IMPROVEMENT REQUEST**

<table>
<thead>
<tr>
<th>Item</th>
<th>Appropriation 1931-1932</th>
<th>Executive Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remodel</td>
<td>$275,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>Buildings</td>
<td>$275,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>Capital</td>
<td>$574,200</td>
<td>$16,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>$574,200</td>
<td>$16,000</td>
</tr>
<tr>
<td>Outlay</td>
<td>$247,500</td>
<td>$210,000</td>
</tr>
<tr>
<td><strong>Total Capital</strong></td>
<td><strong>$1,096,700</strong></td>
<td><strong>$801,300</strong></td>
</tr>
</tbody>
</table>

27% Decrease

**LAND AND BUILDINGS**

<table>
<thead>
<tr>
<th>Item</th>
<th>Appropriation 1931-1932</th>
<th>Executive Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$55,000</td>
<td>$66,628</td>
</tr>
<tr>
<td>Buildings</td>
<td>$1,375,000</td>
<td>$1,375,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,430,000</strong></td>
<td><strong>$1,441,628</strong></td>
</tr>
</tbody>
</table>

8.4% increase

**Land and Buildings:**

As the enrollment grows and the demands upon the University for other kinds of service increase, additional buildings become necessary. A comparison of the Executive Budget with the building programs of other great state universities would show that the items here asked for are modest.

The following items have been recommended to the General Assembly in the executive budget:

Land .............................................. $66,628

The wisdom of adding to the land and holdings of the University has been demonstrated through the years. It now has an option on about 80 acres of farm land on the north side of its present farm which can be exercised for $62,000. The balance of $4,628 is requested to complete the purchase of parcels begun some years ago in a tract just north of the main campus.
Fine Arts Building ...................... $450,000

This building is badly needed for the departments of music and arts which have grown rapidly in extremely cramped quarters and with entirely inadequate facilities.

Isolation Hospital ..................... $150,000

The present isolation hospital was built during the World War as a temporary structure and is entirely unsuited to hospital work. Cases of communicable diseases should be cared for by adding a wing to the University Hospital. This is also necessary for more adequate clinical work of the College of Medicine.

Agricultural Laboratory ................ $225,000

This is requested to provide modern and more adequate housing of the departments of dairy technology, soils, farm crops, and agricultural chemistry. It would relieve the congestion in Townshend Hall which has long been outgrown.

Service Building ...................... $150,000

This building would enable the University to bring together the large maintenance and supply department necessary to care for the entire upkeep of the University buildings. The present quarters have been used since the University had about a third of its present student body and for some years have been quite unequal to the needs.

Education Building Addition ........... $200,000

The College of Education has grown very rapidly. Its present building is crowded to a nearly impossible extent and an outlet must be found for its work. The wing requested would relieve much of this congestion.

Horticulture Greenhouses .............. $ 50,000

These are badly needed to enable the department of Horticulture to satisfy laboratory needs of students in the study of market gardening, small fruits and general horticulture.

Brown Hall Addition ................... $150,000

This would complete this building as originally designed and would relieve the crowded condition of the present building which is used by the large departments of engineering drawing, civil engineering, architecture and photography.

Besides these items, the University has also presented the need for other improvements, including an auditorium, preschool and elementary school building, electrical engineering laboratory, education auditorium, and additions to the pharmacy and bacteriology, engineering experiment station, administration and commerce buildings.

Student Fees:

Three years ago the University increased its student fees. The level of these fees as compared with neighboring State Universities is shown in the following table:

<table>
<thead>
<tr>
<th>College of</th>
<th>Arts</th>
<th>Law</th>
<th>Medicine</th>
<th>Dentistry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio State</td>
<td>$60.00</td>
<td>$105.00</td>
<td>$180.00</td>
<td>$150.00</td>
</tr>
<tr>
<td>Michigan</td>
<td>65.50</td>
<td>90.50</td>
<td>160.50</td>
<td>180.50</td>
</tr>
<tr>
<td>Illinois</td>
<td>50.00</td>
<td>100.00</td>
<td>150.00</td>
<td>170.00</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>24.00</td>
<td>24.00</td>
<td>24.00</td>
<td>24.00</td>
</tr>
</tbody>
</table>

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In common with its sister colleges and universities maintained by the State of Ohio, it presents this program on behalf of the citizens of Ohio, to whom, in the final analysis, the University belongs.
Thereupon the Board recessed to meet at 8:30 P.M.

The Board resumed its session at 8:00 P.M., with the same members present as at the afternoon session.

The President now presented Dr. Arthur J. Klein, Chairman of the Special Committee appointed by the President to study the nature and extent of the University courses and activities and the educational functions of the University in general.

In presenting Dr. Klein, the President stated that the need for such study had been considered by the Administrative Council, and that the conclusion reached was that this study could best be undertaken by a special faculty committee appointed for that purpose.

At a meeting of the University Faculty held July 19th, this matter was brought to the attention of the faculty, and at this meeting the faculty gave cordial approval to the recommendation of the President, and provided for the appointment of a special committee by the President to do this work.

The President stated further that he had appointed as members of said committee, Professor Arthur J. Klein, Chairman, Professor Alpheus W. Smith, and Professor Carl Wittle. This committee had held several meetings and he had asked Professor Klein to come to this meeting to present to the Board the preliminary proposals which the committee felt should guide the study.

Professor Klein thereupon presented the principles upon which the committee felt it should proceed and the members of the Board joined in the discussion at length. The purposes of such study, the procedures and the results to be accomplished were given careful consideration and discussion. The members of the Board cordially expressed themselves as deeply interested in the purposes of the University Faculty in making this study, and in the intelligent and aggressive manner in which the committee was proceeding.

Thereupon the Board adjourned to meet in the morning at 9:00 o'clock.

August 19, 1932.

The Board came together at 9:00 A.M., with the same members present as at yesterday's session.

President Rightmire presented Vice-President J. L. Morrill. Mr. Morrill submitted a detailed report covering his activities and indicating the progress which has been made in his special field.

The Board now considered the order of the Director of Finance reducing the appropriations made for Personal Service and Maintenance for 1932, 5 per cent; this means a reduction of $183,000.00 in the appropriation made for Operation and Maintenance for the period ending December 31, 1932.

After a careful study of the present financial status of the University, the Board directed the Secretary to advise the Director of Finance that $65,000.00 of the appropriation for Maintenance is released at this time, and that the Trustees, after making a further
study, will advise the Director of Finance of the allocation of the balance requested.

The Secretary read to the Board a communication from the Feibel Bros. Realty Company under date of August 12th, concerning a proposal to lease to the University a building known as the Neil-Wood Cables.

It was the unanimous opinion of the Board that no consideration could be given to such a proposal at this time.

The Secretary reported that on July 29, 1932, the property under option of purchase from Flora Louise and Elizabeth H. Hess consisting of 91.2 acres, was purchased for the sum of $50,000.00 and the transaction closed. The deed for this property has been duly recorded and filed in the office of the Auditor of State.

Upon motion of Mrs. Paterson, seconded by Mr. Laybourne, it was ordered by unanimous vote that the position of Elevator Inspector be abolished, effective August 7, 1932.

Thereupon the Board adjourned to meet on Monday, September 12th, 1932, 12:30 P.M., at Wooster, Ohio.

Attest:
(Signed) CARL E. SPEER, Secretary.
(Signed) EGERT H. MACK, Chairman.
MEMORANDUM
FOR
MR. George W Eckelberry and President Rightmire
May 29, 1933

We should now get the administrative budget from each College.

We should ask each College to pare the number of its staff to the lowest limit considering these times of financial stringency.

No suggestion need be made about salary in the budgets which are returned since we can take up individual salaries later when we know how much money we are going to have. The important thing now is to get the number of each staff and the names of the individuals.

Mr. Eckelberry - Kindly think over this and we shall try to get together later today and formulate a letter.

George W. Rightmire
President
STATEMENT BY MARTIN L. DAVEY, GOVERNOR, June 20th, 1935.

I have read the somewhat interpersive statement of the President of the Ohio State University with reference to the appropriation for that institution for the current biennium, after certain items were vetoed. If his statement were based upon the truth, there might be a little more justification for it.

Herewith is given the amounts expended by the five state universities in the past two years, minus the sums for improvements and betterments. In the next column, is the amount of the appropriation for each of these institutions after the vetoed items were taken out. The next column shows the actual increase in the remaining appropriations over the previous two years. The fourth column shows the enrollment in each of the five universities.

<table>
<thead>
<tr>
<th>EXPENDITURES 1933-34</th>
<th>BILL AFTER VETO</th>
<th>INCREASE</th>
<th>ENROLLMENT 1934</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bowling Green $492,836.60</td>
<td>$82,658.00</td>
<td>$575,495.00</td>
<td>370</td>
</tr>
<tr>
<td>Kent $569,750.41</td>
<td>$62,637.00</td>
<td>$632,387.00</td>
<td>1167</td>
</tr>
<tr>
<td>Miami U. $907,039.57</td>
<td>$146,930.00</td>
<td>$1,054,020.00</td>
<td>2468</td>
</tr>
<tr>
<td>Ohio U. $1,009,665.23</td>
<td>$59,935.00</td>
<td>$1,069,600.00</td>
<td>2337</td>
</tr>
<tr>
<td>Ohio State $5,756,445.79</td>
<td>$132,645.00</td>
<td>$5,889,100.00</td>
<td>10092</td>
</tr>
</tbody>
</table>

It will be noted that each university still has a modest increase over the previous two years.

It will be noted, also, that Ohio State had an enrollment of 10,092, and that the other four universities combined had an enrollment of 6,842. Here is a significant fact. The per capita cost of university education at Ohio State is $285.00 per year, as against the per capita cost of only $217.00 per year in the other four universities combined. In other words, it cost $68.00 more per year at Ohio State than in the other universities. It costs 31% more for education at Ohio State than it does at the other state universities.
Furthermore, the large appropriation for Ohio State University of $5,889,100.00 is only part of the story. In addition to this sum, they have approximately one and one half million dollars each two years from student fees. Of course the other state universities receive student fees also. This means that Ohio State will have approximately $7,389,100.00 to conduct the institution during 1935 and 1936.

In view of these facts and figures, how could the President of Ohio State fairly say that I had "struck a staggering blow at the University" when the facts are that he will have $132,645.00 more for this biennium than he spent last?

I mean to be a practical friend to Ohio State and the other state institutions and activities - a better friend, perhaps, than they now believe. I mean, also, to enforce economy in the operation of all state departments in defense of nearly all the other people of Ohio who still struggle.

The President of Ohio State expresses the fear that other leading universities will raid his staff and take many of Ohio's outstanding scholars and scientists. If this is true, why did it not happen during 1933 and 1934, when he had less money with which to operate than he has now? As a matter of fact, if he will do a business like job of setting his house in order, and eliminate unnecessary expense, he will find it possible to pay his teaching staff better.

Last week I had opportunity to talk with the financial officer of one of the important independent universities of Ohio. He told me that their salaries had been reduced on the average more than 30%, and that they were able to provide just a small amount of salary increases. All of the independent colleges and universities
in Ohio have suffered very severely as a result of the depression. Within the limits of their facilities, they are doing a splendid work at a much lower cost and with a much lower paid teaching staff.

The President made the statement that his force had undergone deeper salary cuts than all other state employees. This is not correct, as disclosed by the records in the Department of Finance.

He refers to the responsiveness of the Legislature to the demands of Ohio State which have always been disproportionately ambitious. He forgets that the Governor also has a responsibility, under the Constitution. I have accepted responsibility with a serious regard for my obligation, and am perfectly willing to stand before the people of Ohio on the basis of all official acts.

The President says that his institution is expected to do its work during the current two years without a dollar for new books. All that is necessary for him to do is to get the approval of the Board of Control to transfer the necessary amount from other items. He says that the veto of the Tower Club appropriation deprives hundreds of worthy and needy boys of their only chance for a college education. This is not true. He can maintain the Tower Club during this biennium just the same way he has done it previously, when he had no special appropriation for that purpose.

The President says, also, "the state of Ohio will get exactly what it pays for in education as in any other service or commodity." Under efficient administration, this would be the result. But it is not necessarily true that public gets its money's worth. We might refer again to the disproportionately higher cost per student at Ohio State, as compared to the other State Universities.

He refers in dramatic language to "this gravest crisis in the history of the University." How can there be any crisis when he has more money to spend in this biennium than he had in the previous
two years?

I am sure that someone can do a mighty fine job of running Ohio State University on seven million three hundred and eighty nine thousand one hundred dollars for the current biennium. I would suggest the President undertake to prove that he is the man capable of that high achievement.

I have no desire to interfere in the conduct or management of any educational institution, but if the President of Ohio State expresses his willingness I will send him some capable business executives who can show him how to eliminate unnecessary expenditures and do a magnificent job with the large sum of money at his disposal.
STATEMENT REGARDING APPROPRIATION VETO
By The
BOARD OF TRUSTEES, OHIO STATE UNIVERSITY

HONORABLE MARTIN L. DAVEY, Governor of Ohio, Columbus, Ohio. June 28, 1935.

My dear Governor Davey:

The Board of Trustees of the Ohio State University, in special session on Friday, June 23, 1935, gave careful consideration to the financial condition of the University created by the veto by the Governor of Ohio, of sundry items in the Legislative appropriation bill for the biennium 1935-1936.

After reviewing the veto action of June 13th, and the related events occurring since, the Board makes the following statement:

1. We are in entire sympathy with strict economy in government as evidenced by the operation of the University during the depression of the last four years on a minimum financial basis, in voluntary and sincere cooperation with the economy program of the State.

2. We presented to the State Director of Finance last December a request for financial support for the biennium which an intimate study and knowledge of University conditions justified for reasonably effective operation. This amount was reduced by the Director, was presented to the Governor and by him transmitted to the Legislature. The Legislature, through its finance committees, held frequent and prolonged conferences with the University officials and in other ways gave study to the Governor’s recommendations, and after making sundry amendments thereto, passed without dissent an appropriation for the Ohio State University, in the amount of $7,155,600 for the two-year period. We determined to undertake to operate the University in the most effective manner possible within that sum.

3. The Governor exercised the veto power to reduce this appropriation by $1,266,500, about 17 1/2 per cent. This leaves $5,889,100, which is $17,800 less than was appropriated for the preceding biennium, a sum which we deem inadequate; minimum efficiency requires all that the Legislature voted.

4. Our stewardship impels us to present the condition under which the University has been operating, to the Governor and the people of Ohio:

a. In the past school year the total attendance was 13,500 students, an increase of more than 1000 students over the year before; the largest freshman class in our history was present, showing an increase of 28 per cent over the previous year. The attendance for the coming year will, according to present Summer Quarter enrollment, be considerably increased.

b. The University cannot limit the attendance to conform to its financial support; the State law requires the admission of every qualified student who comes. The steady increasing enrollment now makes it necessary to restore so far as possible the 296 positions which this Board had to abolish two years ago in order to keep within reduced income.

(Over)
c. Educational supplies and equipment for our many laboratories have been insufficient and replacements and additions are now sorely needed. In an institution which, in addition to regular college work, must be largely devoted to technical and professional and graduate study, such lack of physical equipment necessarily deprives our students of facilities essential to their training. More than this, the State of Ohio has an investment of over $11,000,000 in buildings on the University campus. Due to lack of funds the proper upkeep of these buildings during the past four years has been impossible.

d. A proper conception of the magnitude and importance of this University can be obtained only by comparing it with other leading American universities. Among state universities it is fourth in size and is surpassed only by California, Illinois and Minnesota. It ranks sixth among all kinds of universities in the United States.

e. A conservative estimate of new and additional teaching required for next year, due to the insufficiency of the staff for the last two years and to mounting enrollment of students, places the amount needed at $195,000. The Legislature voted this sum after a careful study of conditions.

f. The salaries of teachers were reduced materially in July, 1931; they were again reduced in January, 1933, and a third time in July, 1933. The University made its first reduction a year and a half before the State Legislature required any salary reduction for state employees generally. No restorations have been made by the University although in the administrative offices and institutions of Ohio complete salary restorations were made last January. The University requested the Legislature for partial restoration only, and in a staff of 1800 employees the amount required would be $847,000 per year. Since 84 per cent of the employees have salaries ranging from $3000 down to $500, some restoration of the means of living in these cases is obvious. The Legislature voted this amount.

g. When salaries here are compared with those at the state universities of Michigan, Wisconsin, Minnesota and Illinois, it is found that the Ohio State University has the lowest average pay for Professors. These are the kinds of teachers for whom there is great inter-university competition; hence retaining a superior staff at the Ohio State University, and obtaining superior quality when replacements and additions are needed, is practically impossible. And there is no over-supply in this country of front rank university teachers. Our thought has always been that the youth of Ohio deserve the best training available.

h. The Ohio State University suffers by comparison with the State universities especially of Michigan, Minnesota and Illinois in respect to state support; yet Ohio's resources far surpass those of both Minnesota and Michigan, and are little less than those of Illinois.

i. We call attention to the fact that the vetoes have completely abolished the Bureau of Business Research and the Department of Extension Teaching in the College of Commerce; also, because of the vetoes, it is not possible to obtain library books and technical and professional journals and periodicals, all indispensable for the work of this University, for the next two years. Other items of imperative necessity and large amounts have likewise been eliminated by the vetoes.

5. As the Trustees of the Ohio State University, charged by law with its management and development, we have sincerely striven to be cooperative with the government of Ohio—we also are a part of this Commonwealth. We cannot refrain at this time from presenting this statement of the University's conditions and needs to the Governor and to the people of Ohio. We are acting in an official capacity with confidence in President Bightmire and with a deep sense of responsibility. We state, as our conclusion, that the amount voted by the Legislature should be made available as necessary for the efficient operation of the University for this two-year period.

The Board expresses its earnest hope that the Governor, now apprised of the emergency confronting the University, may lend his assistance in providing the necessary revenues.

Respectfully submitted,

THE BOARD OF TRUSTEES,

[Signature]

NEWTON D. BAKER, Chairman.
Dear Fellow Alumni:

By this time, through the newspapers, you are apprised that the University is in the throes of a struggle with Governor Davey to avert a shooey into the mires of mediocrity. The enclosed copies of President Rightmire's statement of amazement and indignation at this cruel and crushing blow, and of newspaper comment thereon, tell the story.

Governor Davey's subsequent weak, attempted justification of his action included an attack on the integrity and character of President Rightmire and the University administration. It did not change the issue one bit. The issue is: shall the Ohio State University, your Alma Mater and mine, be pushed into second-rate classification to make selfish, political capital for a single individual?

The legislature did not think so. After deliberate study of the inroads already made upon Ohio State, and in the light of improved state finances, it sought to give it a chance to make a 20 per cent comeback. The action of one man, nullifying the mature and deliberate judgment of 167, has cut $1,266,500 from its recommended appropriation in the face of rising costs and mounting enrollments.

An amazed and outraged public opinion has already indicated to Mr. Davey that the crippling of the University of which this state is so proud is unjustifiable and intolerable. At present, the only legal recourse to restoration seems to be through special session of the legislature. As national president of the alumni, I call upon you most earnestly and sincerely for your cooperation.

Please, at once, indicate to your own state representatives and senator, by letter or personal interview, your urgent hope that it will restore the University's appropriation to the amount it has already recommended. A strongly worded letter or telegram to Governor Davey will add your voice to that of thousands already protesting.

The alumni have always constituted the University's first line of defense. They can now be its bulwark of strength in its hour of emergency. This is a time when, by earnest and vigorous action, our alumni can show a sincere and hard-working president and an overworked and harassed faculty that they are behind them to a man. Please do your part. I shall appreciate your sending me a copy of any letters you may write or a report of anything you may do. Let's "show them Ohio's here."

Sincerely and earnestly,

Phil S. Bradford

PHIL S. BRADFORD, President

THE OHIO STATE UNIVERSITY ASSOCIATION

PSB/mi
The Governor’s “Economies”

Governor Davey’s desire to conduct Ohio’s affairs economically is commendable, but the way in which he has cut the state budget to achieve that end is highly questionable. His action was characterized by an evident lack of ability to place important things first and by a lack of judgment that has left public-spirited and civic-minded people throughout the state alarmed for the immediate future of several important state institutions, foremost among them Ohio State university.

Had the governor been guided in his vetoes by the considered and matured judgment of the legislature, which made the appropriations, and tempered his cutting to conform with what the assembly had found to deserve the most consideration, there couldn’t have been much room for criticism.

As a result Ohio State university is now deprived of money with which to make necessary improvements, to maintain its usual services, to erect any new buildings and, most amazing of all, of money with which to pay wages, buy coal, pay water bills or purchase books.

Helpless state wards in such institutions as the Columbus State hospital for the feeble-minded, the Longview state hospital, the Massillon state hospital and others, must now be deprived of such safety measures as fire escapes, water plugs and fireproofing for buildings, all of which needs were brought sharply to the public attention by the disastrous Ohio penitentiary fire a few years ago. These wards also must forego in many instances necessary wearing apparel as a result of the governor’s “economies.”

The list of items which can be gravely criticized on the basis that in slashing them the governor’s judgment was at fault might be extended for several more paragraphs. These, however, are enough to indicate to what extent he missed his goal of economy and how well, if it were his intention to do so, he has succeeded in throwing almost every important state institution into confusion and perplexity.

How Ohio State university can carry on in the face of its huge loss of necessary funds for essential operating expenses; how the historical society can discharge a very real obligation to the people of Ohio in view of its unnecessary loss of revenue; how even a modicum of the safety devices needed at state institutions may be provided as a result of the governor’s unusual vetoes and how the state may expect to economize from vetoes which aren’t vetoes at all, is quite a puzzle. Its creation reflects no credit upon the ability of Ohio’s governor as a wise administrator.


DiSalle Recommends $41 Million for OSU In New State Budget

3-5-59

Ohio State officials noted Wednesday that Governor Michael DiSalle’s budget included a “substantial increase for Ohio’s higher educational system.”

The University’s share of the funds recommended in Governor DiSalle’s two-year budget to finance the six state universities totals $41,468,000.* This includes $688,000 for research.

OHIO STATE asked for a total appropriation of $45,600,000. Some of the difference is explained by the fact that the portion of the budget which provides for increases in faculty salaries is roughly one-half the amount requested for that purpose.

Now studying the budget proposals, officials said it was “obvious that provision has been made for some staffing for increased enrollment, for the operation and maintenance of the physical plant, and for a modest increase in the amount of money to be used for faculty salary increases.”

Governor DiSalle’s budget calls for $90 million for the six universities. However, this includes more than $21 million in student fees, anticipated by the universities.

THE GOVERNOR’S recommendation for the six universities, not counting the fees, comes to approximately $77,598,000 for the next biennium. This figure is more than $12 million above the $65,321,885 appropriated to the universities for the present two-year period, but is more than $7 million below the $85 million which the state universities had requested.

For the biennium now coming to a close, the appropriation total for Ohio State was $35,999,617.

President Novice G. Fawcett said that the governor’s recognition of the significant role played by
Ohio State Gets $9.5 Million To Provide New Labs, Offices

By Grace Van Atta

Ohio State will spend $9,519,214 during the next two years for capital improvements.

This sum is Ohio State's share of a $38,255,764 Ohio capital improvements budget approved during the final hours of the General Assembly last week.

"EXCEPT FOR the period of the CI bulge following World War II, this is the highest amount the University ever received in any one biennium," Gordon R. Carson, vice-president for business and finance, said.

All of the University's appropriation is not new money. Dr. Carson pointed out that some $1,891,214 is reappropriated from the biennium just ended.

Here is how the University will spend the money:

- Veterinary Medicine Clinical Unit Building: $1,721,214. The money for this building represents reappropriated money. Dr. Carson said that the planning was carried beyond the preceding biennium because of a $350,000 National Health Institute grant the University received last May.

- Remodeling of Stadium Dormitories for the School of Music: $43,400 to provide band rehearsal space.

- Remodeling of Rehearsal Hall: $75,000 to provide industrial arts with an automotive shop to train public school teachers in automobile mechanics.

"THE UNIVERSITY has not been able to prepare teachers in this area before." Dr. Carson said the addition of such instruction is in keeping with a nation-wide attempt to prepare more industrial arts teachers with a specialty in automobile maintenance.

- Rehabilitation and expansion of Pomeron Refectory kitchen: $218,000. This will provide home economics with a better teaching laboratory for students in dietetics and institutional food administration.

"A by-product will be a nicer Pomeron Refectory," Dr. Carson added.

- Remodeling of Robinson Laboratory: $805,300. "This will bring the facilities to meet the new demands of the nuclear age." Laboratory areas will be remodeled, including acoustical treatment.

- Additional stacks in the Main Library: $130,000 to make room for books and periodicals. The purchase of books and periodicals represents the largest single equipment expenditure of all departments in the University.

- New walks and roadways: $238,600. Part of the money will provide for a pedestrian bridge across the river or addition of a pedestrian walk to the present Stadium Drive bridge.

- Additional underground utilities: $277,000.

- Additional facilities for the Department of Mathematics: $638,000. "Mathematics is presently one of the most poorly housed departments on the campus," Dr. Carson said.

- Land Acquisition: $770,000. ($170,000 of this money is reappropriated.)

- Remodeling and expansion of Campbell Hall: $1,100,000.

- Remodeling and expansion of Botany and Zoology Building: $1,481,400.

EXPENDITURES on Campbell Hall and botany and zoology will relieve crowded conditions by providing additional teaching and research laboratories and class rooms.

- Expansion of Fine Arts Build-
Fawcett Asks Increase In Financing By State To Meet Growth Needs

Ohio State University is state-assisted, not state-supported, President Novice G. Fawcett said in his 1961-62 report of the President released Friday.

"State tax dollars provide only about 45.5 per cent of the University's total budget each year," according to the report.

The level of state assistance to the University will have to be raised, Fawcett said.

"There is no way possible to handle enrollment increases without a substantial gain in income," he asserted.

THE PRESIDENT'S Annual Report, in four key sections, explored problems, plans, progress, and the present standing of the University. In addition, the Report outlined a capital outlay budget for the next six years of over $110 million.

This budget, which will be presented to the state, includes money allowances for an addition to the Physics Building, a new building for basic sciences, a library and college administration building for the College of Medicine, a new Language Building, a new speech theater and an Airport Administration Building.

"It is perplexing that no additional funds are in sight for capital improvements at Ohio State or at the other state universities and their branches despite knowledge that freshman enrollment will increase in the six institutions by almost 50 per cent as early as 1966," President Fawcett said.

URGENT PROBLEMS facing the University, as set forth in the Report, include the pressure of increasing enrollment, competition for faculty, and financial barriers.

Commenting on the Morrill Act, which created the system of land-grant colleges and universities, the President said:

"Ohio clearly committed itself as a state to the principle of providing higher education at the lowest possible cost in its early history, when, interestingly, its financial resources were small and in many ways precarious."

"IT IS PARADOXICAL that to this principle is being questioned in certain quarters at a time when Ohio and Ohioans possess resources beyond the fondest dreams of the state's founders."

Plans for the University, outlined in the section "The University's Effort to Re-Examine an Old Plan," include re-examining the academic organization of the University, and two studies—one of the academic calendar and one of the master plan for physical development.

The new master plan, which was adopted by the Board of Trustee in February, centers on a unified central academic area extending from High Street to the Chesapeake and Ohio Railroad.

"THE OLENTANGY River Area would be relocated and both bank of the river would become choice building sites for residence halls," the report said.

In the section on progress, the Report outlined the University research program. It noted work on a definitive edition of the writing of Hawthorne and exploration of both the Arctic and Antarctic regions by OSU faculty members.

The development of new materials and methods to further the exploitation of space were also cited.

The Report mentioned the University's growing "Internations Dimension," evidenced by the new course on beginning Chinese, expansion in Russian and relate languages, and plans for offering Japanese during the coming year.
No New Buildings Seen Now;
Carson Cites Lack Of Funds

By BILL WORTH and
SHELLY GREENBERGER

Despite a critical shortage, no
more classroom buildings will be
built for at least a year. The rea-
son? No money now, no certainty
of getting any.

Dr. Gordon B. Carson, University
vice-president, business and fin-
ance, said in an interview yester-
day, "The lack of money will not
permit further construction of
classroom buildings until a mini-
um of nine months after the
Ohio General Assembly acts and
makes funds available."

This means new buildings may
be delayed as much as two years.
The legislature convenes in Jan-
uary. Carson said the 1961-62 ap-
propriations bill was not passed
last year until Nov. 17, after about
1,500 other bills had been handled
by the Assembly or its committees.

"WE ARE APPROACHING a
point where it is increasingly diffi-
cult to find classrooms for new
class sections at certain hours of
the day," Carson said. "There
is a awareness that by extending
the day to less desirable hours,
more classes can be held, and this
is being done.

"But by this time next year, we
will have run out of our ability to
do that."

Asked if the unwillingness of the
legislature to appropriate more
money would cause student fees to
rise, Carson said, "I surely hope
not. Fees are as high as they
ought to go. Education is already
getting beyond the financial abili-
ties of some people.

"If, however, student fees were
used, it should be for buildings
which would directly benefit stu-
dents—such as library, an im-
proved health service, and similar
structures. It could come to that.

"Purdue University's new library
is built from student fees. At Ohio
State, the Union, the Stadium
dorms and the Ice Rink all were
built from student facilities fees."

CARSON EXPLAINED that
University dormitories would con-
tinue to be built. Funds for dorms
are self-liquidating (obtained from
"predictable"revenues regardless of
source other than tax revenues,
such as charges to student's.

The 104th General Assembly,
acting last November, appropriated
$865,000 to the University. The
University had asked for more
than $20 million in capital im-
provements, but actually received
only about $300,000. The rest of
the $865,000 was not funded, or
simply not made available to the
University.

 Asked how much the University
is going to need and might ask the
105th legislature, Carson said, "I
have no way of giving a figure as
to the amount we need. There has
been recent consideration, in an in-
formal sense, of another state-wide
Capital Improvements Bond Issue.
This would offer an immediate and
effective solution."

The last such bond issue was
passed in 1955. It was supported by
a one-cent-per-pack tax on cigarettes
Carson said, "All capital improve-
ments must come from surpluses
in the state treasury, or from spe-
sial bond issues."

In earlier biennia, the surplus
was the difference between tax
revenues and budgeted expenses.

THE PRESIDENT'S Report, re-
leased in late November, pointed
dout dozens of improvements or ad-
ditions that must be obtained with-
in the next six years. Total cost of
these projects would be about
$110 million.

The question remains: where
will Ohio State obtain the money
for the future?

The 1961-62 Financial Report of
the Ohio State University says
none of the building projects com-
pleted during the fiscal year ending
in May, 1963, were aided by money
from the 104th General Assembly.
The cost of the projects, which in-
clude such things as the Law Cen-
ter and Married Housing, was
slightly more than $6 million. The
money for many of the projects
came from the 103rd General As-
sembly, and the balance from reve-
 nue bonds or gifts.

Of the projects still under con-
struction, only the housing of the
Van de Graaff generator is sup-
ported by 104th General Assembly
money.

Carson said the state has two
choices in raising money: "Either
fund it from additional sources of
revenue in the state treasury, or
float a bond issue or a similar
measure.

"Ohio State University must
have the money, in order to serve
Ohio's needs," he said.
President Novice G. Fawcett told members of the faculty attending a meeting in Mershon Auditorium yesterday afternoon that the University needs help in informing the people of Ohio about University faculty needs.

The president listed five major premises on which budget requests to the legislature for the 1965-66 biennium are based. They are:

- A major University cannot operate without resources which permit it to recruit and retain an able faculty and staff.
- The Ohio State University faces unprecedented enrollment pressures which will require additional financial resources.
- Without adequate facilities, supplies and equipment, personal service expenditures become less efficient.
- It is crucial that a state university maintain balance in its educational offerings.
- It is time for the state of Ohio to take a major step forward in supporting its principal university.

"The position of the Ohio State University as a major comprehensive institution of higher learning must be enhanced through a level of financial support equal to the high tasks assigned to the University," he said.

THE PRESIDENT continued by listing two areas where the premises have been translated into specific requests.

"We have asked for sizeable amounts of money to provide salary increases for faculty and staff personnel," he said.

He told the faculty that the ways in which salary increases would be allocated will depend to a great extent on how the University's budget requests are met by the next general assembly.

"IF WE ARE able to secure all, or most of what we seek," the president said, "I should expect that some salary adjustments in addition to merit increases might be possible."

The second specific request which the president outlined was one which he said "will be of special importance to this University."

"We are asking for $301,000 in new money, per year, to support four distinguished high level researchers, some of whom we would expect to recruit," he explained.

"WE ARE seeking funds for four such people in 1963 and 1964 and four more in 1965 and 1966," he said.

Fawcett said that the men or women would be placed on the University faculty at an annual salary of up to $27,000 with an individual supporting grant of about $48,000 for assistance, supplies and equipment.

"This plan would represent a real breakthrough at Ohio State in the area of research and the financial support of research," the president said.

PRESIDENT FAWCETT urged the faculty members to leave the meeting as informed members of the University's public relations team.

"This is a time when the best efforts of all the University are needed if we are to accomplish our objectives and if this institution is to continue as a great University," he said.

Carson Says Ohio 'Slow' In Meeting OSU Needs

The State of Ohio has been very slow to respond to the needs of Ohio State according to Vice President Gordon E. Carson, director of University finances.

Carson told Ohio State faculty members gathered in Mershon Auditorium for the regular Autumn Quarter faculty meeting yesterday that it was seventeen years after the University's beginning before the state legislature made its first appropriations to support faculty salary.

"But progress is being made," he said.

CARSON SAID the University has been making strong efforts to dispel the belief of some people that Ohio State is healthy simply because it deals in large dollar figures.

He said that this is a difficult task because, "bigness is not liked —In fact it is hated in this country. Bigness is a dirty word and the image of bigness is feared."

THE VICE PRESIDENT explained to the faculty the details of the University's requests for the 1965-66 biennium.

He explained that state tax assistance accounts for 44.6 per cent of the University's education and general budget.

He showed that 46.2 per cent of the University's revenue resources are from sales tax. This, he said, dispels a belief that business and industry contribute a large amount of tax dollars to higher education.

He concluded that "the need for capital improvement funds is greater than it ever was before. And that message is just now beginning to reach the people."
An Ohio-wide drive to enlist support for a bond issue of "at least $150 million" to finance capital improvements in state-assisted institutions of higher education, got under way yesterday morning at the Columbus Athletic Club.

Immediately after the announcement was made by Thomas P. Patton, president of Republic Steel Corp. and chairman of Ohio State's Board of Trustees, copies of the announcement were delivered to Gov. James A. Rhodes, Roger Cloud, speaker of the House, and C. Stanley Mechem, president pro tem of the Senate.

THE PROGRAM endorsed by the committee, (General Citizens Committee For Bond Campaign for State Colleges and Universities) would be financed by a continuation of the existing tax of 1 cent a pack on cigarettes. The tax was originally enacted by the voters in 1955. Patton emphasized that the proposal would not require an increase in the present level of taxes. Patton said he believed the proposal would "mak[e] available the $150 million required to meet minimal needs in the field of higher education for the next four years."

To enact such a program, this issue must first be passed by a three-fifths vote in the House and Senate to get it on the ballot. A majority vote in referendum is then needed to pass the bond issue. PATTON SAID the program is not aimed at any particular bill now in the legislature. However, Joint Resolution 39, now in the Senate Tax Committee, calls for $200 million for education.

The resolution, proposed by Sen. Ross Pepple (R-Lima) would provide $35 million for public schools and $165 in capital improvements for institutions of higher learning. It also would be financed by a continuation of the 1-cent-a-pack tax on cigarettes.

Ohio State President Novice G. Pawcett said, "The $150 million will, to a large extent, help us meet these (the universities') needs. If we can advance this program, we can help provide the facilities young people might otherwise be deprived of."

IN HIS announcement, Patton cited figures which predict that, "In 10 years, enrollments in the state and municipal institutions of higher education will double, and enrollments in private institutions will increase 45 per cent."

"But the problem is upon us now," he said. "In the next two years, the number of 18-year-olds in Ohio will increase almost 50 per cent. And by 1967 it is estimated that enrollment in all Ohio colleges will be up more than 50 per cent."

Patton said the problem was intensified by the fact that "virtually no state tax dollars were appropriated during the past two years for capital improvements on the state university campuses."

HB SAID the six state universities had filed requests totalling approximately $218 million through 1969. "For the next four years alone these institutions need a minimum of $150 million," he said.

D. R. Stanfield, president of the Ohio Farm Bureau Federation, said of the program, "I think it's one issue the people will rally around."

Barton A. Holl, president of the Ohio Chamber of Commerce, said he was sure the program would get the support of the chamber's membership. "We will recommend it and ask its adoption."

Thomas R. Johnson, executive director of the Ohio Manufacturers Association, and Edward E. Holt, superintendent of Public Instruction for Ohio, also expressed approval and support of the project.
Budget Study Finds
Reviews Are Rare

Budget reviews are seldom invoked among a majority of the departments of the College of Arts and Sciences and do not involve conferences between the president of the University and department chairmen, according to a study by Thomas G. Buckham Jr., a journalism graduate student.

Buckham, who undertook a study of the disagreement over quarterly budget reviews, which were begun last summer for the Lantern, said he found "no evidence of the president" of the University meeting with department chairmen to discuss budgetary matters.

Prof. Paul Barton, acting director of the School of Journalism, has had two sessions with President Novice G. Fawcett on a portion of his department's budget, that affecting the Lantern.

He has been notified of a third session (see story below).

Fawcett describes the reviews as normal business policy, but Barton has said that little about Lantern fiscal affairs is discussed at the meetings. He said the reviews are not reviews at all, but quarterly approvals of the allocation from student fees which help pay for the cost of printing the Lantern.

In previous meetings, Barton said, Fawcett has "made it clear that the budget approvals are related to Lantern performance" and therefore are actually attempts to influence Lantern news and editorial policy.

Fawcett denied this. He told the Lantern on Jan. 26 that quarterly budget reviews for the Lantern were begun because he wants the Lantern to be "a solid business operation." He said the budgets of all colleges and schools within the University are reviewed quarterly.

In his study, Buckham interviewed the vice president for business and finance, the executive dean for student relations, an assistant dean of the Arts College and 14 of the 23 Arts College school and department chairmen. The Journalism School is a part of the Arts College.

Reviews Seldom Invoked

On the basis of the research, Buckham said, it appears that:

- "Budget reviews, as such, are seldom invoked where these departments are concerned" and are held on no regular basis.

- "Such a review usually is invoked when a particular account is in the red or in danger of going into the red. The review seldom amounts to more than telephone conversations between college officials and department officers.

- "Top administration officials do not preside over budget reviews at the departmental level or lower (as in the case of the Lantern Rotary fund, for example).

"Top administrators — the dean and up — do not usually concern themselves with these matters, letting subordinate deans straighten things out with the department head," he said.

Quarterly Installments

Gordon B. Carson, vice president of business and finance, said that departments now get yearly operating money in quarterly installments. Formerly, the University budget was distributed on a six-month basis.

Carson said accounts are liable to be reviewed on a quarterly or even monthly basis where state appropriations or student tuition money are used. The Lantern gets a $55,000 annual subsidy from student services fees.

Carson compared the Lantern's rotary fund to the Ohio Union food account, which gets a $25,000 annual subsidy from student fees and is "looked at monthly," the study says.

But Carson said that none of the two reviews the Lantern has undergone since last spring was initiated by his office. Buckham's report shows:

"We have been concerned at times with the Lantern over-expenditure, but not since the new fellow (Alber Farni, Lantern advertising manager) came in a year or so ago and got the business office straightened around," Carson is quoted as saying.

Student Services

Buckham includes in his report a breakdown of the distribution of student fee money, which was obtained from John T. Bonner Jr., executive-dean of student relations. Buckham writes that Bonner initially declined to give him the figures, saying they could not be given to students without the president's approval.

Buckham says he telephoned the president, who told him the figures were "no secret."

Bonner, according to the study, told Buckham that the Lantern's $55,000 subsidy is the concern of Dean J. Osborn Fuller of the Arts College and is not under Bonner's supervision.

Still, Buckham writes, Bonner was present at each of the previous Lantern budget reviews.

Buckham's report also states that Bonner produced an unsigned and undated document which he (Bonner) said was a request made by the late George J. Kienzie, director of the J-School, for the budget reviews.

Improved Relations

Buckham says, however, that the statement contains suggestions for improving relations between the J-School, the Lantern and the Administration, but that it did not mention Lantern business matters and did not propose budget reviews.

James G. Marlin, an assistant dean in the Arts College according to the report, told Buckham that whether a particular account is reviewed "depends on how correctly the department keeps its records."

Marlin explained that in reviewing a budget, the Arts College would be concerned with what could be done to help the department. "If we have a department in a deficient situation the controller will give us a call and we will send word down to the office," Marlin is quoted as saying.

Buckham's study also contains reports of telephone interviews with the chairman of anatomy, astronomy, chemistry, English, geologic science, geology, German, history, languages and political science and the director of the School of Optometry.
Consult Dean

Most of those interviewed, according to the report, indicated their budgets are prepared and reviewed in consultation with the dean and assistant deans of the Arts Colleges. Most also said they do not know whether any of their funds come from student fees, the report says.

Some department chairmen said their budgets are reviewed annually. Others said theirs are seldom reviewed. Prof. Urho A. Uotila, chairman of geodetic science, said his department's budget is reviewed "if we're running out of money," according to Buckham's study.

Prof. Grant O. Graves, anatomy chairman, said he does not meet with the deans of the college about the department budget, adding that he "wouldn't get anything done" if he spent all of his time in meetings, the report states.

None of the chairmen interviewed said their budget was reviewed by the president or anyone else above the college level.

Geology Chairman

Prof. Richard P. Goldsmith, geology chairman, said, "I have conferences with members of my department and then with the deans. On some matters I go to Dean Fuller. On others, Dean Martin does a lot of the leg work."

Prof. Dieter Cunz, German chairman, said his budget is set up in a conference involving Fuller, an assistant dean, and himself. It is only reviewed annually, Cunz said.

Prof. Harold J. Grimm, history chairman, said his department has an annual budget and that it is not reviewed at regular intervals. He said it may be adjusted during the year to cover emergency circumstances.
$743,000 spent daily by University family

By BONNIE SCHWARTZ
Lancaster Assistant City Editor

Spending $743,000 a day may be expensive living even for people like Onassis and Burton, but that amount is spent daily by Ohio State and its associates.

During the 1969-70 school year, the University—including its faculty, staff, students and visitors—spent more than $271 million, or more than $700,000 every 24 hours.

The figures are from "Profile of a Sound Investment," a report examining the economic contribution of the University of Columbus and Franklin County. The study was prepared by Robert V. Esmond, executive assistant to the vice president for University development.

Investment return
In 1870 Franklin County bid $328,000 to attract the proposed Ohio Agricultural and Mechanical College to Columbus. Today, the University is returning more than that amount in city income tax on salaries alone. The total payroll for the last school year was $122,500,000. Columbus receives about $900,000 of this in taxes.

Money from the University community also comes to Columbus and its businesses chiefly through the University's day-to-day operation, its capital investments and student and visitor expenditures.

During the 1970 fiscal year, the University will spend $30 million on capital improvements including building and renovating.

More than 31,000 students who reside outside of Franklin County attend Ohio State and also spend money within the Columbus business community.

Car cost
A main student expenditure is on automobiles and their upkeep. The report estimates student commuters making an average daily round trip of 12 miles will spend $2,590,000 on their cars, maintenance and gasoline.

The 8,400 students who reside in off-campus housing will spend an estimated $9,670,000 for room and board.

Students also spend money on their personal needs such as clothing, books, refreshments and entertainment. The report gives what it terms a conservative estimate of an average of $2.20 per student spent daily on these items.

Crowds bring money
Campus visitors, especially football fans, also help bolster the Columbus economy. In the report, Esmond estimates the visiting football fan spends an average of $35 to attend a game.

Based on the five-game home season, the estimated 25,780 persons who come from out of town to attend the games spend $4,527,000.

The last study of this type Edmond made was done five years ago. He said his latest study found nothing unusual or unexpected but reflected "logical, natural economic progress."
Ohio State University plans to spend about $77 million more in the 1971-73 biennium than it will through the two years ending June, 1971, and it will ask Ohio taxpayers to ante an additional $67 million in state subsidies.

The budget request through the Ohio Board of Regents to the state legislature was revealed in a message from OSU President Novice Fawcett to the university’s faculty and staff in a bulletin published last week.

FAWCETT TERMED THE INCREASED appropriation request “the first step in a long and complicated process” leading to improved programs and services at the university.

The two-year spending plan beginning in July 1971 forecasts expenditures totaling about $517 million, compared to about $439.6 million in the biennium which began July 1, 1969.

Of the total amount, state subsidy in the next biennium is planned at $205.6 million, an increase of $67.1 million over the $138.4 million to be received through the end of the present biennium.

THE STATE SUBSIDY PAYS for instruction, general service, some research and public service programs.

Student fees and general gifts pay for dormitory and student financial aid programs.

IMPROVEMENTS TO BE INCLUDED in the next biennium programs are:

- A reduction in the number of teaching assistants who conduct courses and an increase in the number of faculty members.
- Improved library and instructional services.
- A gradual reduction in class size.
- Increased counseling and advising at all levels of study.
- A “drastic” reduction in the number of courses closed to students. Closed courses—those in which there is insufficient room for all students who enroll in them—have long been a student sore spot.
- Addition of “more relevant and timely courses” to the undergraduate curriculum.

THE EXPANDED BUDGET ALSO would increase the average annual state subsidy for each student from $1,125 currently to $1,653 in the next biennium, and the average yearly expenditure per student from the current $2,241 to a projected $2,704.

The budget is for operational expenditures and does not include construction, remodeling or capital improvements.

The budget estimates a current enrollment of 9,851 through June on the main campus in Columbus and at branches. It projects an enrollment of 50,990 in the 1971 school year and a reduction to 49,310 in 1972.

FAWCETT SAID THE ENROLLMENT freeze on main university campuses, suggested at 40,000 by the Board of Regents and General Assembly, will not begin taking effect until the 1972 school year.

The university, Fawcett said, "is committed to expanding educational opportunities within the overall program...including the careful expansion of critically needed professional programs in areas such as medicine, dentistry and veterinary medicine."

The cost of supplies, materials, books and equipment is expected to increase five per cent in each year of the next biennium, Fawcett reported.

THE OSU BUDGET, ALONG with those from other state-supported universities, will be incorporated into a total state higher education budget by the Board of Regents.

The board then will submit its total budget request to the Ohio General Assembly for approval.
Fawcett seeks $67 million subsidy hike

By NANCY FREEMAN

President Fawcett has asked the state legislature and Board of Regents for a two year subsidy of $285,671,000 for a period beginning in July, 1971.

The request represents an increase of more than $67 million from the subsidy for the current biennium.

As a state-assisted school, Ohio State submits its budget request to the regents who will consider and possibly alter the request before submitting it to the Ohio General Assembly which reconvenes in regular session in January.

It will be considered along with the budget requests of all other Ohio state-assisted universities.

The request, outlined in the current issue of the Faculty-Staff Bulletin, says the University plans to spend $517,671,000 during the coming biennium.

In the year which ended last June 30, the University spent $212,202,000 and received a subsidy of $58,428,000. The difference between the subsidy and expenditures is made up by student fees and gifts to the University from individuals, foundations and corporations and research grants.

This is the first time the University budget requests to the Board of Regents has been made public.

George W. Baughman, director of University budget, said the request was released upon the basis of interest.

Robert G. Smith, vice president for University development, said the budget request was released this year because, "it was an effort to keep people informed on a subject I think they would be interested in. It was the best budget document I have ever seen because it shows the reasoning behind the budget and the goals we want to attain."

Fawcett's goals

Those goals, as outlined by Fawcett, are:

- Limiting enrollment by establishing earlier deadlines for applications for the main campus; keeping down the number of transfer students; and, limiting out-of-state students to about 10 per cent. (Out-of-state students currently comprise less than 10 per cent of the student body.)
- Reducing the number of graduate teaching assistants by hiring more full-time faculty members.
- Individualized learning aid through reducing class size and increasing the numbers of counselors and advisers at all levels.
- Measure and evaluate the teaching-learning process to "improve the efficiency of that process in terms of human and dollar costs."
- Improved library and instructional services.
- "Drastically reducing" the number of closed courses.
- Adding "more relevant and timely courses" to the undergraduate curriculum.

"University's master plan"

Fawcett said the 1971-73 budget represents "the University's master plan for instruction and general programs." He said the budget requests support for some "carefully selected academic development, research and public service programs that are of direct and immediate benefit to the taxpayers of Ohio."

Fawcett said the proposed budget is based upon the assumption that student fees will not rise. In the past however, the legislature has granted only a portion of the University's budget requests and students fees have risen as a result.

Increasing enrollments on Ohio State's regional campuses are expected to result from cutbacks in that area on the main campus.

Campuses in Marion, Newark, Lima and Mansfield spent $3,6 million in the year ending June 30. They are budgeted for a total of $6 million for the fiscal year 1972-73.

Subsidy hike requested

The budget requests a subsidy of $1,317 per student for 1971-72 and $1,789 for 1972-73. Current University spending averages almost $2,300 per student. This is expected to rise to $2,854 per student by Autumn Quarter, 1972.

Factors considered in the request are the expected five per cent rise in materials and equipment costs and an expected seven per cent rise in salaries for all employees, Fawcett said.
Budget troubles caused by lack of state subsidy

By VICKI SCHMITZ

Student fees have climbed over the past nine years because the state subsidy has not kept up with Ohio State's increased enrollment, according to a detailed 1970-71 budget report issued Thursday.

Although Ohio State spends less per student than most of the universities in the Big Ten, Ohio State students must still foot 23 per cent of their education bill, the report says.

The state supplies 31 per cent of the University's current budget of $227,910,000, according to the report.

In a statement which accompanied the report, President Fawcett said, "Increased appropriations (from the state) would help us get more support from the federal government and from the private sector."

The University's financial needs have jumped 61 per cent in nine years, mainly because of a steadily increasing enrollment, according to the report.

If Ohio State continues its open admissions policy, the report says, enrollment will reach 70,000 students by 1978. A proposal to repeal the policy is expected to go before the state legislature in January.

To ease the financial strain, the University hopes to adopt an enrollment plan which would limit enrollment to 54,941, the report shows.

The University has felt the pinch of inflation too.

Salaries for faculty, staff and administration have jumped five to seven per cent a year, to keep pace with national averages and to retain and attract good teachers, the report says.

The report divides this year's expenditures as:

- Main campus (primarily instruction)—$112,002,000.
- Branch campuses—$4,314,000.
- Specific programs (research and public services)—$37,807,000.
- Auxiliary operations (hospital, student housing)—$73,787,000.
- Operating equipment—$20,757,000.
- Student services and other budgets—$2,572,000.

Thursday's report is the first public account of any University budget.
OSU Session
On Budget Set
26 July '71

By HERBERT COOK
Of The Dispatch Staff

The Ohio State University Board of Trustees will hold a special meeting at 3 p.m. Friday to approve a provisional budget totaling about $230 million for the 1971-72 school year.

Enactment of the temporary budget is required because the Ohio General Assembly has not yet approved a state budget or appropriations for the 1971-73 biennium, which began July 1.

TRUSTEES secretary Edward Q. Moulton said the trustees must approve at least a provisional budget before the university administration can sign contracts with faculty and staff or set student fees and tuition charges for the coming school year. Undergraduate instructional fees are expected to be increased from $170 to $200 per quarter.

OSU President Novice G. Fawcett warned in an open letter to students and their parents three weeks ago that graduate and professional students' fees might be more than doubled from $170 to $360 per quarter.

HOWEVER, Moulton said Monday the OSU administration is working on a compromise proposal which would result in a smaller increase in graduate and professional fees.

Fawcett's letter said the fee increases were required because the legislature had tentatively cut OSU's basic operating appropriation from the requested $165.6 million to about $129 million.

The remainder of the university's quarter-billion dollar annual budget comes from tuition and fees, research and other government grants and other non-appropriated funds.

OSU HAS been operating since July 1 without a budget. The trustees authorized a one-month extension of salaries and other normal budget expenditures at last year's rates.

Moulton said deadlines for printing student registration cards and preparing faculty and staff contracts forced the administration to draw up a provisional full-year budget, rather than recommending a second one-month extension.

"The president is going to have to use his best judgment as to what we can realistically expect from the legislature, and base the provisional budget on that," Moulton said.

HE SAID all contracts and other university obligations under the provisional budget will contain an escape clause making them "subject to adequate financing" from the state.

The trustees are also expected to approve tentative schedules of dormitory fees and other nonacademic charges for the coming school year and to consider some administrative and faculty appointments.

APPROVAL of the state's biennial budget has been stalled for several months while legislators debated Governor Gilligan's proposal for a graduated state income tax.

The Ohio House of Representatives has approved an income tax, but the Ohio Senate has not yet acted.
Budget stall—hiring off

By SANDRA FRALEY
8-2-71  Eastern Staff Writer

University officials speculated that the uncertain status of the state budget for the next two years would prevent Ohio State from hiring new staff or implementing new programs right now but would have no adverse long range effects.

An impasse in the Ohio legislature over appropriations and spending for the next two years forced passage of continuation budgets for July and August.

According to Thursday reports in a Dayton Akron newspapers, Ohio State might be subjected to further month-to-month budgets as legislators work past the Aug. 31 deadline for elementary and secondary education funding to find an acceptable budget.

As the final appropriations bill is deferred, Ohio State is less likely to be able to continue new projects," Edward Q. Moulton, executive vice president for administrative operations, said.

The immediate effect of being on a continuation budget, is a decrease in hiring staff members, he said.

"With very few exceptions," Moulton said, "hiring is limited to a replacement basis only."

Robert G. Smith, vice president for university development, said the continuation budget doesn't pose any particular problems, except it keeps the University on a rigid budget until final appropriations are decided.

Trustees pass budget

Moulton said the provisional budget for Ohio State, approved by the Board of Trustees on Friday, assumes there will be a modest increase in appropriations from the legislature.

Smith said operating on continuation budgets made it difficult to make adjustments in current priorities and improve the quality of education at Ohio State.

He added that these improvements might be interrupted by the present state of indecision in the legislature but didn't believe there would be any diminishing effects on the quality of education at Ohio State.

Moulton also said further delay on passing the budget would stall new programs that are planned for the University but added: "I feel we're going to get a budget from the state fairly soon and with increases."

There is serious talk of funding elementary and secondary education separately and operating other state programs indefinitely on month-to-month continuation budgets, according to reports by statehouse correspondents for the Dayton Journal Herald and the Akron Beacon Journal.

Governor John J. Gilligan, in a press conference Thursday, said the move would "fragment the budget," and termed it a "pass to disaster."
By LINDA L. HALSEY and ROBERT R. LITTLE

The austerity budget ordered by Governor Gilligan if the legislature fails to complete a two year budget within the month will definitely affect Ohio State but University officials are unsure to what extent.

Of 15 budget alternatives, including the appropriations bill now before the legislature, terms of current budget planning," according to George Baughman, director of University budgets.

Military skeptical

The Board of Regents Chancellor John D. Millet also seems skeptical about the future of University budgeting and has asked state universities to prepare tentative tighter budgets to meet President Nixon's 90 day wage-price freeze.

Mallett said he is afraid when the legislature does act it will further reduce university subsidies, so he has asked them to submit three budgets. The universities will plan expenditures for a $659.2 million statewide budget, provided under the present appropriations bill; a $624 million budget and one of $602 million, all possible state subsidy levels.

The budgets are to be presented to Millet today. Ohio State is now operating on a $253 million provisional budget, including federal funds, passed at a special Board of Trustees meeting last month.

Budget reduced

Baughman said Gilligan's austerity budget would reduce the budget considerably from any of the three budgets now under consideration.

President Fawcett said he was not sure what the strategy behind the austerity proposal was but "it is a matter at the state level rather than at the University level."

But he stressed neither he nor the vice presidents would go along with the proposed 10 per cent voluntary salary cut, which Gilligan said he would take and expect other state employees to go along with.

"I couldn't accept a salary cut. I've only had one increase in eight years and my retirement plans are based on my present ($50,000 a year) salary. I didn't notice-President Nixon saying anything about it."

Fawcett is the highest paid state employee.

Baughman said Gilligan's proposal to take a cut in salary is a "politically appealing kind of thing to say" and "the worst way one could approach the problem."

Faculty unaffected

"Even if the austerity budget goes into effect, it will not involve faculty and staff layoffs since "the teaching level has become heavier" because of the freeze and the University's agreement to stop hiring for the 90-day period, Fawcett said.

Baughman said, "The people here currently are the most valuable asset. We'd give them up last. We'd first look to positions not filled, and instead of filling them, double up on assignments."

But the program will affect other program students. And Baughman said, "We'd look at it as a short term problem, meeting our share of the responsibility by deferring things which could be readily deferred."

Areas affected

The first things to be halted would be the opening of new buildings and any equipment ordered and maintenance planned but not put into effect.

"We'd work with the deans and the vice presidents, look at the target goals and ask their recommendations for what to forego."

He also said the program would probably affect the instructional grant program of Ohio, administered by the Board of Regents for students from low income families.

The grant program is scheduled for an increase of $100 per student under the appropriations bill now before the senate but it will be lowered at least to last year's level and possibly by Gilligan's proposed 10 per cent.

But Baughman said a cut in the program wouldn't affect the money distributed to individual students because the funds allocated for last year hadn't been used up.

Scholarships and loans won't be affected by a cutback since most come from federal sources or private gifts, said Baughman.

Low probability

Baughman stressed there's a "low probability that we'll ever be in this position since we're so closely tied to the primary and secondary schools in regard to appropriations and they're so close to collapse already. They can't realistically affect schools to cut down."

But Robert Tenenbaum, Gilligan's press secretary, said if the program is enacted the University would probably receive a lower state subsidy per student.

He said it would be left to each university to decide if the number of staff and faculty members should be reduced, but "we are still hoping the program won't go into effect at all, and if it does, it shouldn't be for long."

The senate could pass the appropriation bills if they want to, but even as it is the university has a little breathing space between quarters. If the senate acts before school begins, there will be only minor changes."

Scholarships affected

Disagreeing with Baughman, Tenenbaum said scholarships would be affected by the program, although loans wouldn't.

"The university boards of trustees may also have to revise parts of their budgets, but this should not be a problem since we do not anticipate the austerity period will be in effect long, it at all."

Baughman said hospital appropriations and the cooperative extension service, a research and service unit of the agriculture college which serves and advises the agricultural community, would also be affected by the austerity program, forcing them to either find funds from other sources or reduce expenditures.

Albert J. Kuhn, provost and vice president for academic affairs, said he couldn't specify priorities for cuts until more definite action is taken on the program.

"We'd have to look at the present programs and those being developed and determine priorities from there. We may have to defer programs in the planning stages for 1971-72."
Budget battle continues

By Robert Little

4-30-'71

The Ohio House Tuesday night refused to accept the recently passed Senate version of the budget and tax program for the next biennium, thus forcing a battle in a Senate-House conference committee.

The Senate had agreed to a $889.5 million tax increase based on a 1.5 percent hike in Ohio's 4 percent sales tax and a corporation income tax of 3.5 percent on $25,000 or less and 5.5 percent on higher figures. The Senate insisted on a $7.67 billion two-year budget.

The House adopted its version in July, proposing a $1.5 billion tax increase based on a 1 to 4 percent personal income tax plan and a 4 to 6 percent corporate income tax. The House proposed an $8 billion budget for the biennium.

Both the Senate and the House will now name conferees to debate the contrasting tax and budget proposals.

The House refused the Senate's version of the budget and tax plan by a 80 to 0 vote, then voted 66 to 22 to pass a sixth interim state budget.

The House Finance Committee earlier Tuesday amended the Senate version of the new "mini" budget, extending it from 15 to 31 days. The Senate concurred in a 21 to 4 vote.

The new interim budget was increased from $83.9 million for 15 days to $172.2 million for all of October.

The state will be without operating funds for 10 days after the bill has passed if Governor Gilligan makes good his promise not to sign another interim budget. The bill will automatically become law 10 days after it is passed by the legislature.

State budget director Jay Tepper said he did not think the 10-day delay would have any major adverse affect on the University.

Since the House never seriously considered a sales tax plan such as the one passed by the Senate to finance the state, a time-consuming deadlock could result in the joint conference committee.

Ohio State is presently operating on a $253 million provisional budget passed at a special Board of Trustees meeting in July.

Trustee approval of the budget was required in order for the University to complete staff and faculty contracts and set student fees.
The state subsidy level to Ohio State proposed in the Senate's version of the tax and budget bills is less than "a minimum continuation budget" required by the University, according to George Baughman, University budget director.

The House and Senate are battling in a joint conference committee to determine the exact level of state support for the University for the next biennium. Originally, the University requested $163.5 million with no proposed fee increases for the two-year period.

The Senate proposal calls for the lowest subsidy since the appropriations battle began, $125.8 million, with a $185 fee increase the first year, and a $200 increase the next.

The two primary sources of University income are the state subsidy and student fees.

The House decided on a $134 million figure with a $200 per year fee increase. The Senate-House conference committee must now decide the final figure, but Baughman said, "It is not at all likely" the University subsidy will go back up to the University's original request.

No deficit spending

Baughman said no matter what the legislature decides, the University will have to live within the budget. "We don't deficit spend, so if we get the low figure our first goal will be to preserve existing programs," he said.

The budget director said there will be no "wholesale elimination of colleges or departments, but the low subsidy would certainly defer or postpone any new programs and salary increases, except those required by law, for the next year."

Baughman said because of the uncertainty of the final appropriation, the University has been holding the line on expenditures, while not impairing the critical needs of the instructional programs.

"We have had excellent support from the academic community and administrative personnel in coming up with cost-saving techniques and ways to solve problems," Baughman said.

Minimum budget

Baughman said the recent fee increase combined with the present House version of the budget bill would give the University a minimum continuation budget, but even then would not provide sufficient resources to solve some existing problems.

The University is operating under a $253 million provisional budget which is based on the proposed level of subsidy, $134 million, passed by the House.

Baughman said whatever the outcome of the Senate-House conference on the budget and tax bills may be, "none of the alternatives are attractive and may scare a lot of people."

He said the "belt tightening" brought about by the expected low appropriation and President Nixon's wage-price freeze will continue.
Hike in OSU Budget Of $11 Million Asked

By GRAYDON HAMBRICK
Of The Dispatch Staff

Ohio State University officials have asked for an $11 million budget increase for the next fiscal year, OSU President Harold Enarson told the school's trustees Friday.

The proposed increase, which would bring total general fund operating expenditures to $142.8 million for the budget year beginning in July, was reported as trustees got an invitation to spend a day on the campus visiting students.

THE INVITATION was from Michael White, president of the Undergraduate Student Government, who asked the Board of Trustees for "one day out of your lives" to promote communications between students and board members.

The budget request has been submitted to the Ohio Board of Regents where it will be consolidated with proposals from other state universities.

If past performances continue, regents probably will pare all university requests before submitting revised proposals to the Ohio General Assembly in its next session, to convene in January.

OF THE $11 million increase, Enarson said at the monthly board meeting, university officials have projected that about $5.2 million will be gobbled up by inflation about $600,000 will be lost in state subsidies because of the increased enrollment in more expensive graduate programs and decreased under-graduate enrollment.

That would leave the university about $5.2 million in the fiscal year to inaugurate new programs, expand existing ones and increase faculty salaries and such, Enarson said.

Average faculty salaries at OSU, Enarson said, cause the university to rank tenth among Big 10 institutions in that category.

ENARSON also told trustees, as he did the general university faculty last week, that he opposes shifting more of the education expense to students.

Enarson presented figures showing the state subsidy to OSU has dipped from 61 per cent of income to 51 per cent since 1965 while student fees have risen in the same period, providing from 30 per cent to 35 per cent of operating money.

"To the extent that (student costs) get higher, we are denying education to young people," he said.

TRUSTEES also authorized university officials to award contracts for a three-building University Hall complex to replace the original University Hall, the first building on the campus.

Bids totaled just over $5 million, about $75,000 above estimates, but remain within the $5.9 million appropriated by the General Assembly for the replacement buildings.

THE GENERAL contract went to Central Ohio Construction, Inc., at $3.3 million; heating and air conditioning to Limbach Company, at $855,950, and electrical contract to States Electric Co., at $643,070. All are Columbus firms.

A plumbing contract award to the Limbach Company was recommended by university officials on the firm's second lowest bid of $179,075 because of an arithmetic error in another contractor's low bid.
$19 million increase
proposed by Enarson

11-14 '72
By Cliff Amos

When President Enarson proposed a University budget increase of $19 million over the next biennium to the Board of Trustees Nov. 3, he softened the blow by saying “What looks like a very large increase in funds is not all what it seems when it is broken down.”

In explaining what he “can’t call a standstill budget,” Enarson again said he wanted to avoid shifting any of the financial burden to students.

Judy Washburn, associate director of the University budget, said when the figures were prepared, “it was with the assumption that fees would not be increased at least until July of 1975.”

This, however, depends on whether or not the Ohio Board of Regents pares the proposal as it has in the past and on the Ohio General Assembly, which has the final say on fee increases.

Who should pay?

Speaking to the trustees, Enarson said the “brutal truth is that the people of Ohio are divided on the question of who should pay for higher education.”

“The challenge to the University community is how to demonstrate that a given expense of money will result in a commensurate increase in quality.”

Enarson said the additional funds are needed in large part due to a rising inflation rate.

Washburn said that although faculty members have received raises, their spending power has remained virtually the same since 1968.

“In 1968, the average faculty salary was $10,101, after living expenses. This year the figure is $10,162,” she said.

Washburn agreed with Enarson that it is necessary to break down the figures to get a clear look at the total picture.

“When you are talking about a two-year budget, people have a tendency to see only two figures, $66.6 million, our current budget without fees added, and $85 million, the proposed budget,” she said.

Visualize line

“They must instead visualize a slowly rising diagonal line with an $11 million increase for the next fiscal year and $8 million increase for the one after that.”

Breaking the figures down still further, Washburn said $5.3 million of the $11 million total is a direct result of a 4 percent inflation rate.

“Beyond this,” she said, “there are some areas where there are mandatory increases.”

These include the 15 percent hike in Blue Cross rates, an increase in retirement funds and a new program in unemployment compensation which went into effect last January, but “will really be felt in the 1973-75 biennium,” according to Washburn.

“Other factors include a Civil Service increase which was quoted at 10 percent but was, in actuality, 13 percent, utility increases and the normal expenses of opening new buildings, custodial and maintenance services,” she said.

Another large, single figure is the $500,000 increase needed to cover enrollment changes.

Fixed ceiling

“Even though we are now operating under a fixed student ceiling and have fewer freshmen, there is an increased enrollment in graduate programs which are more expensive to implement,” Washburn said.

The last area to be considered when looking at the increase is what Enarson calls “modest improvements in quality.”

When the budget was prepared, “we were hoping to have a little left to make selective improvements in academic areas,” Washburn said.

There are now three steps left before a budget is announced.

The trustees will make an official statement at the December meeting, either supporting or amending the increase.

Meanwhile, the Board of Regents, which got the proposal in August, will consolidate Ohio State’s request with those of all other state institutions and make any revisions they feel necessary.

Finally, the Regents will submit the combined budget to the Ohio General Assembly when it convenes in January.
# INSTRUCTIONAL & GENERAL BUDGETS

COLUMBUS CAMPUS

<table>
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<tr>
<th>Resources</th>
<th>1972-73</th>
<th>Planned 1974-75</th>
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<td>State Subsidy</td>
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<td>Other Unrestricted Income</td>
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<tr>
<td>Total Instructional &amp; General Budget</td>
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<td>$142,827,900</td>
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Budget Increase Over 1972-73: $10,977,900
- Consists of:
  - Inflation - 4%: $5,274,000
  - Enrollmnt Mix: 607,000
  - Support Critical Needs: 5,096,900

- Provide minimal 2% increase in faculty purchasing power
- Mandated civil service salary increases
- Increased cost of employee fringe benefits
- Pending increase in minimum wages
- Approved & pending utility rate increases
- Operational & maintenance costs of opening 5 new buildings now under construction
- Selective academic program improvements

This chart states present and proposed University budgets, reasons for increase and how the additional money will be used. The increase was proposed by President Enarson at the Nov. 3 meeting of the Board of Trustees.
Budget reconciliation to be subject of trustees meeting

2-2-73

The Board of Trustees will meet at 1:30 p.m. today, according to Edward Q. Moulton, secretary of the board and Ohio State executive vice president.

Issues the board is expected to act upon include acceptance of the state auditor's report on University Hospitals, establishment of a Department of Dance, reports on research grants and reconciliation of the second quarter budget.

The most important consideration will be the budget reconciliation, Moulton said.

The University is $2 million ahead of the expected budget. Moulton said this will be reported to the trustees today.

Reconciliation of the budget involves looking at the estimated budget against the actual income and expenditures, and proposing what to do with any excess or deficit.

The $2 million excess is a result of having a greater number of special types of students. Moulton said.

He explained the University gets state support on a bounty system, with more support for certain "expensive" types of students, such as those in colleges that require more expensive facilities.

Moulton said it will be proposed to spend some of this money in the colleges which have "more expensive students," with the bulk of the money to be "saved for a rainy day."

Budget study group launched

3-16-73

By Daniel Chesario

Formation of a special presidential committee to study Ohio State's processes of resource planning, priorities and allocation was announced Thursday by President Harold L. Enarson.

A nine member faculty-student group, known as the Committee on Resource Planning, was organized in response to the "critical budgetary situation" Enarson believes the University is now entering.

"It is imperative that faculty, staff and students have a clear grasp of the dimensions of our problems and an opportunity to participate in fixing the priorities," Enarson said.

Enarson requested the committee begin work promptly so the University could benefit from its advice and counsel during the current budgetary cycle. A final report "addressed to long-range concerns" is expected no later than June 1, 1974.

The three students appointed to the committee were: Michael White, president of Undergraduate Student Government; William H. Riffee, president of the Council of Graduate Students; and Rosemary Mason, a graduate student from Brecksville.

Faculty members on the committee include: Frank Hale Jr., an associate dean in the Graduate School; Roald Campbell, professor of education; Herbert Parnes, professor of economics; Frederick Stocker, professor of administrative science; Donald Van Meter, assistant professor of political science; and Jewell Vrooman, assistant professor of English.
Ohio regents study funds for education

By Linda Inskeep

The Ohio Board of Regents is taking a long-range look at state funding of higher education in an effort to determine the best method of finance new educational programs.

According to Board Chairman John Marshall Briley of Perrysburg, a blanket state subsidy per student might not be the most economical method of financing in all cases. He said some programs might require less than the amounts allotted through the present system of "formula funding."

Presently, the average state subsidy per student in a technical college is about $650 whereas subsidies in professional colleges vary greatly. For example, a medical student requires more assistance than a law student.

The catalyst for this examination came during the board meeting Friday when two state-sponsored technical colleges asked for approval of new programs.

Although the regents routinely approve such proposals, the applications were deferred. Regent Marvin L. Warner of Cincinnati questioned one college official on why his proposed program would cost the requested amount, and stated he did not receive a satisfactory answer.

Briley said another flaw in blanket subsidizing involved student enrollment. He said that last year Bowling Green State University estimated its new enrollment at "x" number of students and received the allotted state subsidy.

Briley added, however, that the university's enrollment was lower than anticipated and it was forced to return more than $300,000 in subsidies. He suggested that such mistakes might be eliminated under a modified plan of financing.

Briley said this examination of financing is in the preliminary stages and will not affect Gov. John J. Gilligan's proposed higher education budget for the biennium.

The long-range study will eventually be presented to the legislature for approval.

In other board action, members agreed to consider a possible master plan for State technical education and will meet with college presidents on the topic.
Coulter asks 6.5% subsidy hike

By Beverly LeBlanc

3-7-73

A 6.5 percent increase in an instructional subsidy to state supported colleges and universities is necessary in the next two years to meet present commitments, the acting chancellor of the Ohio Board of Regents told legislators Tuesday.

During three hours of testimony before the education section of the Ohio House Finance Appropriations Committee, William Coulter explained the institutions get working capital to pay for classroom costs from the instructional subsidy, based on enrollment and student fees.

Gov. John J. Gilligan’s proposed budget gives only a 3 percent increase.

Because of the end of a decade of rapid enrollment increases, the institutions are receiving less total revenue from student fees and proportionately less from the state.

Although Gilligan’s budget allocates $731 million to higher education during the next biennium, an increase of 19 percent over the present budget, Coulter said it is inadequate.

“The proposed budget is inadequate,” Coulter said. “We must provide adequately for the commitments we have already made.”

He explained that even a 6.5 percent increase would not permit any new programs or the expansion of present ones.

The extra $40 million requested by the regents is needed to cover anticipated salary increases and inflationary costs, Coulter said.

He explained 80 percent of the budget from each of the state supported institutions of higher education covers salaries.

The question of an increase in student fees was not discussed. It is expected to be covered in a hearing today when presidents of 11 state supported institutions, including Ohio State president Harold L. Enarson, are scheduled to testify.

The proposed Gilligan budget allows for an annual 3 percent increase of student fees.
University presidents favor raise in aid, not fees

By Marv M. Mock

3-8-73

The 6.5 percent increase in subsidy support recommended by the Board of Regents is the bare minimum needed for a continuation budget for state-supported colleges and universities in Ohio, four university presidents told legislators Wednesday afternoon.

President Harold L. Enarson and the presidents of Miami University, the University of Cincinnati and the University of Akron testified before the Education Subcommittee of the Ohio House Finance Appropriations Committee.

William Coulter, acting chancellor of the Board of Regents, told the committee Tuesday the 6.5 percent increase is necessary in the next biennium to meet present commitments.

Rep. Patrick A. Sweeney (D., Cleveland) said during Enarson's testimony he assumed the other presidents who advocated the 6.5 percent subsidy increase also go along with the 6 percent increase in student fees recommended by the regents.

3 percent 'not unreasonable'

However, Enarson said he would be "extremely reluctant" to increase student fees by 6 percent, but the 3 percent increase asked in the governor's proposed budget is "not unreasonable."

The 3 percent increase in fees would be necessary with a 6.5 percent increase in state support, Enarson said.

Referring to Ohio State's specific financial problems, Sweeney said the vacancy of Lincoln Tower "frustrates all of us" and asked what was being done about the tower.

Enarson described the plan to move the College of Social and Behavioral Sciences, which is now scattered in about 13 different locations on campus, into the tower, adding he "never felt more comfortable with a proposal than this one."

But an empty Lincoln Tower is just one of the financial problems declining enrollment is causing for Ohio State, Enarson said.

Explaining the complexity in solving the problem of declined enrollment, Enarson said with 4 percent fewer students next fall, the University cannot reduce heat in the buildings or lighting on campus by 4 percent to make up for the decline.

"We are prisoners"

Enarson said the regents' subsidy system, tying dollar support directly to enrollment, worked well in the period of university expansion.

But now, Enarson added, "We are prisoners of a situation that no one anticipated and no one planned."

Enarson quoted Gov. John J. Gilligan as saying, "The recommended budget . . . provides for a continuation of current operating expenses adjusted for inflation and an increased number of students." He added, "Let the appropriation bill be written to accomplish this precisely stated objective."

A 3 percent increase in state support level per student will not permit Ohio State to continue operations at current levels, Enarson said.

The 3 percent inflation increase measured by the Bureau of Labor Statistics Cost of Living Index does not measure the cost of running a university.

Even with a 6.5 percent increase in subsidies, the University will still need to tighten and trim its budget, Enarson said.

University presidents testify

The other university presidents testifying presented arguments similar to Enarson's.

Miami University President Phillip R. Shriver said "even 3 percent (increase in state support levels) is an error," and that the 6.5 percent figure is "low."

Shriver said Miami University would be in "an impossible bind" if House Bill 86, recommending the 3 percent subsidy increase, is adopted.

Dominic J. Guzzetta, president of the University of Akron, said the regents' budget proposal would be helpful "but not ample."

University of Cincinnati President Warren G. Bennis said his school needs a 10 percent increase to continue operations.

"The inflationary push is higher for universities than for most other institutions," Bennis said.

Presidents from the other state-supported universities were scheduled to speak to the subcommittee later.
Administrators tighten budget

3 - 8 - 73

By Wayne Wolff
and Lorelei Van Wey

Tightening an already tight budget is a tough job. Right now, that job has administrators squirming to ease the pinch that could be felt throughout the University in the next two years.

"Budget parings, averaging 5.5 percent for academic units and 8 percent for nonacademic areas, are taking place in University colleges and departments to allow the University to balance its budget if the governor's higher education package passes the 100th General Assembly."

Gov. John J. Gilligan's budget proposal of $130 million for Ohio State in 1973-74 and $135 million for 1974-75 falls short of the University request for the next biennium by $27.6 million.

Since the budgeting process at Ohio State takes nearly three months, "we have no other alternative but to budget now," according to Edward Q. Moulton, executive vice president.

The higher education budget for state-supported universities, contained in House Bill 86, is now before the education section of the House Finance Committee, and its passage is anybody's guess.

Meanwhile, the University is making financial cuts.

Deans negotiating

The cutbacks for Ohio State are being negotiated by department heads, deans, and the administration and a final decision on all the cuts will be made in three months, Moulton said.

He explained that priorities are being established at every level in the University where officials are closest to the individual situations.

The president, as chief budgetary officer of the University, will make the final decisions, Moulton said.

"An effective administration will not make them (the cuts) across-the-board," Moulton said because changes in manpower and student interests must be taken into account.

Determining priorities and the reallocation of money in academic areas will be based primarily on adjustments in the teaching workloads and on recent fluctuations in student enrollments within an academic area.

Moulton said he could not pinpoint programs or areas which would be cut or reduced in the final budget.

Future bleak

If the governor's proposed budget is adopted by the Ohio Legislature without substantial increases in the state instructional subsidy to higher education, the next two years look bleak for most areas in the University.

A survey of deans of the University's 16 colleges indicates that no new academic programs are planned for next year and that only selective pay increases for faculty members are planned.

Moulton explained that there will be "minimal if any support for new and innovative programs" next year and that any programs for the 1974-75 year will have to be given "thoughtful consideration."

He added that top priority will be given to selective increases in faculty salaries, which now rank as the lowest in the Big Ten.

Richard H. Bohning, dean of the College of Biological Sciences, said the selected increases may not keep pace with the cost of living and the college may lose some of its faculty.

Classes may enlarge

The loss of some faculty may be compensated for by enlarging classes and increasing present teaching loads, according to Lewis A. Hess, director of the School of Health Physical Education and Recreation.

Strengthening faculty salary structures was termed "imperative" in the University's 1973-75 biennium budget request submitted to the Board of Regents.

According to the request, the average faculty salary, adjusted for the cost of living, has remained at a constant figure of $10,000 since 1968-69.

The average salary for 1971-72, as reported by the American Association of University Professors, was $14,449, the lowest in the Big Ten. The request asked for a 6 percent increase for selective increases.

"We're at a time when all of us really ought to get together to help people understand the contribution that can be made by higher education," Bohning said.

What the University can't do this year will be magnified in the years to come, Bohning said.

Lobbying efforts and testimony before legislative committees, such as that given by President Harold L. Inrson, and other state university presidents before the House Wednesday, attempt to get information about the universities' problems to the General Assembly.

If the University does gain more support from the state, programs cut in the budget reductions would not be restored automatically. Moulton said.

Expenditures would include some restorations and some new priorities for the University, he said.

Moulton said any chance for new priorities would be a way for Enarson as a new president to establish his own priorities within Ohio State.

He said that the administration's concern now is to minimize the damage of the present financial squeeze.

"It's going to hurt but we're going ahead as a university," Moulton said.

"We're going to make this situation work."
University receives largest subsidy

By Laura Diesing

3-8-73

Ohio State receives a larger share of the state's higher education budget than any of the other 11 state universities because it has the greatest number of students enrolled in its undergraduate, graduate and professional programs.

The appropriations that Ohio State and the other state universities receive from the Ohio Legislature, along with student tuition and fees, provide most of the income on which the University operates.

Once the legislature determines the amount of money it will appropriate for higher education, a portion is given to each of Ohio's 11 state-supported universities and one state-assisted university.

Ohio's state universities rank, according to the amount of state support they receive, as follows: Ohio State, Kent State, University of Cincinnati, Ohio University, Bowling Green State, University of Akron, Cleveland State, Miami University, University of Toledo, Youngstown State, Wright State and Central State.

The state appropriations for instructional purposes -- which provides about 38 percent of Ohio State's total income -- is determined by a formula based on enrollments.

If Gov. John J. Gilligan's proposed higher education budget is adopted and if fulltime enrollment is 46,515, Ohio State's instructional subsidy for the 1973-74 school year will be $69 million.

Ohio State receives the largest instructional subsidy because it is expected to have between 44,665 and 46,515 fulltime students in 1973-74, far more than any other of Ohio's state universities.

Ohio State also receives a larger subsidy because more than 3,000 of its fulltime students will be enrolled in medical and professional programs, which are supported at a much higher level than undergraduate programs.

Kent State subsidy

Kent State would receive the second largest instructional subsidy of $23.8 million if the governor's budget is adopted.

Kent State's subsidy is about one-third as large as Ohio State's because its projected fulltime student enrollment for 1973-74 is only 19,790.

Kent State's subsidy is also lower because it has no medical or professional programs.

The Regents reported that state universities where enrollment declined by more than 500 students fulltime this fall from the 1971-72 school year were: Ohio University, down 992 to 15,632; Cleveland State, down 977 to 11,318; Ohio State, down 679 to 47,781; Miami, down 543 to 12,226; and Bowling Green State, down 531 to 15,115.

Levels of support

There are eight levels of student support which are directly related to the actual cost of instruction in the various college programs.

The first level would be $511 for an undergraduate student taking introductory, or required, courses.

The second level would be $996 for a student taking career oriented courses in agriculture, business, engineering, health and public service technologies.

The third level would be $1,118 for a student taking certain specialized courses at a B.A. or B.S. degree.

The fourth level would be $1,618 for a student taking certain specialized courses for a bachelor's degree.

The fifth support level would be $2,072 for a graduate student taking master's level or professional courses.

The sixth support level would be $2,009 for law and dental students.

The seventh level would be $4,110 for a student taking tutorial, research and professional courses leading to a doctorate.
Millions of dollars have been cut from Ohio State's proposed budget for the next two years as it has gone through its four stages of preparation. Over $36.6 million has been cut from the budget originally requested by the Board of Trustees. This is a 9.5 percent decrease.

Stage I was prepared by the University Budget office under the direction of President Harold L. Enarson and top administrators. Ohio State's 1973-75 biennium budget totaled $293.2 million in this stage.

Stage II was included in the Board of Regents higher education budget. The Regents prepares a single budget for Ohio's 11 state universities and one state-assisted university. Under the Regents' budget, Ohio State would have $274.3 million in operating funds for the next two years.

Extreme cut back measures

Stage III was prepared by the Ohio Department of Finance and Governor John J. Gilligan's office. The governor's higher education budget is included in Ohio House Bill 86 which is now before the legislature. If House Bill 86 is adopted without any changes, Ohio State's budget for the next two years would be $265.6 million.

Stage IV was prepared by Ohio State as an internal working budget for the next two years. It assumes "the worst"—that House Bill 86 will be adopted. It is based on the minimum expected enrollment and requires extreme measures to cut back expenditures.

Under this budget, Ohio State is planning on having $256.6 million in operating funds for the next two years. What this means is although fixed expenses have gone up, the University is taking steps to operate with $4.6 million less in 1973-74 than it had in fiscal 1972-73.

Key is enrollment

When the University prepared Stage I of the budget, it used high enrollment figures, according to George Baughman, director of the special projects, office of the president.

"The real key to formulating the University budget is student enrollment," Baughman explained. "The enrollment projection that we used in the budget we submitted to the Regents is on the high side. We gave ourselves a 4 percent leeway on enrollment estimates."

Baughman said enrollment projections ran from 47,000 "on the high side" in Stage I to 44,000 "on the low side" in Stage IV.

Assumes 'the worst'

Stage IV of the University budget assumes "the worst," Baughman said. He explained that the University wants to be protected if enrollments fall even lower than anybody — the University, the Regents, or the Governor — predicts.

"Last year when enrollments dropped considerably at Ohio University, it had to fall out and slash randomly at everything that raised its head," Baughman said. "We don't want that to happen at Ohio State. We want to have time to decide priorities and to make cuts accordingly."

Cathy Stafford, administrative assistant to the acting chancellor of the Board of Regents, said that a university receives most of its state appropriations in the form of an instructional subsidy that is based on the number of fulltime enrollments.

This means that if enrollments decrease at a state university, the amount of its instructional subsidy is also decreased, Stafford said.
Budget stimulates opposition

Lobbyists work on strategy

By Michael Harden

Gov. Gilligan’s proposed budget for higher education has generated a flurry of lobbying preparations from a number of organizations and individuals both on and off the campus at Ohio State.

The Student Committee on Professional Education (SCOPE), a campus organization of students opposed to the governor’s proposal of a subsidy payback by professional students, is urging students to become active participants in SCOPE’s efforts.

Geoff Goll, president of SCOPE which was founded in January, and a senior in the College of Law, said: “We are not after Gilligan’s head. He has every right and duty to develop budget proposals, but at the minute higher education is not his top priority.”

Goll said the governor’s proposed 3 percent increase for higher education spending “will cost $60,000 to our own law school.”

“We hope to start a letter-writing campaign,” Goll said. “We hope students will take the effort to visit their state legislators, and SCOPE will direct a concerted effort at whatever committee has the bill.”

The Undergraduate Student Government (USG) is also urging students to write letters to legislators. USG took out a full page ad in Monday’s Lantern that listed all members of the Ohio General Assembly.

In the State legislature, Michael Stinziano (D., Columbus) representative of the 30th District, of which the University is a part, has also expressed hope that students will take part in the issue.

Stinziano said in a recent interview that he felt students should get to know the issue.

“Much damage is done by well-meaning people who are not informed,” Stinziano said. “Students should go to see their state representative or senator. If it is not possible for students to see their legislator, they should call, and if that is not possible, they should write.”

“Tell the legislator why you, personally, are interested,” Stinziano added, “Don’t send a mimeographed letter.”

Stinziano also urged that students write letters to the editors of newspapers, and try to encourage other people to become involved.

“Students are not a particularly powerful group,” Stinziano offered. “More important are their parents, relatives and other interested parties.”

“Without a much stronger interest from these people,” Stinziano warned, “and without these people making their feelings clear to their representative, I think the portion of the bill dealing with higher education is going to pass as originally proposed.”

Stinziano said that he personally intends to work for a 3 percent increase over the governor’s proposal.

To date, Stinziano said letters from constituents concerning the issue have been “minimal.”

A few of the groups which have an interest in issues concerning higher education, will be working through their own lobbyists.

Calling himself a “card-carrying lobbyist,” Joseph Newlin, executive director for the Ohio Association for Higher Education, has indicated he would not recommend his organization endorse Gov. Gilligan in 1974, if the governor’s budget proposals for higher education become law.

The Ohio Education Association (OEA) is the parent organization of the Ohio Association for Higher Education. In 1970, the OEA broke a 125 year tradition of withholding its endorsement for gubernatorial candidates when it endorsed Gilligan.

Newlin said in a recent interview, “We feel that Ohio should be able to support higher education on a per capita basis equal to the national average. That equates to 33 percent more than now.”

In his lobbying efforts to get the General Assembly to boost the instructional subsidies received by higher education, Newlin said he plans to use University President Harold L. Enarson’s recent austerity move as an argument for more funds.

Enarson recently announced the University is cutting its proposed budget for the academic year 1973-74 by $7 million to $8 million, and undertaking a “curfew” on the hiring of personnel.

Newlin referred to the governor’s higher education budget proposal as “a lousy 3 percent increase that isn’t even the cost of living increase over the past biennium.”

When asked about the possibilities for obtaining more funds for higher education, Newlin said, “I suspect we can get more dollars, but the price we are going to have to pay is more accountability.”
No more ‘good old days’

Education fades as priority

By Jim Konkoly

Seniors may look back on their freshman days at Ohio State as the good old days—the time when the triple rooms in the dorms all had four residents and the double rooms at least three occupants.

The Board of Regents also looks back to that period four years ago as a good time for higher education, precisely because there were even increasing enrollments to create the problem of three students sharing a double room.

State universities were popular then, with both students and state government. Neither case is true today, and so the Board of Regents is finding its job of coordinating Ohio’s 11 state-supported and one state-assisted university difficult.

William Coulter, acting chancellor for the Regents, said this "is a critical time to ask for an increase in the state subsidy," as he explained that the next two years must "be a time for a reassessment of higher education because enrollment has stopped growing and will be stabilizing."

Cathy Stafford, administrative assistant to Coulter, said since state support to the universities is based on enrollment, the drop in enrollment this fall "was a shock to the whole system."

Enrollment decreasing

"We must face the fact that higher education is no longer a high priority item in the state budget," Stafford said. "If the trend of decreasing enrollment continues, all state universities will be in trouble."

Six major universities, including Ohio State, are basing their operations on stabilized enrollment with the possibility of a loss of students next year, according to Coulter.

He called this an "extremely traumatic process for these schools because they have been planning their programs for years on a substantial increase in money every year."

"Even a continuation budget would create problems, but a loss of income will be very hard to deal with," Coulter stressed.

Coulter told the legislators the Board of Regents wants to see a 6.5 percent increase in the state subsidy. He called 5.5 percent the absolute "practical minimum to assure enough money to meet existing commitments."

Eighty percent of the costs of higher education are for people, and 5.5 percent is the national average for wage increases," he explained.

Confusion in proposals

While testifying before the education subsection of the House Finance Committee Tuesday Coulter noted, "It is important that the confusion in the reporting of the governor's proposals be cleared up."

"It has been inaccurately reported that by asking for a 3 percent increase in student support and a 3 percent increase in state funding the governor is thus asking for a 3 percent increase overall," he explained.

"You just can not add percentages that way — 3 percent of the student funding plus 3 percent of the state subsidy equals 3 percent overall, not 6 percent," Coulter said.

For example he emphasized, one expenditure model represents $630 of student tuition, plus $495 in state subsidy. Three percent of the first figure is $18.90 and for the latter 3 percent amounts to $14.95. This is a total increase of $33.75 which is 3 percent of $1,125 ($650 plus $495), Coulter said.

When asked by the Senate Education Committee whether students should help pay for the 6.5 percent increase, Coulter replied: "That is a valid question."

The Regents wrestled with just that alternative months earlier in the budget making process.

Second alternative

A second alternative recommended by the Regents was to fund the 6.5 percent increase through a combination of an increase in the state subsidy and by raising the ceiling on the amount of tuition that the universities could charge.

"We had to either ask the state to pick up the 6.5 percent increase, or else ask that it be split between the subsidy and the students," Stafford said. "We wanted the first alternative, with no increase in tuition."

But, the Regents submitted a budget to the State Finance Department that calls for a $20 increase in tuition each quarter for lower division students and a $35 a quarter tuition increase for upper division students.

Students in graduate and graduate professional programs will pay between $50 and $110 more a quarter if the Regents' proposed budget is adopted.

Committee members at the Senate hearing asked Coulter if the state was trying to educate "too many students?"

Need right programs

The acting chancellor of the Regents said the problem lies in not having enough of the right program, and "no", there are not too many students.

Under the Regents' budget, Ohio State would receive $136.4 million for the 1973-74 school year, which is $6.4 million less than the University requested and $4.4 million more than its 1972-73 budget.

The Board of Regents will be going to bat for the universities in the legislature on several issues, Stafford said. She said the most vital problem here is getting the state to cover the cost of civil service employee wage increases at the universities.

"When the legislators vote the state employs a raise, they also appropriate the money to cover the wage increases for state agencies, except for the universities," Stafford explained. "They claim the schools can absorb the increase, but we are building a case to show that the schools are no different than any other state agency in this matter."

This issue is timely. The civil service employees are asking the legislature for a 5.5 percent wage increase.
OSU to Trim Budget Under Gilligan's Plan

By GRAVDON HAMBRICK

Of The Dispatch Staff
3-25-73

There are glaring discrepancies between Governor Gilligan’s claim to increase subsidies for Ohio State University and the actual budget decreases the university is facing.

Increasing operating expenses and salaries and a decreasing student enrollment will more than wipe out Gilligan’s proposed 3 per cent state subsidy boost, according to OSU’s budget Director, Mrs. Judith Washburn.

GOVERNOR Gilligan and his aides, in a budget bill now in the Ohio House of Representatives, boast a proposed increase of 19 per cent for all of Ohio’s higher education operations.

But the state subsidy to OSU — the source of most of the university’s operating funds — would be about $2 million less in fiscal year 1973-74 than this year’s $8.6 million under the Gilligan plan, Mrs. Washburn said.

The university’s total budget for the current 1972-73 fiscal year is about $272 million.

MRS. Washburn contends, however: “When you talk about the university generally you have to talk about just the funds to teach and operate 336 E. 17th Ave. and the physical plant.”

And when you talk about that, “You’re talking about $131.8 million this year,” she added. That is what officials think they will spend through June 30, when the budget year ends, at the OSU Columbus campus only.

That $131.8 million figure makes up what is called the general fund budget. Money comes from the state subsidy ($68 million this year), student fees ($45 million) and other sources (about $18 million).

“OTHER SOURCES” are such things as temporary cash investments, overhead operating expenses the university charges contractors for research they went done at OSU and about 20 other small sources.

Additionally, the university manages $5.3 million for operating expenses at OSU’s branch campuses, $48.2 million for restricted funds and $58.6 million for auxiliary enterprises.

The branch campus money may be spent only at the branches; restricted funds are just that — income they provide must be used as the donor specifies.

AUXILIARY services include such things as income from University Hospitals and dormitories, which must be used only to pay expenses of operating those facilities.

The crux of the fiscal battle between OSU and the Ohio Statehouse, then, is the general fund budget university officials say they would have if the Gilligan proposal is adopted.

Mrs. Washburn said that under the proposal the university’s budget would be about $128 million next fiscal year, a decrease of 2.9 per cent from the current spending plan.

In 1974-75 Mrs. Washburn said, OSU’s state and other income would increase to $129.8 million. The would still be nearly $2 million less than this year’s income.

Pivot: the budget subsidy is the projected OSU enrollment, because state funding is based on the number of students and the courses they take.

“ANY CHANGE IN enrollment has a major impact on the budget and the money we get,” Mrs. Washburn said.

The 1,800 enrollment decrease OSU officials predict for next school year will result in the $2 million per pupil subsidy decrease, officials estimated.

The Gilligan Administration had recommended a subsidy to the university next year of $70.1 million based on what it thinks enrollment will be.

UNIVERSITY officials, however, said they would receive about $66 million state subsidy under the proposal, based on their own enrollment predictions.

Even if the university’s state subsidy were increased by the Gilligan-recommended 3 per cent, that still would not be enough to cover expenditure increases OSU will face next year, the budget director said.

MRS. WASHBURN ticked off a list of reasons leading to that conclusion:

• Faculty and staff salary hikes, to cost $2.6 million, to keep pay abreast of inflation.
• Mandated civil service pay raises, at least a $900,000 added expenditure.
• Employee benefits (retirement and workers’ compensation fund contributions, etc.), to cost $200,000.
• An increase in the minimum wage rate, to add at least $258,000 to expenses.
• Projected utility rate boosts, to cost $200,000.
• New buildings to become operational for the first time, to cost $350,000 in utilities and custodial services.

THERE TOTALS: $4.5 million. It would take a 3.4 per cent increase in the present budget to cover just those items, Mrs. Washburn said.

OSU’s budget story has been one of continued growth — just like the state’s overall higher education system.

The total OSU undergraduates, graduate and professional student enrollment climbed steadily from 44,193 in the 1968-69 school year to 46,421 in 1971-72.

UNDER OHIO Board of Regents restrictions limiting enrollment, the university now has 45,886 and expects enrollment to decline next school year to 43,975.

In the same 1968-72 period, the number of instructional staff members increased from 2,967 earning an average annual salary of $10,728 to 3,400 earning average wages of $14,733.

Because of the projected enrollment fall off, officials had planned to reduce next year’s teaching staff to 3,257, Mrs. Washburn said.

But if THE Gilligan plan is approved, officials will slash the number of teachers beyond the planned cut to an estimated 3,232 in 1973-74 and again in 1974-75 to 3,196.

For further perspective, the university operated in 1968-69 on a budget just over $93 million. The budget rose annually to $105.9 million in 1969-70, to $114.6 million in 1970-71 and to a little more than $124 million in 1971-72.

Although dollar amounts of the budget have risen, Mrs. Washburn finds more interesting the proportional changes provided by each source of income.

In 1963, the state provided a subsidy accounting for 61 per cent of the total budget; by 1971-72, the state’s percentage had decreased 10 per cent.

During the same six-year period, student fees rose from 29 per cent of the total budget to 35 per cent.

The anticipated subsidy loss of about $2 million, Mrs. Washburn said, is not the only revenue source which officials think will decline.

Decreased enrollment will cut income from student fees by about $200,000 and other sources of income by about $1 million.
Budget to Deflate Education Subsidy Granted to OSU

By Clifford D. Gold
3-27-72
Eastex Staff Writer

President Harold L. Enarson claims that the Gilligan administration's proposed 19 per cent increase in the higher education budget "will actually decrease instructional subsidies to the University."

Enarson said the proposed increase is "tremendously misleading" because only 3.4 per cent is designated for operational expenses. Inflationary increases such as cost of living raises for faculty and minimum wage hikes "swallow up" that small increase.

"The proposed budget will cut off all the spickets simultaneously," he said. "The presidents of the universities realize that the money isn't available to increase educational needs, but decreases of this nature could break us."

The presidents are attempting to give the legislature a "body they can trust" to report the educational needs of the state, according to Enarson.

"Frankly, we need 6.5 per cent increase in the general fund budget to operate," he said. "If we don't get enough money from the legislature, fees will increase to a threatening level."

Enarson said that fees could be hiked as much as 6 or 7 per cent depending on the outcome of the budget proposal.

"I regret the need for any tuition increase, but if the taxpayers come up with a 6.5 per cent increase, I feel that a tuition raise of 3 per cent would not be unreasonable," he said.

Judith Washburn, Ohio State's budget director, said fees account for the second largest income source to the University next to the state subsidy.

"If the subsidy goes down, the fees must go up proportionally," she said. "It looks like we'll lose $2 million over last year's subsidy."

"The Gilligan administration bases its $70.1 million subsidy figure, an increase of $2 million over last year, on outdated admission figures estimated last Spring Quarter," Washburn said.

Enarson said he sent the latest estimates to the Governor and the Board of Regents last month.

"Believe it or not, the governor's figures are lower than the Board of Regents figures," Enarson said. "But neither of them are using the most recent figures in estimating the subsidy."

Enrollment will be close to 44,000 rather than the 46,000 originally projected last spring, according to Washburn.

"If enrollment does decrease to that level, we'll only bring in $66 million," she said. "So instead of an increase from last year's $88 million, we'll actually be losing subsidy."

Washburn said that a general fund budget of $128 million would be necessary if the proposed budget was passed. That would be $2 million less than this year's budget.

"If the governor's budget is approved, we will need to make severe cutbacks — very definitely," she said. "Otherwise, we would have to operate at a deficit. That 3 per cent is just a support level and that must be increased."

Budget Increase Pleases Enarson

By Beverly LeBlanc
Lantern Staff Writer

Gov. John J. Gilligan’s announcement that an additional $34.7 million is available for higher education should keep Ohio State in the "ball park" during the next two years, President Harold L. Enarson said Thursday.

"Thus, it appears that we may be in the ball park on a continuation budget for higher education generally," Enarson said. "We’re not in an ideal situation, but this certainly is encouraging news."

"A continuation budget means bluntly no improvements — you’re lucky to keep what you have," he explained.

Since the governor announced his original budget request in January, the Board of Regents and state supported university presidents have been pleading for a larger allocation.

Gilligan’s revised budget raises the higher education request to $750.7 million, to be divided among the 11 state supported and one state assisted universities.

Enarson said he is not sure yet exactly how much is designated for Ohio State.

The additional funds will be distributed to the universities as instructional subsidies based on enrollment.

The University’s major sources of income comes from student fees and the state in the form of instructional subsidies.

Instructional subsidies are used to cover classroom costs.

Gilligan is also recommending to the Ohio General Assembly that a freeze be put on student fees during the next two years.

Judith B. Washburn, University budget director, said the subsidy increased about seven per cent, but since there is no fee increase, the net gain is about five per cent.

Enarson said the 5 per cent increase should come close to keeping up with inflation.

The biggest financial problems confronting the university, he said, are fixed costs unrelated to predicted enrollment declines.

He said if enrollment drops, cutbacks can be made with personnel, but the university must still pay the same cost to maintain lighting, the library and the police force, among others.
Budget Bill Gives Boost To Schools

4-17-73

COLUMBUS (AP) — The House Finance Committee voted 14 to 9 along strict party lines Monday night to recommend Gov. John J. Gilligan's $9.8 billion two-year budget bill for passage.

Majority Democrats plan to put the bill on the House floor Wednesday.

A total of 21 Democratic amendments were made in the proposal but Republicans had only one of 19 approved.

The GOP amendment would require professors in Ohio's universities to spend a minimum number of hours doing classroom instruction — 12 a week in the undergraduate schools and nine a week in post graduate schools.

One Democratic amendment lost on an 11 to 11 tie vote.

It would have appropriated $860,000 to pay interest on $7 million owed by Ohio State University for the unoccupied Lincoln Tower dormitory on Ohio State University's Columbus campus.

School officials proposing to convert it for classroom use said decreases in freshmen and sophomore enrollments and a trend toward off-campus living caused the dorm vacancy.

Other amendments approved by the committee would:

- Appropriate $750,000 for the Agricultural Research and Development Center at Wooster and $125,000 for the Ohio State University Co-Operative Extension Service to replace cuts in federal funds.
- Require that contracts for state university printing be awarded only to Ohio firms.
- Increase an appropriation for Central State University from $375,000 to $975,000 to establish an office to receive federal funds and to expand certain programs.
- Increase the appropriation for the University of Cincinnati Medical School by $600,000 a year to enlarge the size of its first year class from the present 108 to 192 by September 1974.
- Withhold federal education funds for behavioral modification programs until Sept. 1 pending a study of their desirability by the legislature's Education Review Committee.
- Have the Education Review Committee study local policies on use of school buildings by public groups and to see that fees charged for their use are no more than custodial and other costs.
- Increase the appropriation for state library services by $1 million to make up for a cut of $1 million in federal funds.
- Appropriate $17 million for the state's three medical schools for the 1974-75 fiscal year rather than await a distribution formula resulting from a state study. The University of Cincinnati and the Medical College of Ohio at Toledo were allocated $3.3 million each and Ohio State University $10.4 million for that period.

Among the Republican amendments, tabled mostly along party line votes, were proposals to:

- Freeze the number of state employees at Jan. 31, 1973, levels.
- Require universities to report how much they are spending for research as opposed to instruction.
- Appropriate $613,000 for a medical school at Wright State University and $1.5 million for a medical school in northeast Ohio.
- Limit upcoming appropriations to one fiscal year.
- Prohibit the executive branch from hiring department heads and other officials by contract.
- Make welfare appropriations for one year only.
- Reimburse hospitals for caring for welfare patients on the basis of "reasonable costs."
- Increase state payments in the local government fund from three to five per cent.
- Increase aid to disabled veteran programs from $72,330 to $86,856.
- Prohibit state payments for school busing if ordered to achieve racial balance.
- Establish a review commission to study welfare problems.
House Approves University Subsidy

By Beverly LeBlanc

By a straight party line vote of 56 to 39, the Ohio House Wednesday approved Gov. John J. Gilligan’s revised budget request, which includes $680.3 million in instructional subsidies to be divided among state-supported universities.

The budget request makes more students eligible for Ohio Instructional grants (OIG) by increasing the allowable maximum of family income and freezing student fees of state universities except Youngstown State University.

The vote came after about four hours of floor debate, with the Democratic majority tabling 15 Republican attempts to amend the bill.

The Ohio Senate will begin deliberations on the governor’s $8.9 billion budget request for the next two years upon return from its Easter recess.

If the Republican-controlled Senate does not alter the higher education section, the 11 state-supported and one state-assisted university will receive about five per cent subsidy per student from the state.

The bill earmarks $152 million in subsidies for Ohio State’s main campus. It also Designates a $20.3 million appropriation for University Hospital in addition to the subsidies for medical students.

Attempting to make more college students eligible for the OIG, Gilligan has requested the maximum family income after taxes be increased from $11,000 to $14,000. He has also asked that the maximum amount of grants be increased from $510 to $710 a quarter.

A total of $41.1 million is requested for OIG during the upcoming biennium.

Gilligan also requested the ceiling on in-state student fees be frozen at $210 and out-of-state fees be frozen at $400 a quarter.

However, the House unanimously voted to accept an amendment by State Rep. George D. Tablack (D-Campbell) permitting Youngstown State to raise fees from $150 to $189 a quarter.

Tablack said fees at Youngstown State had not been increased.

The House also accepted two other Democratic amendments. State Rep. Patrick A. Sweeney (D-Cleveland) introduced an amendment which removed language inserted by the House Finance Committee last week, requiring professors in undergraduate courses to be in the classroom 12 hours a week and those in graduate courses nine hours a week.

The other Democratic amendment, introduced by State Rep. Robert J. Boggs (D-Jefferson) removed a provision that would have required professors receiving honorariums for talks given on university time to place the money in the university’s general fund.

Finance Committee Chairman State Rep. Myrl H. Shoemaker (D-Bourneville) said Gilligan’s request is “a budget that recognizes the needs of education for the next two years.”
Lower budget forces OSU belt tightening

By Martin Trussell and Sharon Cady
2, July 73

The University's 1973-74 budget which includes cutbacks of $8 million, officially went into effect Sunday, leaving most areas of the University with fewer operating funds.

President Enarson said Sunday that the higher education budget passed by the Ohio legislature Friday did not include additional funds for Ohio State.

Enarson said the University will still have to operate on a tight budget. He added he can see "no penny basis to cancel the retrenchment efforts."

Albert Kuhn, provost and vice president for academic affairs, said the colleges with falling enrollment will be the hardest hit by the cuts.

Kuhn said the Colleges of Education, Arts and Sciences and the Department of Comparative Literature will feel the greatest effects of the money squeeze because enrollment has dropped the most in these areas.

Kuhn explained that the 1973-74 budget for academic areas was cut by 5.5 percent. He said this does not mean an across the board cut.

Rather, each of the University's 17 colleges was assessed a 1.5 percent decrease in their operating budgets. Kuhn said.

He explained these cuts meant reductions had to be made in the number of secretaries, telephones and equipment each college could maintain.

Cuts above the 1.5 percent level were made to colleges on the bases of enrollment and the amount of funding they had received in the past year.

Kuhn said he told the colleges how much to cut back, but the colleges were left with deciding where to make specific reductions.

"Generally speaking, the budget cuts have not affected tenured faculty," Kuhn said. "It will, however, affect the number of teaching associates, teaching assistants and lecturers."

Regardless of the cutbacks, Kuhn said most of the University's faculty even received a pay raise. He said the pay increases were a result of a budget provision calling for a four percent increase for selective salary increases for instructional and professional staff based on merit.

Most of the money cut from college budgets was money not yet spent, Kuhn said, but was money planned for new programs, staff, and equipment.

Kuhn said cuts in these areas may prevent growth and innovation. However, he claimed the University "has in some respects come out better than we could have expected."

The budget cuts have caused both deans and faculty to take a closer look at academic priorities and make "some pretty hardheaded decisions" about where money should be spent, Kuhn noted.

Using the English department library as an example, Kuhn explained the kind of priority questions that had to be answered by each of the colleges.

Kuhn labeled the English library a "convenience and a luxury" because it contains duplicates of books found in the main library.

Kuhn said each college ideally should have its own library located near its buildings. But, he added, each college has to decide between supporting its library or spending funds in other areas of the college.

Because the cutbacks caused administrators to take a fresh look at academic priorities, Kuhn said the retrenchment program was good for the University.

Kuhn foresaw future effects, claiming "The effects of the budget cuts will not just hit this year. The colleges will continue to feel the pinch in the future."

One of the University's colleges hit hard by the budget cuts was the College of Education.

Donald P. Anderson, associate dean of the college, said his budget was reduced eight percent.

Anderson said his college has adjusted to the budget cuts by eliminating six faculty positions and reducing the college's administrative services by 12 percent.

Anderson said other effects of the lower budget will be a reduced summer program, fewer teaching assistants, and less research.

Enrollment in the College of Education is down Anderson said. He explained the smaller enrollment was due to a three-year-old program of selective enrollment.

Francis V. Anderson, assistant dean of the College of Humanities, said the budget for his college was cut about five percent.

As a result of these decreases, Anderson said some special programs have been curtailed and many vacant teaching positions have not been filled.

Anderson said the two largest departments, history and English, were hit hardest by the cutbacks.

John Gabel, chairman of the Department of English, said his budget was also cut five percent. Gabel said cuts were made in personnel and in the department's library.

Gabel said reductions of $1,500 in the library will prevent the library from purchasing new books next year. He also reported the library will have to operate with only one full-time librarian and one part-time graduate assistant. In addition, the library will not be open on Saturdays or evenings.

Gabel said the English department can operate on the budget; but the library will fall behind in acquiring up-to-date literature.

Salaries in the English department will also remain low compared to those paid English professors in other Big Ten schools, Gabel said.

Another effect of budget cuts will be in the faculty-student ratio.

They said the faculty will have to carry larger workloads and serve more students next year. This came as a result of dropping 20 teaching assistantships in the English department to meet the budget.

Both Anderson and Gabel observed that enrollment has played an important role in the budget cutbacks.

Roy Kottman, dean of the College of Agriculture and Home Economics, said his college has approximately the same budget it received last year.

However, since last fall, the number of majors in agriculture and natural resources has increased by 15 percent. The number of people majoring in home economics has increased by 25 percent.

In adjusting the budget to accommodate a 28 percent increase in teaching hours, Kottman said he had to
leave 10 vacant teaching positions unfilled and reduced the money in supplies and equipment.

Kottman said these adjustments resulted in heavier teaching loads for faculty, especially in the Animal Science department where enrollment has increased the most.

Richard Bohning, dean of the College of Biological Sciences, said his college budget has been cut by about eight percent.

The college, which has cut spending for equipment and supplies, has not filled a few full-time teaching positions vacated earlier, Bohning explained.

Bohning said Stone Laboratory, located on Lake Erie, was closed to classroom work. He said the laboratory, used every summer by 60 students to study aquatic life, will now be used solely by researchers.

The college also had to drop 12 teaching assistantships. There is an estimated drop in Autumn Quarter enrollment. Bohning said.

Bohning added that one area where the college did not cut back was in the budget for closed circuit television. He said there were enough surplus funds in that area to operate without reductions.

Bohning maintained there was more involved than just decreasing funds. He said the college, formed in 1966, was new and growing. He said people have many expectations and hopes; when funds are not available, some of these expectations are not met.

However, Bohning contended the potential for faculty members and the University to solve the many problems in our society may be one of the most important effects of the budget cuts.
Professional schools feel pinch of budget squeeze

By Martin Trussell
and Sharon Cady
5 July 73

Ohio State professional schools, caught in the University's belt tightening programs, are feeling the effects of the cutbacks as well as cuts in federal funds.

The 1973-74 budget President Harold L. Enarson presented the Board of Trustees reflected a cutback of over $8 million, affecting all facets of the University.

Even though enrollment in the professional schools is rising while the undergraduate enrollment is declining, they were not exempt from cutbacks.

John R. Wilson, dean of the College of Dentistry, said 200 freshmen will be entering the professional program Autumn Quarter, the largest dentistry freshman class in the country.

However, Wilson said the college was hit simultaneously by cuts in federal funds and University money.

Wilson said the college not only had to cutback about $74,000 of its $2,633,144 budget from the University, but also lost about 50 percent of its federal funds.

If the college had lost only the federal funds, Wilson explained, the University money might have been used to support some of the reduced federal projects.

However, Wilson said the college had to reduce the oral cancer research program, which was "one of the great concerns I have." He explained that when a research project is terminated midway, it takes a long time to revive the program.

A study on proposed changes in the dentistry curriculum was another federally funded project affected by the cutbacks.

The changes would have reduced the program from four years to three by eliminating the summer breaks.

Due to the cutbacks, Wilson explained, eight position were dropped from the College of Dentistry to balance the budget.

The equipment fund, one part of the college's budget that was affected by Enarson's retrenchment program, is now limited, Wilson said, as dental equipment is expensive and its price keeps rising.

Because of the large number of students coming in Autumn Quarter, Wilson said he hopes to add some professors and be able to keep the present teaching assistants.

Wilson viewed the retrenchment program with mixed feelings. He claimed it caused people to sit back and reassess their priorities.

"From a business standpoint it is a good thing... even though it hurts," Wilson said.

James C. Kirby, dean of the College of Law, said his college's 600 students will be faced with smaller course offerings and larger classes as a result in cutbacks in University spending.

Kirby reported that cutbacks amounting to $59,000 in the college's budget caused the elimination of two vacant faculty positions and one position in the library. He said reductions also had to be made in faculty travel and research funds.

Budget cuts will affect new programs the most, Kirby said. He explained that this year the college had 1,740 applicants but was able to accept only 200. (This is approximately one out of every nine.)

Kirby, claiming the college could not accommodate more than that number, had been considering adding evening classes in the continuing education program.

"But," he explained, "this would be impossible this year," because it would require additional faculty and additional funds.

Kirby said the college's clinic may also be faced with closing if no new funds are forthcoming in the 1975-76 budget.

The Dean explained that the clinic is a program by which law students, supervised by a faculty member, practice law by taking cases from the legal aid society.

Dr. Henry Cramble, dean of the College of Medicine, was unavailable for comment on cutbacks in his college.

However, Albert Kuhn said the medical school had lost $1.5 million in federal funds affecting money available for both research and scholarships.

The effects of the budget cutbacks will be visible in the classrooms and libraries. But many faculty and administrators indicated the cutbacks will go beyond the cuts in staff and money.
OSU funds slashed

By Sharon Cady

The Ohio State University, including all branch campuses, will receive about $156 million for instruction from the $9.9 billion biennium budget recently passed by the Ohio General Assembly.

Judith B. Washburn, executive director of the University budget, said Ohio State had requested $178 million and received 88 percent of that request. However, the amount received will be 15 percent greater than the instructional funds received during the 1971-73 biennium.

Washburn indicated the 15 percent increase will not cover the rising costs in operating the University.

Because of inflation and not enough money from the legislature, President Harold L. Enarson has said the budget cutbacks will remain in effect.

Ohio State will not receive all the funds it considers necessary, partly because of a decrease in enrollment expected Autumn Quarter and the way the instructional subsidies are determined, according to Donald Roberts, special assistant to the vice president of University Development.

Washburn explained the instructional subsidies are based on the number of full-time equivalent students.

The state appropriations for instructional purposes—which provide about 86 percent of Ohio State’s total income—are determined by a formula based on enrollments.

There are nine levels of instructional subsidies which are directly related to the actual cost of instruction in the various college programs.

The first level is $551 in 1973-74 and $610 in 1974-75 for an undergraduate student taking introductory or required courses.

The second level is $1,650 in 1973-74 and $1,134 in 1974-75 for a student taking career oriented courses in agriculture, business, engineering, health and public service technologies.

The third level is $671 in 1973-74 and $730 for a student in third and fourth year of study at a branch college.

The fourth level is $1,171 in 1973-74 and $1,261 in 1974-75 for a student taking specialized courses leading to a B.A. or B.S. degree.

The fifth level is $1,680 in 1973-74 and $1,796 in 1974-75 for a student taking specialized courses for a bachelor’s degree in his pre-professional major.

The sixth support level is $2,174 in 1973-74 and $2,343 in 1974-75 for a graduate student taking master’s level or professional courses.

The seventh level is $2,168 in 1973-74 and $2,273 in 1974-75 for law and dental students.

The eighth level is $4,250 in 1973-74 and $522 in 1974-75 for a student taking tutorial, research and professional courses leading to a doctorate.

The ninth level is $5,730 in 1973-74 and $6,077 in 1974-75 for a student enrolled in medicine.

Roberts said the largest amount the University can receive from the state is based on the 1972-73 full-time equivalent enrollment.

He added that the University had asked that the amount at each level be raised by 6.5 percent. But, the amount was raised 5 percent.

However, Washburn said the Ohio legislature has provided a cushion for the University. Even if the University’s full-time enrollment multiplied by the amount of funds in the nine levels reaches 96 percent of the maximum amount of allowable subsidy funds, the University will still receive all of the subsidy.

Although enrollment is expected to decrease this fall, Roberts said he is sure the University will meet the 96 percent mark.

Washburn added that the University also received funds for the Cooperative Extension Service, with $7 million for the biennium, and University Hospitals receiving $20 million for the biennium.

Washburn said the Ohio Board of Regents received funds that will be allocated later to various universities for certain programs.

In addition to readjusting the budget because of inflation and declining enrollment, Washburn said the University has the “potential of losing from $4 million-$6 million in federal funds.” These funds are used for research projects and other programs.
Allotment could be $ millions

By Tom George

Ohio State is scheduled to receive $27 million from the $326 million capital improvements section of the state budget, set for floor action in the House on Tuesday.

"Although the bill as sent to the floor contains no appropriation for the renovation of Lincoln Tower, I'm very pleased with the large OSU allocation," said State Rep. Mike Stinziano (D-Columbus).

Stinziano said an amendment to the Capital Improvements Bill would be proposed on the House floor but would probably be defeated.

"The only hope for Lincoln Tower in the 1974-1975 biennium seems to be in the Senate where an amendment to the Capital Improvements Bill is likely to pass," Stinziano said.

State Sen. Don Woodland (D-Columbus) said he would be able to get a hearing on the bill on the Senate floor.

Woodland said a somewhat sympathetic ear has been found in the Senate lately by telling legislators how many of Ohio State's students came from their districts. He expects to save figures to show Cuyahoga and Hamilton county legislators how many of their constituents attend Ohio State.

"I've tried to tell them that Columbus and Ohio State are not synonymous," Woodland said.

Woodland said he should be able to get the bill out of committee but added, "It should be quite a battle on the Senate floor."

Projects to be funded for Ohio State in the bill include:

- Undergraduate Library $2,291,922;
- College of Optometry Clinic $975,886;
- Journalism Building replacement $242,660;
- University College Phase III $442,004;
- Utilities and renovation $4,130,444;
- Medical Sciences Education Clinic $9,753,527;
- University Hall complex $288,549;
- Main Library addition $4,000,000;
- Physical Education facilities $5,000,000;
- Jackson County extension center $275,000; and
- Mahoning County extension center $275,000.

Total Ohio State funds amount to $27,875,092.
OSU funds redistributed

Ohio State's $27 million portion of the $326 million capital improvements budget (House Bill 85) was slashed by a $1.45 million amendment before the Ohio House passed the bill 65 to 6 Tuesday evening.

The budget, which goes to the Senate floor for approval next week, was altered at the suggestion of State Rep. James Mueller (D-Chesterland).

The amendment took the $1.45 million from $3.7 million appropriated to Ohio State's Lima branch and awarded the money to the Geauga County branch of Kent State University.

Ohio State President Harold L. Enarson called the amendment a "swooping raid" and "the most blatant power play one could imagine."

Enarson explained the $3.7 million was a re-appropriation from the $4 million that the General Assembly originally allocated for the Lima branch two years ago.

The money was to fund a library, student commons, and technical programs at the Lima branch in cooperation with Lima Technical College. The facilities would serve a 10-county area, Enarson added, but now officials in Lima "will feel a great sense of betrayal."

Mueller, in explaining his amendment to House members, contended Lima officials have been slow in planning and "haven't been able to get the project off the ground." Mueller's amendment was passed by a 62 to 25 margin.

There was hope among University officials that an amendment would be made to the bill to appropriate funds for the renovation of Lincoln Tower to offices for the College of Social and Behavioral Sciences.

That hope has diminished, however, for State Rep. William Kopp (D-Columbus) found that there was "not much support for the amendment among representatives outside of Franklin County."
OSU leaders attack proposed fund shift

7-13-73
By David Harding

Sharp criticism from several top University officials will accompany the $326 million capital improvements budget. House Bill 885 into the Senate Finance Committee meeting today.

Ohio State's $27 million portion of the budget was cut by $1.45 million before the Ohio House passed the bill last week.

An amendment proposed by Rep. James Mueller (D-Chesterland) calls for transfer of the money from the $3.73 million appropriated for Ohio State's Lima branch to the Geauga County branch of Kent State University.

President Harold L. Enarson immediately blasted the amendment as a "swooping raid" and "the most blatant power play one could imagine."

John T. Mount, vice president for regional campuses and dean of University College, said he was "shocked and angered at such pork barrel tactics."

The $3.73 million, actually a reapportionment from the $4 million the General Assembly originally allocated the Lima branch two years ago, was to fund a library expansion project, a student commons, associate degree programs in dental hygiene technology, industrial technology, and real estate technology, and additional classroom and office space.

The Lima Technical College and the University jointly plan and make use of total campus facilities at Lima.

In a letter written Wednesday to State Sen. Max Dennis (R-Wilmington), chairman of the Senate Finance Committee, Enarson pointed out that (Phase IV) of the Lima expansion plans had been approved by the Boards of Trustees of Ohio State and the Lima Technical College, the Board of Regents, the Department of Finance and the Ohio House Finance Appropriations Committee.

According to the letter, the expansion project at the Geauga County branch of Kent State University, for which the $1.45 million is to be transferred, was explicitly rejected by the Board of Regents and removed in the final draft of the bill by the Ohio House Finance Appropriations Committee.

In the letter, Enarson referred to the "patent unfairness" of the amendment and wrote, "At no time during the legislative committee process or in the floor debate on the amendment were we (Ohio State) consulted or given the opportunity to explain the serious consequences of denying a prior legislative commitment to the people of the ten county area served by the Lima Campus."

Enarson stated that "orderly process dictates that there be full and fair opportunity to lay all the facts on the table."

"As president of The Ohio State University, I see no way in which I can explain, let alone justify, the crippling of the Lima Campus to the trustees, the Citizens Advisory Committee, the faculty and students and all the many community leaders whose faith and hope is invested in the Lima Campus," Enarson wrote.

"I therefore ask that you, your committee, give our staff and the leadership in the Lima area an opportunity to reaffirm the need for an appropriation already approved." He added that "...issues of fairness and orderly procedure are at stake."

Mount said Dennis responded to Enarson's letter by saying, "It is a serious matter and will be given serious consideration."

In another letter to James A. Norton, chancellor of the Ohio Board of Regents, Enarson wrote that he regarded the amendment as extremely damaging to the University.

"It is the integrity of the system of review and consultation which is threatened," Enarson wrote Norton. "In our view, it is essential that you and your associates affirm in writing and/or public testimony before Senator Dennis' committee your earlier support for the $4 million for the Lima campus."
Budget cuts hit academic operations

By Dale Epperson

Operating costs for academic and non-academic departments at Ohio State have been retrenched as much as eight per cent for the 1973-74 school year.

Judith B. Washburn, executive director for University budget, said the campus retrenchment was caused by a decrease in the total operating budget for the 1973-74 school year and the higher cost of living.

She said the total operating budget for the Columbus campus was $132 million in 1972-73 and has been cut to $128 million for this year.

Washburn said the Ohio Board of Regents requires the University to have a balanced budget, making the retrenchment program inevitable.

She said all campus departments submitted new budgets to meet the cut-back.

Through analysis of the various budgets a 5.5 per cent budget retrenchment was given to academic departments an eight per cent budget retrenchment to non-academic departments.

According to a memorandum submitted to President Harold L. Enarson from Richard H. Zimmerman, executive assistant to the president and director of budget and resources planning, some of the services to be retrenched include:

• deferring some building maintenance;
• reduction of custodial services;
• reductions of staff in both the offices of admissions and the registrar;
• elimination of late afternoon and Saturday mail deliveries; and
• slower production schedules in the laundry.

Walter L. Hartman, physical plant director, said the standard of living on campus has been lowered due to the revised budget of eight per cent to his department.

"Roads and grounds have probably been affected most, it will be noticed in the next two or three years," Hartman said. "There was a major reduction in fertilizing and planting."

Zimmerman said the personnel retrenchment in the department of administrative operations is about nine per cent. Personnel retrenchment on the rest of the campus is probably less than this, he said.

He said a freeze was put on hiring of campus personnel between February and July of 1973 to begin the retrenchment.

Budget $280 million

By Ron Gorski

Last year's University operating budget totaled $280 million. Approximately $40 million of this budget came from the federal government under the Federal Land Grant Act said Allan Kessler, management analyst for the University Budget Office.

Kessler said that under the provisions of the 1862 Land Grant Act, Ohio State receives about 14 per cent of its operating money.

Kessler gave the following breakdown of the allocation of the federal money for partial support of the following:

• $8 million for instructional and general, covering some faculty, staff and police pay and building maintenance;
• $16.5 million for research in the medical and physical sciences;
• $12 million for public services including hospitals and related health services and community educational extension programs; and
• $2.5 million for student aid in the form of direct cash grants.

Kessler said of the remaining $240 million budgeted to supplement the federally aided programs and other operating expenses $85 million came from the state, $57 million from student tuition and fees and $98 million from miscellaneous sources.

Kessler said miscellaneous sources include profit on University sales and service charges, interest on endowment money and private gifts.

Kessler added that the University has also earned money by temporary investments in the stock market.
Budget priorities studied

By Barbara James

The budget, the "most sensitive" area of the University, is being studied by a committee appointed by President Harold L. Enarson.

The chairman of the Resource Planning and Priorities committee Herbert S. Parnes, professor of economics, said the committee was established to find out how priorities are established and allocations made, and how to let the University community know about budgetary matters.

SINCE IT began its work, two members of the committee have resigned. One member was a student who graduated and the other resigned to take another job.

The remaining members are Rosal F. Campbell, professor of education administration; Frank W. Hale Jr., associate dean of the graduate school; William Riffe, past president of the council of graduate students; Frederick D. Stocker, professor of administrative science; Dennis Sargent, president of the Undergraduate Student Government; and Donald S. VanMeter, assistant professor of political science.

Enarson will appoint two new members.

The committee has met with eight persons involved in allocation of the University's funds, including administrators and college deans.

In addition, Parnes said, questionnaires were sent to about 100 department chairmen, who returned about 80 of them.

PARNES SAID the kinds of questions asked were:

- Who is qualified to be involved in making decisions on such things as priorities and allocations;
- Are funds being adequately proportioned; and
- What criteria are being used when cutbacks are necessary?

Parnes said "people who ought to, don't really know" the answers to those questions.

Problems arise because of the differing functions and objectives in a University, and disagreements with respect to the relative importance of objectives.

"GRADUATE AND undergraduate education, research, and public service are inter-related in some ways, but they basically compete for funds," he said.

The problems begin when the University's budget has ceased to grow, Parnes added. Expansion in one area would inevitably hurt another.

"The crunch comes on deciding relative importance," he said.

Each department thinks the world revolves around it, he said.

AFTER Compiling the results of the questionnaires and evaluating the content of the public hearings next week, the committee will be involved in preparing a report, due to be finished by next June.

In addition to determining how decisions are made, and how information on budgetary matters gets around, the committee may also make suggestions, Parnes said.

In addition, specific suggestions may be made. For example, Parnes said, there is no "good measure" of the quality of students who graduate from various departments. Collecting data of this nature could provide a better basis for judging the merits of a department.
New budget era

Enarson calls for increased cost consciousness in University operations

By Barbara James

The Special Committee on Resource Planning and Priorities will “have to get its hands dirty” if it is to become cost conscious according to President Harold L. Enarson.

Enarson appointed the committee last February to study how decisions and priorities are determined, and how information on budgetary matters is disseminated to the community.

Enarson said he was unhappy about budgetary practices before he came here in 1972. When he had to work with Ohio State’s budget, his unhappiness intensified.

At first he said he thought he was a “little slow” grasping a highly sophisticated system. But he discovered that while some aspects are sophisticated, there are serious defects.

He said, even now, no one can tell him how much is spent on such a commonly used item as Xerox machines.

In July, the committee, headed by Herbert S. Parnes, professor of economics, issued an interim report which listed the following as problem areas:

- Inadequate information on formulas for budget cutbacks; and
- Inadequate data for measuring outputs.

Enarson said he hoped the committee’s final product, to be finished by next June, will be as “specific as possible.” That report, he said, “will be as significant, in my thinking, to the extent that the proposals are truly creative and workable.”

He said the motivation for department heads and administrators to put those recommendations into practice would be for their own benefit.

“Would anyone reject a higher level of education at less cost?” Enarson asked.

Sitting in his office, unusually chilly and lit only by natural light, Enarson hinted that another reason for putting the recommendations into action would be the general availability of the report.

Although he would not say it in so many words, Enarson agreed with the concept that once the expectations are generally known, persons in positions of authority would be kept on the ball by those underneath them.

One of the basic problems is one of education. Enarson said he didn’t think most faculty

“appreciate that we’re in a period of austerity for at least a decade.”

In the past, the previous year’s budget was the “point of departure” for setting up the next one. The idea, Enarson said, was to “take each program and add to it.”

But now that the University has stopped growing, Enarson said, it comes down to choosing priorities for spending.

“In the future, if we want new programs, they will have to come out of our hides,” he said. “There’s no pot of gold at the end of the rainbow.”

But even data isn’t enough of a basis for making decisions in a period of austerity, he said.

But who, he asked, can answer the question of “is it worth the money to put a person through school?”

He said he didn’t expect the committee’s report to “usher in the millennium,” but to give him “leads on the specifics of the budget process.”
Ohio State Budget Up 5.8 Percent

By GRAYDON HAMBRICK
Of The Dispatch Staff

A 1974-75 operating budget increase of 5.8 percent, beginning July 1, Enarson listed a 6.8 percent average increase in faculty compensation. That, he said, is made up of salary increases on a merit basis, a one-half percent boost for fringe benefits and a one-half percent raise in salary "equity adjustments" for minorities, women "and others."

The university's income will include $97.9 million from the state government, $38.4 million from the federal government and $56.8 million from student fees.

But even with more state income — an increase of about $8.2 million — resources fall short of financing expenditures by about $2.6 million, Enarson said.

To make up the deficit, the president said officials have made an across-the-board cut of $2.6 million in the current year's expenditures.

The cut, Enarson said, "will mean less employment, fewer dollars for equipment and supplies and reduced services."

He listed some of the cuts:
- An energy conservation program to save about $700,000 in utility costs.
- Elimination of 55 full-time positions in service areas.
- No increase in funds for telephones, travel, equipment and supplies.
- Reduction in the amount of printed material; in university vehicle purchases, overtime and weekend services.

Enarson said, "We are caught in the crunch between what amounts to controlled prices on what we charge and rapidly escalating prices for that which we must buy."
Regents freeze fees

State facilities get funds

By Thomas Sudses

Student fees will be frozen at current levels and Ohio State will get $37.6 million more than its current state appropriation if the higher education budget proposed by the Ohio Board of Regents is accepted by the 111th General Assembly convening in January, according to Regents Chancellor James A. Norton.

State universities will get about twice as much state funding as they now get in the two years beginning next July 1 if the legislature enacts the budget as proposed.

Regents want $1.34 billion from the legislature for the biennium extending from July 1, 1975 to June 30, 1977, which is about $335 million more than the state's collegiate and technical school system is getting during the two-year period which ends next June 30.

"This budget is the first step to quality higher education in Ohio," according to Norton. "We have a hard job ahead of us to sell this budget."

The ban on further student fee increases will cost the state treasury about $159 million in increased state support for academic operations, Norton said. If the budget passes, he said, the proportion of higher education costs borne by student fees will decrease to about 25 per cent, which compares with 40 per cent during the 1973-1975 biennium.

OHIO STATE would benefit substantially should Gov. John J. Gilligan's Office of Budget and Management and legislative leaders accept the recommended increase.

The state appropriation for Ohio State's central campus instructional operations for the year extending from July 1, 1974, to June 30, 1975 is about $79.5 million.

If the proposed budget passes the legislature, Ohio State would get $117 million for the year beginning July 1, 1975, an increase of about 67 per cent. For the second half of the biennium, starting July 1, 1976, the University would get $135 million.

Ohio State's four regional campuses -- Lima, Mansfield, Marion and Newark -- would get a 33 per cent increase in state support for the year beginning next July 1.

Current appropriation for regional campuses is about $2 million. The Agricultural Technical Institute at Wooster, which currently receives about $442,000, would get $626,000 for the first year of the upcoming biennium.

DURING THE current fiscal year, the Ohio Agricultural Research and Development Center (OARDC) at Wooster will receive about $6.7 million in state aid. Regents are asking the General Assembly to give OARDC about $7.8 million beginning next July 1.

The Ohio Cooperative Extension Service, administered by Ohio State's College of Agriculture and Home Economics, gets money from state, federal, and county governments, with the State of Ohio currently giving it about $4 million of a total 1974-1975 budget of about $14 million. If the legislature approves the Regents' request, the extension service will get about $900,000 more beginning July 1.

The additional money would provide for salary adjustments and for additional audio-visual technologies to be used in the extension service's teaching program.

University hospitals, which are a teaching and research arm of the University as well as community general hospitals, received about $10.4 million from the legislature for the fiscal year ending next June 30.

Operating costs of the hospitals are paid by charges made to patients. However, the state pays for some teaching and research programs at the Medical Center and also subsidizes some costs of physical rehabilitation, psychiatry, and tuberculosis treatment programs.

Beginning next July 1, the hospitals will receive about $11.8 million from the state if the proposed budget is enacted into appropriations.

NORTON SAID THE Regents' budget emphasizes four areas: access to higher education, lifelong continuing education for adults, quality improvements in existing programs, and strategies for increased manpower education.

Regents expect to increase access to public higher education in the state through the freeze on fee increases, an expansion of eligibility for the Ohio Instructional Grants (OIG) program, and through greater support of developmental (remedial) education at state institutions.

According to a study by the National Commission on the Financing of Post-secondary Education, each $100 increase in fees allows 1.2 per cent fewer middle-income students, and 3.1 per cent fewer low-income students, to go to college.

Since Ohio would have to add 13,000 students to its statewide college enrollment totals merely to equal the five poorest states in percentage of population enrolled in public higher education, Regents are noticeably concerned about access.

According to the Citizen's Task Force on Higher Education, appointed by the governor and legislative leaders, the Ohio enrollment population ratio is 2.79 per cent. To meet the national enrollment average of 3.55 per cent, Ohio would have to add 80,000 students to its system of colleges and universities.

THREE CHANGES in OIG are also designed to widen access to higher education.

First, maximum allowable annual grants will be increased to $780 for students enrolled in public institutions, which is the current legal limit on instructional and general fees at state schools, and to $2,000 for students enrolled at private schools, the average maximum tuition charge at Ohio's private schools.

Norton said existing ceilings on OIG grants are $600 for students in state schools and $1,600 for students enrolled at private schools.

Second, the maximum number of dependents allowed to be deducted from a family's income to determine their ability to support a prospective college student will be increased to 10 from five, the current limit. This is designed to reflect the needs of large, low-income families.

Third, for the first time part-time students will be permitted to apply for and receive OIG awards. Part-time students are defined as those regis-
For students studying basic medical education, the Regents will offer a thousand student loans.

Medical schools will select those to be given the loans. Repayment of the loans must begin after internship, residency, or graduate medical education is completed.

For each year recipients agree to practice within the state, a year’s loan will be forgiven by the Regents. The medical student loan program will cost the state treasury about $8 million over the biennium.

For those who have earned the medical degree, but who are studying as part of internship, residency or graduate medical education programs, the Regents are proposing a special Regents Fellowship loan program.

Regents Fellows, who will be recommended by medical schools, will be eligible for loans of $9,000 per year for a maximum of three years. The loan is not to replace any salary or stipend fellows already receive as interns or residents in hospitals affiliated with medical schools.

REPAYMENT OF $50 per month at an annual interest of 8 per cent would begin with completion of the fellowship. However, those recipients agreeing to practice within Ohio in an area of “critical need” would cancel one year of principal and interest for each year in practice.

Half of each year’s loan could be forgiven for each year of practice in a “non-critical need area,” according to the budget proposal. First-year cost of the fellowships is estimated to be $1.2 million, if approved by legislators.

Regents hope to establish six medical education regions, one for each of Ohio’s six medical schools, to provide planning and production of postgraduate courses in medical advances for health professionals practicing in areas remote from teaching hospitals.

FINALLY, THE Regents propose to give special grants of $250,000 each to the four existing medical schools, and grants of $100,000 to the state’s two newer medical schools, to support departments of family practice. Family practitioners are physicians formerly known as general practitioners, or “G.P.s,” who practically disappeared during the specialization of medical practices in the 1960s.

Medical schools at Ohio State, the University of Cincinnati, Case Western Reserve University in Cleveland, and the Medical College of Ohio in Toledo, will get $250,000 each for the new departments and the Wright State University School of Medicine and the Northeastern Ohio Universities College of Medicine will get $100,000 each to train family practitioners.
By Thomas Suddes

Governor John J. Gilligan will propose freezing student fees at state universities at their present levels over the next two years if he is reelected, he told a campus audience Monday afternoon.

He will also advocate an increase in state eligibility and grant amounts in the Ohio Instructional Grant (OIG) program, he said.

Gilligan’s speech, sponsored by the Faculty Forum on Higher Education, was the first in what the new group hopes will be a series of talks on higher education policy by candidates in the upcoming general election.

THE GOVERNOR told the capacity crowd at the Ohio Union Conference Theater that state university fees for Ohioans rank fifth highest in the nation and that Ohio State undergraduates have the “dubious distinction” of paying the highest student fees among his Big Ten universities.

Discussing OIG, Gilligan claimed that although the program had grown by 300 per cent during his administration, the present grant amounts “seem to me unrealistic” and that he wanted a “substantial increase” in them.

Both the tuition freeze and the expansion of OIG were among a number of recommendations recently forwarded to Gilligan and the upcoming 111th General Assembly by the Ohio Board of Regents, the nine-member statewide planning and coordinating body for higher education in Ohio.

GILLIGAN STOPPED short of embracing the entire Regents’ request for $1.34 billion for the biennium beginning July 1. He said that while his program was “provocative and stimulating, he could not commit himself to specifics until he saw other budget requests submitted to him by the various state agencies.

Gilligan later told the Lantern that he expects to release his specific spending requests for higher education sometime between Dec. 1 and 15, when he will make public his budget message to the General Assembly.

IN HIS ADDRESS, Gilligan said he could see “no reasons” why Ohio should “take a back seat” to such states as California, Michigan, or New York in the quality of its higher education program.

Gilligan, a former literature instructor at Xavier University, in Cincinnati, commended the diversity of Ohio’s higher educational system, public and private.

He said the variety of institutions and programs available to residents of the state was responsible for the “health of the system,” and that the state government’s “first responsibility” was to support “fully and thoroughly the existing public universities and colleges.”

THE STATE institutions must be supported adequately,” he said, “and their student fees kept down.”

Gilligan said he was convinced state revenues would be adequate to fulfill state obligations in elementary and secondary education, mental health and retardation, and environmental protection.

He credited income tax legislation he sponsored in 1971 for this situation.

GILLIGAN ADDED that, since he took office, support of higher education by state government had increased by about 70 per cent, from $249 million in 1970-71 to $419 million in the current academic year.

Gilligan defended himself against claims by his Republican opponent, former Gov. James A. Rhodes, that Gilligan’s administration had vastly increased state spending with disregard of the state’s fiscal position.

“What THE politicians fail to tell you,” Gilligan said, “is that because of the income tax, we were able to roll back more than $650 million in local property taxes.”

Gilligan said that voters had been deceived by politicians who, he said, “in all candor, were lying.”

“Before 1971 (the year of Gilligan’s inauguration), no one told the voters that Ohio was 50th in support of public higher education,” Gilligan said. “No one showed the voters the inside of a mental hospital, and no one told them that Ohio had no environmental protection program.

“What the politicians did tell them was, ‘You can live in the Wonderful World of Ohio, and for 10 per cent off,’” he said.

WITHOUT MENTIONING Rhodes by name, Gilligan attacked the former governor for refusing to debate, saying it was “essential” that candidates meet face to face so people could make judgments about them.

However, Gilligan got an unexpected offer of debate from the campus audience when the Socialist Workers Party candidate for Gilligan’s office, Nancy Brown Lazar, stood during the question period following his speech, identified herself, and offered to debate the governor at a mutually agreeable time and place.

“Fine,” Gilligan told Lazar. “You set it up and we’ll go after the other guy.”

GILLIGAN, who has been endorsed for re-election by the Ohio Education Association, was asked by the Lantern why he thinks Rhodes is being supported in television advertisements by Ohio State President Emeritus Novice G. Fawcett.
Ohioans were told you can live in the Wonderful World of Ohio for ten percent off.

The governor said he "wasn't surprised" by the Fawcett endorsement because he believes Fawcett and Rhodes have been friends over the years, and because, in Gilligan's opinion, Rhodes had "something to do with" Fawcett getting the Ohio State presidency.

"IF YOU listen carefully to Fawcett's television message," Gilligan told the Lantern, "you'll notice that he talks about all the campuses Rhodes built, but he doesn't mention that Rhodes didn't give those campuses sufficient operating funds."

When asked to comment on Gilligan's remarks, Fawcett told the Lantern to indicate that he "laughed" when the governor's comments were read to him. He did say that Rhodes is a friend of long standing, but took exception to the notion that Rhodes played a part in his selection.
Governor attracts capacity crowd; Stinziano backs education proposal

By Lee Ann Hamilton

More than 300 persons crowded into the Ohio Union Conference Theater Monday to listen to Gov. John J. Gilligan speak at the first session of the Faculty Forum on Higher Education.

Students and others stood, lined up four and five deep at the back of the theater, after all seats were taken. Latecomers sat on the floor in the middle of the aisles.

Louis Nemzer, professor of political science and a coordinator of the forum, wanted to "stress the great eagerness shown on campus" as demonstrated by the large crowd.

STUDENTS WERE in for some good news when Gilligan stated his proposals to freeze student fees at their present level and to increase eligibility for Ohio Instructional Grants (OIG).

Doug Holmes, President of Undergraduate Student Government, stood in the middle of the question-and-answer period to ask, "Did I hear you right?"

When Gilligan responded, "Yes, you did," applause resounded through the room.

State Rep. Michael P. Stinziano (D-Columbus) was at the forum and "completely agreed" with Gilligan.

"His educational plan coincides with the one I announced last week," he said. "It is obvious that we have to freeze student fees."

THREE OTHER points Stinziano said he and the governor agreed on were:

- The state has a tremendous commitment to higher education;
- The Board of Regents is unresponsive, and its number should be increased from nine members serving nine-year terms to 25 members serving five-year terms; and,
- Four students and four faculty members should be added to the Board of Trustees.

"I hope to play a major role in accomplishing Gilligan's objectives," Stinziano said.

Edward Q. Moulton, vice president for business and administration, said of the freezing of fees that "on the surface it looks good, but I haven't seen enough of the figures to know." Eric R. Gilbertson, special assistant to the president, said the administration has always supported the freezing of fees, but only if it is accompanied by increases in state monies to offset rising costs.

"YOU JUST can't freeze fees," he said, "without coupling that with state subsidies."

President Harold L. Enarson declined to comment on the governor's speech, saying he had not been present and would rather wait until he had seen a written report.

State Rep. William Kopp (D-Columbus) said, "We in the legislature are definitely committed to higher education funding coming out of the general fund (the lump sum of all the monies the state receives)."

IN 1971, state expenditures for instructional operations were $235 million. Current appropriations are $231 million, and this does not include money allocated for buildings, land, construction, etc.

Leonard Schneiderman, professor of social work and another forum coordinator, said that as a professor he is "terribly concerned" about the education level at the University, but that he is not advocating taking needed state money away from mental hospitals and the needy on welfare.
Enarson questions proposal

Holmes asks budget input

Students must be allowed more input into University budget decisions such as fee increases, Doug Holmes, president of Undergraduate Student Government (USG), said at a Tuesday luncheon with Ohio State President Harold L. Enarson, and political science professor Donald S. Van Meter.

However, the primary responsibility of budget decisions lies with the University administration, not with the students or the faculty, Van Meter said before the 80 students attending the town meeting style debate in Baker Commons.

Enarson said last spring he sent a memo to Dennis Sargent, past president of USG, explaining the breakdown of the general fee.

The memo said that the fee is designed to be used for "noninstructional institutional services performed for the benefit of enrolled students."

These services include student centers (Ohio and Drake unions), student publications, recreation and intramural programs, a day care center, career counseling and other student services.

VAN METER agreed the problem was real, but said there is no point in developing "devil theories that someone is out to get the student."

Any decisions of an intelligent administration would reflect the wants and needs of the students and faculty, he said.

Asked what the University does with the $50 general fees, Enarson said it is a "highly artificial breakdown."

Enarson said the Ohio State does not account separately for expenditures from the general fee as opposed to income received through state subsidy or the instructional fee.

ENARSON said anyone interested in getting the information could get it from Holmes or his office.

Enarson said people assume the budget of the University is simple, and if an administrator doesn't answer questions about it simply, somehow he's not leveling.
Kurfess: Fund request excessive

by Thomas Stites
23 Oct '74

The Republican minority leader of the Ohio House of Representatives told a campus audience Tuesday that he was "sure" the legislature "cannot fund all the programs recommended by the Ohio Board of Regents in its $1.34 billion budget request for the biennium beginning July 1.

Charles Kurfess, a legislator since 1957 and Speaker of the House from 1967 to 1972, was the second in a series of guest lecturers presented by the faculty Forum on Higher Education.

The Forum's first speaker, Gov. John J. Gilligan, promised a freeze on student fees at Ohio's state universities and promised a "thorough study" of the regents' budget request when he spoke Oct. 8.

Kurfess said he was "glad to see the governor gave the budget the degree of support he did," but that "no one should expect full implementation of it."

Kurfess said he agreed with the Board of Regents in recommending wider eligibility and increased benefits for recipients of Ohio Institutional Grants (OIG).

"I'm not worried about freezing student fees," Kurfess said. "as long as OIG is adequately funded." But he expressed concern that reports from the regents indicate that fewer students are requesting OIG assistance this year than last.

The Perrysburg lawmaker said he was aware that Ohio has the fifth highest residence fees of all 50 states

Kurfess cited a number of reasons for the state's low level of financial support for the state-assisted colleges and universities. Ohio's traditionally low tax structure, the multiplicity of small, private schools, and the complexity of the legislative budget machinery were among the causes.

"When the House Finance Committee considers budget requests from the 12 state universities, the committee must consider each institution in a marathon session that may last a day and a half," he said.

Kurfess disagreed in part with the report of the Citizen's Task Force on Higher Education, which stated that Ohio was "below the national percentage" in high school graduates going on to post-secondary education.

"I can't see dragging bodies on the campus to help balance universities' budgets," Kurfess said.

Kurfess said he had two particular suggestions for consideration by the 111th General Assembly, which meets in January.

HE SAID that he'd "like to see the regents fund research, something they overlooked in their report."

"We, in the General Assembly, ought to recognize the valid role research plays and we ought to fund it accordingly," Kurfess said.

Kurfess suggested that "it may be appropriate to launch a full-scale review of graduate programs" to eliminate unnecessary programs and duplicate facilities.

Kurfess took exception to a Lantern report announcing his campus appearance which termed him "a close political ally" of former Gov. James A. Rhodes, who opposed Gilligan in a bid to regain the office Rhodes held.

"Rhodes and I have one thing in common," Kurfess said. "He wants to be governor again, and I want to be speaker again. If being a close political ally of Rhodes means I'll vote for him, then I guess we are close."

"I speak only for myself," Kurfess said.
Three legislators back request to increase aid to universities

By Thomas Suddes
25 Oct 74

Three of the four University area state legislators facing challengers in the Nov. 5 general election expressed qualified support for the Ohio Board of Regents’ $1.34 billion request for state aid to higher education in the coming biennium and for Gov. John J. Gilligan’s re-election pledge of frozen student fees.

“My initial reaction to the budget is that it asks for a lot of money,” State Rep. Michael P. Stinziano (D., Columbus), said, “but it is an investment the State of Ohio must make.”

Stinziano represents the largest part of the University area and the Hilltop section of the city’s Near West Side.

He said that although the regents are asking the 11th General Assembly for a very huge increase,” he feels the money is necessary if Ohio is “to keep pace with Michigan, New York, and California” in the quality of its state-assisted collegiate program.

STINZIANO expressed satisfaction with Gilligan’s advocacy of the fee freeze in the Ohio Instructional Grant (OIG) program.

“T’m happy to see the governor has taken the position I maintained two years ago,” Stinziano said, “but I also feel that all fees, including dorm and student service fees, should be frozen, too.”

Stinziano said that eligibility for an OIG award should be decided upon the basis of the applicant’s current income and not on the previous year’s income of the applicant’s parents, as is now the case.

State Rep. William A. Kopp (D., Columbus), is, like Stinziano, a freshman member of the current General Assembly. Kopp’s 29th House District includes a number of University area precincts bounded by the Penn Central tracks, East 12th Avenue, Indianola Avenue, East 14th Avenue, Summit Street and East Maynard Avenue.

KOPP, THE ONLY area legislator serving on the House Finance Committee, said he will “fight hard to give the universities all they need to cope with inflation.”

Kopp said Ohio’s state universities and colleges “didn’t get all they needed” from the current legislature.

“It’s apparent the governor has taken a second look at higher education,” Kopp said, “and has adopted the position of me and some of my colleagues.” Kopp said the governor’s fee freeze and OIG proposals were the product of Gilligan’s “second look.”

Two of the three state senators from Franklin County face opposition Nov. 5. The third, State Sen. Donald Woodland (D., Columbus), has two years remaining of the four year term to which he was elected in 1972. Woodland’s 16th Senatorial District includes Stinziano’s 30th House District.

State Sen. Theodore M. Gray (R., Columbus), who has served in the upper house since the 99th General Assembly in 1951, is majority leader and President pro tempore of the Ohio Senate. He is that body’s senior Republican and is chairman of the Rules Committee.

GRAY TOLD the Lantern that he “really hadn’t had time” to study the regents’ request, but that he opposes liberalization of OIG.

“We’re expanding OIG more rapidly than it is being utilized,” Gray said. “In fact, it has had a surplus for the past several years.”

Regarding Gilligan’s plan to freeze fees at their present level, Gray said “fees were frozen, in effect, several years ago.”

He was referring to a maximum ceiling on fees enacted by the legislature, which Ohio State reached this quarter with the $10 fee increase enacted by Ohio State’s Board of Trustees this summer.

Gray’s district includes Ohio State’s West Campus, Upper Arlington, and northwestern Franklin County.

The other senatorial incumbent up for re-election is State Sen. Robert O’Shaughnessy (D., Columbus), whose district includes Kopp’s House District.

O’SHAUGHNESSY said the regents’ request is “very, very high” and he took exception to their proposal to double appropriations for the board’s staff and office from its current $1.3 million allocation to about $2.6 million for the year beginning next July 1.

“I want to take a very close look at this aspect of their budget request,” he said.

O’Shaughnessy said he was “all for” the OIG modifications proposed by Gilligan and the regents, and that he “strongly favored” the moratorium on fee increases for the next biennium.
Ohio State fund requests exceed allocations

By Lee Ann Hamilton

Too little money to cover costs of too many needs seems to be everybody's problem these days — including the University's.

Albert J. Kuhn, provost, said he has had requests from deans for some $19 million for one-time and continuing expenditures.

BUT ONLY $1.4 million have been allocated from the state subsidy and fee income for expenditures in both academic and non-academic sectors of the University.

Kuhn will be meeting with these deans until the end of the quarter so that "each college can bring forward its need," he said.

Edward Q. Moulton, vice president of business and administration, and Richard H. Armitage, vice president of student services, also will meet with various groups in the non-academic sectors.

After these meetings, Kuhn said decisions can be better made how to allocate existing funds.

Moulton said Thursday that allocations totaling $100,000 have been appropriated by his office to:

- The Office of Student Aid Accounting "to assist in getting response and collection of money;"
- The Office for the Physically Impaired, a new office approved by the Board of Trustees Nov. 1;
- A management improvement program to upgrade the efficiency of existing programs;
- A work-load increase in the Office of Personnel Services to comply with federal review of job posting and minority hiring; and
- The hiring of a management analyst for the Office of the Treasurer.

Increased funding was also granted for legal fees for personnel services. Moulton said this is in response to increased costs associated with labor negotiations this past year when the University was dealing with three labor unions instead of one.

Armitage said more than $60,000 was allotted the Office of Student Financial Aids for computerization of that office.

Priority of funds not yet appropriated is to increase allotments for student organizations.

Other monies will also go for the expansion and improvement of career counseling, he said.

Funds in the academic sector, which includes all colleges of the University, will go mostly to repair current equipment, Kuhn said.

Funding also will be allocated for similar one-time expenditures, such as classroom renovations and replacement of equipment.

Deans from several colleges said that funds for continuing programs are their main concern.

"Most of our money worries are for personnel funds," Colin Bull, dean of the College of Math and Physical Sciences, said.

NEW SECTIONS — and consequently, new instructors — had to be added in the departments of chemistry, math and statistics to accommodate the increased number of freshmen enrolled in those courses, he said.

Bull said these departments have been working on a budget "based on the supposition that enrollments would be decreased." The budget is not equipped to pay for new instructors' salaries, he said.

Edward Bowman, dean of the College of Administrative Sciences, said there is a need in that college for more faculty. "The teaching loads and sizes of classes are far from being ideal," he said.

Enrollment in the college has increased an estimated 10 per cent this year from last year, and Bowman said that besides needing more faculty members, "we need to give the teachers we do have more time for scholarship and research."

Bowman said department heads in this college are gathering information on necessary one-time expenditures so he can present the college's needs and priority to Kuhn.
Top regent seeks budget expansion

By Kim E. Nowels
27 Nov. 74

James A. Norton, chancellor of the Ohio Board of Regents, told about 125 alumni Thursday evening their help was needed to promote the new higher education budget among Ohio's legislators.

Norton's remarks were made at the School of Natural Resources Alumni Association annual dinner which concluded a day of meetings, seminars and presentations held at Stouffer's University Inn.

"TRADITIONALLY, higher education has not made itself understood by the public or the legislature in the state of Ohio," Norton said. "We want to change that."

The Board of Regents recently revealed its new budget of $1.4 billion for the next biennium to the Governor and the House of Representatives. The new budget is a 70 per cent increase over the last biennium.

"PEOPLE ask why we set it that high, and say we are foolhardy. Our answer to them is simple—we did it because it's important," Norton said.

Norton said there is much merit in furthering higher education, and the board has many different points to make to the legislature on why they should support its budget.

"If you take the average income of a college graduate and his taxes over a lifetime, you'll find that the state gets about a 414 per cent income on its investment in the person, not to mention his worth in terms of helping society," Norton said.

"WE'VE somehow got to get the message across to the government that this thing affects well over a million people by the time you think about employees, students and parents," he added.

Norton also spoke of the Citizens Task Force, which spent nine months working at a report on higher education, and found the access to higher education in Ohio must be improved.

"IN OHIO, we are 80,000 students below the national average involvement in higher education," Norton said. "One reason would probably be that our fees are the fifth highest on the average of the 50 states, but in this budget they won't go up."

Norton said one of the reasons the budget is higher this year is that the board feels higher education is at a unique position.

"WE KNOW that in a few years the number of traditional college age students will decline, but at the present time we see no signs that the amount of service rendered by higher educational institutes will decline," Norton said.

Norton said more people were going to continue their education, and more people who never had a higher form of education were going to consider it.
OSU budget stalls expansion

By Candace Hughes

The University's instructional subsidy for the next two years is significantly higher than the current level of funding, but University officials say it is still only at a minimal need level.

Amended Substitute House Bill 155, the Democrats' $10.7 billion state budget bill, allocates $203,901,050 for the 1975-77 biennium. The Columbus campus will receive $85 million for the 1975-76 fiscal year and $106.7 million for 1976-77.

This is a 16 per cent increase over the $81.7 million instructional subsidy received by the University for the current fiscal year ending June 30, said Richard H. Zimmerman, executive assistant to President Harold L. Enarson and director of budget and resources planning.

"Even with a significant increase in the state subsidy, it is very difficult to keep up with rising costs."

"COSTS ARE increasing and inflation is hitting higher education hard," he said.

He cited expected increases in enrollments and inflation as reasons for the rise in costs.

"The state subsidy won't be nearly adequate to do what needs to be done considering the cuts that have been necessary in previous budgets and new program needs," Zimmerman said.

"President Enarson must say no to almost any new programs," he said.

Zimmerman said exceptions include programs just recently begun, such as the new Evenings Programs Office, the program for the physically impaired, the Office of Women's Programs and the expansion of counseling services, especially for part-time students.

"President Enarson felt it necessary to proceed with these programs in spite of limited resources," Zimmerman said.

EACH COLLEGE and major operating office of the University has had a 2.5 per cent budget cut this fiscal year and was also asked to re-trench two per cent last year, he said.

"The budget cuts will increase for next year if the subsidy decreases. If the subsidy remains the same as the current level of funding, there will also be a 2.5 per cent budget cut for 75-76," he said.

Zimmerman pointed out that there is an increasing tendency on the part of students to enroll in specialized curricula such as the professional schools and undergraduate specialized programs.

"Generally, specialized programs are more expensive," he said. "The changing pattern of enrollment coupled with higher enrollments and the serious effects of inflation result in rapidly rising costs."

HE ALSO said the total number of students taught will be about 4 per cent more than during the last biennium and that alone significantly increases costs.

"We don't know where the new bill will end up. If the subsidies improve, the cuts can be lowered this year."

The bill, now in the Senate Finance Committee, contains two provisions critical to Ohio State's budget concerning how pay raises for classified civil service employees will be funded and how universities will be affected by the state's cash flow problem.

The state is anticipating that at some point in the upcoming fiscal year beginning July 1, the money coming in won't be enough to pay the state's bills, said Donald J. Roberts, special assistant in the Office of University Development.

The bill allows the state to withhold monthly payments to the University and allows the University to borrow money to keep going.

HE EXPLAINED that the University gets approximately one-twelfth of all its money from the state each month. The bill allows the University to borrow money if it does not receive its state subsidy payments.

"Whenever you borrow money you have to pay interest," Zimmerman said. "It is the equivalent of a reduction in the subsidy."

The bill also does not make clear how pay raises for classified civil service employees will be funded.

"It is not yet clear to what extent the University will have to pay the raises. The last biennium it was..."
Budget cuts take toll

By James Hannah

In times of economic duress even the hardiest of institutional behemoths must economize in order to survive. Such is the case with Ohio State, which in July saw the pernicious pen of Gov. James A. Rhodes slash $1.9 million from an estimated University budget of $315,268,000.

Departments across the campus have come perilously close to compromising education in an effort to make ends meet. Crowded classrooms, overworked faculty and limited supplies top the list of liabilities.

The College of Social and Behavioral Sciences is comprised of departments which admittedly reflect these hard times.

Erika E. Bourguignon, chairman of the Department of Anthropology, said one former faculty member in the department was not rehired, reducing faculty to 1:1. “This has affected our ability to offer courses,” she said. “We are now more concerned with required courses.”

Bourguignon said, “We were told that we have the best honors program in arts and sciences.” But the new budget has forced the department to cut back on honors courses which will cost the department honors majors and graduates, she added.

A FEW OF the smaller seminar courses are being offered less frequently, but the larger lower division courses will not be cancelled, he said.

Besides the problem of bigger classes, Osipow said the cutback of equipment has hurt the psychology department. “I don’t think we’re at a crisis stage in our department,” he said. But “I hope we don’t have to keep retrenching each year.”

CUNNYNGHAM, who saw this year’s operating budget cut to $28,000 from last year’s $36,000, said duplication of papers had consequently been reduced by 40 per cent.

The new budget has also forced the department to close out hundreds of students this quarter, he said. One hundred twenty students were closed out when four sections of “Principles” were cancelled. “We simply ran out of manpower,” he said.

Cunyngham said travel has been cut to almost zero. The only traveling expenses incurred are for the recruitment of faculty.

John N. Rayner, chairman of the Department of Geography, said, “I was appalled at the size of the budget when I saw it.” Rayner said the de-
Continued from Page 1

dartment has had to cut duplicating by 60 per cent, long distance telephone calls by 20 per cent and almost completely wipe out travel.

The geography library has stopped buying many journals, forcing students and faculty to buy them, he said.

Postage and printing have also taken a heavy toll. Rayner explained that students and faculty who used to mail out questionnaires for social research can no longer do so.

These research restrictions "must affect the morale of the faculty," he said.

JAMES L. GOLDEN, chairman of the Department of Communication, said, "Our biggest problem is space." Golden said that in the Speech and Hearing Division there is not enough room to conduct clinical needs and office space is inadequate.

He named equipment as the primary concern in the Communication Division. "We have been trying to get our equipment up to minimum standards."

Enrollment in communication has increased 25 per cent over Autumn Quarter 1974 and the department faces the possibility of not being able to replace three faculty members who will be gone next year, he said.

RANDALL B. RIPLEY, chairman of the Department of Political Science, said that department has had to remove some telephones and institute supply and duplication control systems. Ripley said faculty travel had been cut and travel for graduate students eliminated.

He said maintenance contracts for computer terminals have been cancelled, saving the department about $1,000. Maintenance contracts are typically made by the University with the dealer for any equipment the University buys or rents.

The arrangement usually provides that the dealer make any necessary repairs on the equipment during a designated period of time. By canceling the contract, the department must hire the least expensive repairman to fix equipment when it breaks down.

SHARON BROCK, assistant to the director of the School of Journalism, said maintenance contracts on about 240 typewriters have been cancelled in an effort to save money. About 25 typewriters were taken from a classroom and placed in storage, she said.

Brock explained the stored typewriters will be used to replace broken typewriters and the broken ones placed in the storeroom. "By the end of the quarter we will probably have to have the typewriters in the whole room repaired," she said.

In Journalism 203, photojournalism, photo assignments were reduced from eight to six to save laboratory expense, she said. "This has to have a direct effect upon the quality of the course."

Brock teaches a class of 75 students in a course which had until this year been comprised of 25. Three "readers" were hired to grade papers in order to avoid hiring two additional faculty members, she said. However, she explained that the arrangement had given her time to devote to other academic matters.

"WE ARE HANDLING more people with less money," she said. "We are trying to cope with it without stabling the student."

Russell R. Dynes, chairman of the Department of Sociology, said that in addition to larger classes, the "restriction on scholarly communication" is a major problem. The high costs of travel, postage and telephones have limited necessary faculty interaction which leads to the advancement of teaching methods and research ideas, he said.

Dynes said the department has been forced to cut back on the number of teaching assistants and admit less students to graduate school. Some of the more expensive courses have been combined and the annual debut of new courses has been curtailed, he said.

"What used to be essentials have become luxuries," Dynes said with a smile. "Maybe we will have to write memos on both sides of the paper."
Budget cuts trim ‘fat’

By Joan McQueeney Mitrie and Lilless McPherson Shilling
21 Oct. 1975

Nearly every University department is feeling the effects of the budget squeeze, cutting back programs, course offerings, teaching faculty — but also eliminating a lot of “fat.”

“As paradoxical as this sounds, we are a better University for the retrenchments because we had to make good, tough, qualitative decisions,” said Provost Albert J. Kuhn.

Kuhn does not think the academic program has suffered and neither does Richard H. Zimmerman, director of the budget and resource planning.

FUNDING PROBLEMS make “developing new programs and providing adequate support services difficult,” but Ohio State “is in no wav standing still,” he said.

Kuhn viewed the 14 per cent faculty salary increase as one of the nation’s “most substantial.” This increase “helps us keep our best faculty and remain competitive,” Kuhn said.

The salary increase boosted faculty salaries from ninth in the Big Ten to near sixth place. However, when the University unexpectedly lost 2 per cent of its appropriations, increased student fees were necessary to help finance the salary hike. With the increases, Ohio State fees now rank third highest among the Big Ten.

When questioned about the tuition increase, Zimmerman agreed that Ohio State students “are paying more, but not for less.”

“I AM CONFIDENT that our programs are among the best in the Big Ten and elsewhere,” he said.

Zimmerman said in order to bring Ohio State fees to the median level of Big Ten schools, “a 4 per cent increase in state subsidy or an additional 3 per cent cut in all campus budgets” would be required. “Neither alternative seems realistic nowadays,” he said.

It is clear that “fees at Ohio State should be less,” Zimmerman said. “Nationally, fees at Ohio institutes of public education exceed the median level even more than among Big Ten schools.” Although the ceiling on fees is no longer constrained by legislation, Zimmerman feels “confident that any further fee increase would be a last-resort” measure.

“Educational equipment, supplies and services are among the areas retrenching the most “due to budget cuts,” Zimmerman said. The last three years of spiralling inflation and sliced subsidies have caused the “collective purchasing power of these budgets to drop in proportion of about $3 to $2,” he said.

Quoting figures from the Chronicle of Higher Education, (Oct. 6, 1975), Zimmerman noted the national average cost of educational supplies and equipment rose 25 per cent, books and periodicals up 16 per cent and services up 9 per cent.

ZIMMERMAN SAID it is impossible to know which individual departments have been hardest hit until year-long enrollment estimates, “with larger-than-expected” growth patterns are turned into Kuhn in November.

Speaking to this issue, Kuhn said that the number of teaching positions in an individual college and consequently the amount of money the college receives, depends on its enrollment.

The College of Education and the College of Humanities have had falling enrollments, Kuhn said. When this happens, “we go there to pick up positions,” he added. For example, “in teacher preparation a position becomes vacant. That position won’t be filled. It will be moved to architecture, for example, where enrollments are rising,” Kuhn explained.

NEW BUILDINGS and building improvements are going on at a time when money is tight because the budget for capital improvements is separate and non-interchangeable with the operating budget, explained Edward Q. Moulton, vice president for business and administration. Ohio State received a total of $42,960,000 for capital improvements for its Columbus campus.

“Our facilities are to support our academic programs,” Moulton said. “We have a library addition. No one is opposed to that. This hospital expansion is part of a total plan to increase the medical school’s enrollment.”

He added that, “The educational process does not only take place when you walk across the threshold of a classroom. We believe a lot of it takes place in an environment. It’s important to create an environment conducive to education.”

THE ECONOMY of Ohio is inseparably linked with the size of the legislature’s subsidy to higher education, Zimmerman said. “If the state’s economy improves, the 2 per cent cut in subsidy this year would be restored.”

“To reap a greater proportion of Ohio’s resources, government must be persuaded that higher education merits it,” Zimmerman said. President Harold L. Enrson is continually trying to show legislators that “the present level of support is inadequate,” he said. Currently, higher education receives 9 per cent of the 32 per cent allotted to all levels of higher education in Ohio.

Kuhn was pessimistic about the effects of civil service raises which the University’s operating budget must absorb as of January, 1976. “It looks like the raises will have a staggering impact,” Kuhn said.

ENERGY CONSUMPTION and rising costs continue to plague administrators. Utility costs consume 4 per cent of the University’s operating budget, Zimmerman said. “Even though efforts to conserve energy have resulted in major savings, utility costs for the academic program will be one third higher than last year,” he said.

“It’s the same as cutting your food consumption and finding it still costs more,” Zimmerman said.
FACULTY RELEASE TIME PROCEDURES

Each college will project the amount of release time to be earned (by quarter and total year) for the upcoming fiscal year and submit the estimate to the Office of University Budgets.

The Office of University Budget will review the projection for reasonableness, and will adjust college budgets July 1, for the difference between the amount already included in college budgets, if any, and the college estimate.

Actual release time earned will be compared quarterly by the Office of University Budget with the college estimates. Any major variance will be discussed with the college at that time to determine if budget adjustments need to be made.

At the end of a fiscal year, differences between the amount budgeted and earned will cause an adjustment to college budgets (both upward and downward).

The funds included in college budgets for release time should be separately identified - the method of identification will be the college choice. Distribution or allocation of these funds by department, area, faculty member, or type of use within the college is at the discretion of the Dean. However, care should be taken not to commit large portions of these funds to permanent positions which restricts flexibility unduly.

Several colleges currently have amounts within their college budgets which are supported by faculty release time. Should current release time projections fall short of the amounts already budgeted, the difference should be returned to general university budgets by transfer.
Budget takes tight planning
Spending doubles since 1966

By Steve Lazar
8 — 23 — '76

For $364 million you could:
• Buy 7 million shares of General Motors preferred stock.
• Purchase eight B-1 bombers.
• Run full-throttle campaigns for 14-and-a-half presidential candidates.

Or, you could operate the Ohio State University for one year.

The 1976-77 budget is the largest in the University's history, more than twice the budget figure of 1966. If measured in gold, it would weigh in at a hefty 106 tons.

IT ENCOMPASSES all University operations on the Columbus and branch campuses, except the cost of construction and land purchase.

Although it's large, the University administrators say this year's budget is balanced.

Putting the budget together is a major task and begins in early Autumn Quarter, none months before it goes into operation with the new fiscal year in July.

The procedure starts when the director of budget and resources planning sizes up the Autumn Quarter enrollment. With an estimate of the number of students, he knows approximately how much revenue the University will draw from tuition and per-student subsidies from the state.

The University president then hands down spending guidelines based on these revenue projections. His guidelines center on spending for matters such as equipment, salaries and special projects.

THESE GUIDELINES go to academic deans and the heads of auxiliary services and other administrative divisions. The guidelines must be incorporated into their proposed budgets, which are handed back up to the vice presidents who oversee the various divisions.

Here the budgets are evaluated and either approved or reworked; consulta-

tion is made with the president and the office of budget.

When the total package is assembled and judged to fit the expected income of the University, it is presented to the Board of Trustees for approval.

From there, it goes on to the Ohio Board of Regents and eventually to the state government.

For much of the University, the budget-making procedure used is known as incremental budgeting. The assumption underlying this procedure is that what was budgeted one year should be carried over to the next, and small adjustments made up or down depending on the availability of funds and a program's need.

IN A PAMPHLET entitled "1974-75 Budget Message," University President Harold L. Enarson said this type of budgeting has both strengths and weaknesses. He liked the procedure of gradual adjustments but felt it was unwise that so much of any program budget was just carried over and not given yearly evaluation.

The University will continue to try different budgeting procedures in the next decade, according to Judith B. Washburn, executive director of the Office of University Budget.

Washburn classified the University's budget approach as a "management philosophy" and contrasted it with the approach taken in the past. "Ten years ago you didn't see budget offices," she said.

A faculty member who chaired a committee to study budget making at Ohio State said he would still like to see more faculty, staff and student influence on budget matters.

A somewhat different budget procedure is used by the University's auxiliary services, which earn their own income by selling goods and services. These include student housing, intercollegiate athletics, University bookstores, facilities services,
Budget use: Expansion, upkeep

In addition to its yearly operating budget, the University has another, known as the capital improvements budget, which is concerned with physical expansion and upkeep.

Funds from this budget are used to construct most new buildings, buy land and renovate existing structures.

Most capital improvement projects are paid for by the state, with funds appropriated in a separate, capital improvements bill.

Approval for a building project must come from at least five areas before state funds are granted: the Office of the President, the Board of Trustees, the Ohio Board of Regents, the General Assembly and the Office of the Governor.

For the 1977-79 biennium, the University is asking $54.6 million in capital improvements funds. This includes $7 million for a chemical laboratory; $13.2 million for an agronomy, natural resources and plant pathology building; $3.6 million for agricultural engineering facilities; $1 million for an agricultural library; $13 million to renovate University Hospital; and about $20 million, or $10 million each year, for renovation of existing buildings.
College funds vary

By Lori Greenberg

There are about 85 academic departments, twice that many academic divisions, eight schools and
18 colleges at Ohio State. How is $118 million distrib-
uted among them?

Five year data showing enrollment patterns, student-
faculty ratio, and number of hours taught by professors,
affects the money allocated to Ohio State colleges.

DECISIONS FOR allocations to the colleges must pass through Provost Albert J. Kuhn's office. He studies the
data and then academic budgeting is done by continu-
ing the previous year's allocation, adding or subtracting funds according to need.

Eighty per cent of the whole University budget is people, Kuhn said. "When we sit down with the dean we look at how efficiently he's utilizing his current staff and if he needs more people, we put them there," he said.

Kuhn said the needs of each college are different and that he strives to achieve a quality program.

There also seems to be an emphasis on a quality program when College deans allocate money to their departments.

"WE WOULD RATHER cut out a typist than take the money away from the departments," said Phyllis

Newman, assistant to the dean of the College of
Humanities.

The operating budget in the College of Biological Sciences is "enough to cover the essential needs," said Dean
Richard Bohning, while the specials budget, which is used to hire graduate teaching assistants, has been reduced as a result of enrollment shifts.

Arthur E. Adams, dean of the College of Humanities claims faddism in education controls the enrollment in colleges. The faddism caused the enrollment in the College of Humanities to go down which in turn, caused the budget for hiring more staff and faculty to go down.

FADDISM AFFECTS enrollment in the College of Education too. Although there are many teaching positions available, the public still believes that teaching is a closed field, said Fredrick D. Cyphert, dean of the College of Education.

Even though there was a cut in budget of the College of Education, Cyphert said again also occurs. "If, for example, a full professor retires, you can hire two assistant professors."

A 23 per cent enrollment increase over the past two years which allows the College of Administration to hire more faculty, shows that enrollment plays an important role in budget allocation.
OSU budget crisis

State's money problems threaten jobs, programs

You're a typical middle-income American family—husband, wife, two children (one in college), hefty mortgage on the house, monthly payments on the 1980 car, utility bills soaring through the roof each month.

You know the story. The budget-belt is pulled as tight as it can go. Every last dollar in your paycheck is committed before you get it. Your family is walking a financial razor-blade, trying to maintain a precarious balance between income and expenses. At your house, cash seems to flow in only one direction—out.

But just ahead, in the new fiscal year, is that raise you expected. It won't be large, but it will give you a little breathing room, a little help in fighting inflation. You need it. You're counting on it. Then you get the word.

No raise next year. In fact, things are so tough at the office that your salary is going to be cut 10 percent. You are going to start the new fiscal year with less money than you had two years ago.

Meanwhile, you're locked into the mortgage, new-car payments, higher utility bills, higher tuition, and all the other higher costs that have hit your family since 1979 — and will go higher next year. There's no more room for belt-tightening at your house. You're in financial trouble. You've been hurt.

OSU is in deep financial trouble

Sound familiar? If this story of the "typical family" gives you a painful sense of the financial crunch most people face today, then try to magnify that painful sense by 80,000. That's the number of Ohio State students, faculty, and staff who have been hit with the worst budget situation the University has faced since the Great Depression.

OSU is in deep financial trouble as it begins the 1981-82 fiscal year. Its people, programs, and services have been hurt. What happened?

Briefly, the financial crisis that hit the state of Ohio during 1980 has not ended. Gov. James A. Rhodes and members of the Ohio General Assembly worked during much of 1980-81 to find ways to bring the state's finances into balance by last June 30, the end of the fiscal year, and to put together a budget for 1981-82. While the state's books for last year got balanced, a new budget did not get passed. Instead, the General Assembly enacted and the governor signed an interim budget covering only four months, July through October.

In mid-September, members of the General Assembly will convene again to try to complete a budget for 1981-82. The problem that state officials and state legislators face is easier to state than it is to solve.

Education has been hit hard

In brief, the state of Ohio — hit by recession and unemployment in the auto and other key industries and by expected major loss of federal funds — does not have enough tax revenue flowing into the state system to support the scope and quality of state services that have been provided for the people of Ohio in recent years. Essential state services, such as education, have been hit hard. And the interim budget passed by the state makes the financial future extremely uncertain.

Public school officials, for example, see the possibility of widespread closing of schools if the state does not provide budget relief in the fall. State universities face the possibility of eliminating some faculty and staff and shutting down programs and services.

Specifically, here's what Ohio State is up against, under the state's interim budget, and here are the actions the University has taken to try to cope with the situation.
Tuition figures represent costs for Autumn Quarter of each year.
The interim budget, which will continue through October, cuts funds for Ohio State nearly 10 percent from the level the state originally appropriated for the University for 1980-81. This would mean, if that level of support were to continue through the entire fiscal year, that Ohio State would receive only $131.9 million in state subsidy to operate the Columbus Campus in 1981-82. This would be $3.2 million less than the state provided in 1979-80. Yet, during that same two-year period, the University has had to pay higher prices for goods, services, and salaries. These increases are now fixed costs in OSU's budget and somehow must be absorbed under an interim budget that provides less state support than was available two years ago.

**Recommendation of ‘distasteful’ fee levels**

Faced with the uncertainties and problems created by the state's interim budget, the University's Board of Trustees:

- Adopted a four-month interim budget for the University.
- Increased student fees 24 percent.
- Deferred decisions on salaries and other parts of OSU's budget until the state passes a budget bill for 1981-82.
- Authorized University officials to develop contingency plans for major cuts in programs and services totaling $9.3 million. However, these plans would be activated only if the final budget bill for 1981-82 passed by the state does not increase the level of funds for OSU that the interim budget provides.

In submitting ("with the greatest reluctance") the budget recommendations that led to the Trustees' actions, President Harold Enarson said, "It is extremely distasteful to recommend fee increases of this magnitude. It is also distasteful to have our faculty and staff enter the new fiscal year uncertain of their compensation levels. But the normal processes of budgeting cannot be applied in 1981-82."

**Will some faculty/staff positions be cut?**

Fees for all OSU students were realigned upwards, with professional-college and out-of-state students facing the highest increases. A major share of the increase, however, is being treated as a surcharge that could be removed after Autumn Quarter, if the final budget bill passed by the state makes it possible to do so. For example, an undergraduate student from Ohio who attends the Columbus Campus will pay fees of $460 in the fall, an increase of $75, of which $50 is a surcharge.

Predictably, the increase in student fees was not well received by OSU students, faculty, or administrative staff. Yet it became necessary when OSU faced the dilemma of trying to meet the higher costs of operating in the new fiscal year with an interim state budget that reduced OSU's funds.

Predictably, the action to put faculty and staff salaries "on hold" for four months was not popular, either. Yet, after long and agonizing analysis by University officials, members of the Board of Trustees concurred that it would be prudent to defer decisions on salary levels and program budgets, in light of the cut in state funds during the first four months of the fiscal year and the uncertainty about what the state will do after October.

Finally, the specter of eliminating some faculty and staff positions hung over the campus. If the level of state funds provided in the interim budget were to be continued for the remainder of 1981-82, OSU would have to make further cuts of some $9.3 million. There is no way that this can be done without curtailment of some OSU programs and services, University officials believe. And this could involve a cut in faculty and staff positions.

**Preparing for the worst**

The University will continue the hiring freeze that has been in place since December. It will continue the freeze on purchase of equipment from its central equipment replacement fund. It will continue the retrenchment of $3 million made last June in the budgets of OSU colleges and offices. It will limit course offerings and cut short-term teaching staff. It will even implement a plan to recover internal overhead costs from areas of the University that produce income, such as athletics, hospitals, and so on.

But most of these actions are essentially belt-tightening, University officials point out. These steps continue the kind of generalized retrenchment that has been taking place throughout the University for several years.

"We have gone as far as we can go with belt-tightening," noted Dr. William E. Vandament, vice president for finance and planning. "And while we are always looking for more efficient ways to operate and to generate new money internally, there is no possible way we could offset the shortfall of $9 to $10 million that OSU would face if the state were simply to extend the funding level in the interim budget for the remainder of 1981-82. There is no way this could be done without cuts in programs and personnel.

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### History of State Subsidy Columbus Campus

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(H.B. 167 [House version])

145.9

(H.B. 167 [Senate version])

140.3

Interim Budget (Annualized)

131.9
"We hope it won't come to that," Vandament said. "We hope that the governor and the General Assembly will find a way to end the state's financial crisis and prevent the continuing erosion of our state universities. But prudent management requires that we be prepared for the worst. That's why we have been working with the deans and vice presidents to review with great care the programs of the University to determine where cuts in services and personnel might be made, if the worst happens."

Developing criteria for dismissing tenured faculty

To prepare for the possibility of cuts in personnel and to develop criteria for terminating the appointments of tenured faculty, Provost W. Ann Reynolds appointed a seven-member faculty committee. Called the Ad Hoc Committee on Policies for Termination of Tenured Faculty During Financial Exigency, the committee will be chaired by James C. Garland, professor of physics.

"The dismissal of tenured faculty for financial reasons," explained Garland, "is an extraordinary step which must be undertaken with the greatest regard for the rights of the faculty, for the sanctity of academic freedom, and for the integrity of the University. The committee believes that it must also study the role of the faculty in defining and responding to financial exigency."

The committee will draft policies and procedures for terminating tenured faculty appointments in a financial crisis. Its recommendations will receive wide circulation among the Ohio State faculty and administration before being submitted to the University Senate for approval, according to Garland.

The committee expects to complete most of its work by Sept. 30. (A preliminary set of guidelines for the release of tenured faculty was prepared during the 1980-81 academic year by the Senate Committee on Academic Freedom and Responsibility.)

Maintaining quality with fewer dollars

The top priority of the General Assembly, when it reconvenes in September, will be the 1981-82 budget and ways for the state to raise the additional revenue needed to rescue vital state programs, including higher education, from financial crisis.

University officials were encouraged by Gov. Rhodes announcement that he plans to call a joint session of the General Assembly in the fall to outline a proposed tax increase designed to keep public schools open and to fund higher education.

Meanwhile, Ohio State faculty and staff are gearing up for Autumn Quarter and another round of the impossible task of trying to maintain quality educational services with fewer and fewer dollars.
$10 Million Surplus Wiped Out At OSU

L. 15-8D
By Gary Kiefer
Of The Dispatch Staff

The "rainy day" Ohio State University has been saving for arrived last week, quickly washing away a budget surplus of almost $10 million.

And that could mean trouble in the future, because OSU officials now fear the piggy bank will stay empty for several years to come.

On Thursday, while the OSU board of trustees was on campus receiving a lengthy explanation of the proposed 1980-81 budget. Gov. James A. Rhodes was at the Statehouse announcing a 3 percent spending cut for all state agencies.

THE ORDER, a result of decreasing state revenues, means substantial changes will have to be made in the $523 million budget the university has been preparing since late last year.

William E. Vandament, vice president for finance and planning, has the task of dealing with the lower amount of state funding that the university will now receive.

"We spent the entire year, building some flexibility in our budget, hoping not to have to draw on it," he said. "You save for a rainy day and then it rains and you hate to have to spend that money."

In this case, the "rainy day" fund amounted to some $5.8 million that the university had managed to hold back from its current budget of $481 million.

That money, Vandament said, was to be used in part to cushion the new budget from the impact of inflation, which is boosting costs faster than revenues.

In the budget he presented to trustees, Vandament included a $3 million "flexibility fund," which he hoped to be able to use in the coming year for improving some budget "deficiencies" of recent years.

AREAS WHICH were targeted to receive help, he said, included:

- Replacement of outdated equipment, which in the past has been paid for by the state's capital improvements funding. That funding has been sharply reduced in recent years and much of the equipment purchased by OSU in the last 20 years is now worn-out or outdated.
- Additional salary increases for faculty and staff to keep pace with inflation. A 9.5 percent increase was awarded this year, with another 9 percent planned for next year, but OSU officials also were hoping to provide a midyear increase of about 3 percent.

THE MONEY also was designed to help hold down student fees, which will rise at least $25 a quarter for undergraduates next year. Another slight fee increase is almost certain to be part of the budget revisions, but officials still promise to hold the increase to less than $30 as promised earlier this year.

The trustees have the authority to raise those fees by as much as $50 a quarter under a bill passed by the General Assembly.

Vandament said part of the "rainy day" fund was going to have to be used anyhow to balance the new budget, since income in two categories is expected to fall behind the rate of inflation next year.

ONE OF THOSE categories is unrestricted funds, including state subsidy money, which pays the costs of academic programs and administration. The second is regional campus income, which has been declining with declining enrollments at those institutions.

Vandament said the two remaining categories will have sufficient income increases to offset rising expenses.

The first of those categories is earnings operations, which include University Hospital, the OSU athletic department, bookstores and residence and dining halls. Those operations pay their own way by providing income from sales and services.

THE OTHER category is restricted income, which is money coming into the university for specific purposes, such as research funding.

There are some areas of the budget that OSU will be unable to trim, such as increased utility costs and the cost of funding a dental insurance program, which is being provided to all university employees for the first time after it was included in some union settlements this year.

Vandament said losing 3 percent of OSU's state funding will wipe out the carry-over money and result in cuts in some expenses for next year.

"I'm particularly bothered by our position for 1982, '83 and '84, when we expect to see declining enrollments" and therefore declining income from student fees, he told trustees.

Unless OSU can find additional ways to hold down spending, it faces a hand-to-mouth existence in the immediate future, he added.
Fiscal activity in 1979-80 was controlled by a two-year budget strategy designed to lay the foundation for the austere conditions projected for 1980-81. That strategy entailed saving funds and avoiding long-term financial commitments in 1980, where possible. Its objective was to narrow the severe gap between the inflationary cost increases and the revenue levels anticipated for fiscal year 1980, the second year of the state's 1979-81 biennial budget period. (State tax revenue shortfalls, which occurred subsequent to the development of that budget strategy, resulted in revenue levels in 1980-81 which are even lower than those on which the 1979-80 plan was based.)

Current fund revenues of $587,000,000 for the fiscal year ending June 30, 1980, were sufficient to cover expenditures and commitments made during the year and to reserve a small amount to the University's educational and general fund balance in anticipation of austere conditions for fiscal year 1981. The current funds of the University consist of the unrestricted resources that provide the basic support for our colleges and offices, monies whose uses are restricted by donors and grants, and income from sales and services of the auxiliary enterprises, hospitals, and other departmental earnings programs. The $587 million in revenues for 1979-80 represented a 1 percent increase over 1978-79. This increase fell below the national inflationary rate of 13 percent but exceeded projected increases for fiscal year 1981.

Funds from state appropriations increased by 13 percent over 1978-79 levels, due in part to a 7 percent inflationary adjustment, one-time adjustments made by the Ohio Board of Regents to correct funding inequities among the state's colleges and universities, and a supplemental pay increase provided by the General Assembly for civil service employees. This level of state support increased the University's unrestricted resources by 7.8 percent over 1978-79 levels. For the second year of the 1979-81 biennium, however, state funding was projected to increase by 7 percent, which would have increased unrestricted resources by 4.5 percent. (Later cuts in 1980-81 state funding eliminated even that small inflationary adjustment.)

Student fees in 1979-80 increased by 9 percent over 1978-79 levels as an attempt was made to contain student fee increases and to decrease the students' share of the cost of education. Student fees at public universities in Ohio are among the highest in the country, and a reduction in the students' contribution to educational costs was a high priority of the Regents' master plan of 1976.

Temporary investment income reached a high of $11 million in 1978-80, almost double the $5 million earned in 1978-79. This major increase reflects both the continuing improvements in the University's cash-management program and the effects of high inflation on interest rates available to the University. With an anticipated lower level of cash flow in 1980-81, temporary investment income is expected to drop to $9 million from the record level of 1979-80. Other sources of 1979-80 revenue increased approximately 10 percent over 1978-79 levels.

Despite the fact that revenues during 1979-80 were not adequate to keep pace with inflation, attempts were made to prepare for commitments that would be unavoidable in 1980-81. As a result, salary increases for 1979-80 were limited to 9 percent, other elements of college and office budgets were funded at levels that did not match inflation, and new funding commitments that would carry over into the next year were kept to a minimum. Considerable emphasis during 1979-80 was placed on (a) a catch-up program to reduce a significant backlog of equipment replacement needs and (b) building and grounds maintenance projects that had been deferred for a considerable period of time. These one-time expenditures allowed the University to make progress in some areas in ways that avoided new commitments against 1980-81 funds. In total, expenditures totaling $11 million that would not be carried forward in the fiscal year 1981 budget were made during 1979-80. The necessity of the conservative budget strategy of 1979-80 was later underscored by subsequent events—in particular, reining inflation and the state's 1980-81 fiscal crisis.
## Sources

### June 30, 1960

<table>
<thead>
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**Total current sources** $497,403

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### Auxiliaries and hospitals

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**Total current uses** $497,403

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Budget Outlook

There is a rough fiscal road ahead for Ohio State for the next six months. And for 1981-83 it is absolutely essential that state funds provided for the University be sufficient to regain the ground lost this year, offset inflation, and prevent any further erosion of Ohio State’s programs.

That’s the assessment of University officials in the wake of actions by Governor James A. Rhodes and the Ohio General Assembly to solve the state’s 1980-81 budget crisis.

The crisis resulted when state revenues began a downward spiral that threatened to leave Ohio as much as $500 million in the red by next June 30. To resolve the crisis, budgets for state agencies—including universities—were cut and a temporary tax increase was passed.

Ohio State’s budget was cut three times—3 percent last July 1, 3 percent December 15, and 1 percent January 1. To meet these cuts, Ohio State has had to reduce its budget by $12.6 million.

“The impact on the University is even more severe than the 7 percent cut suggests,” pointed out William E. Vandam, vice president for finance and planning. “Since the second and third cuts came when the fiscal year was roughly half over, those cuts hit us twice as hard. In reality, the University is having to cope with the equivalent of an 11 percent cut.”

In response to the budget cuts, the University froze virtually all hiring, cut the budgets of all units, eliminated a planned 3 percent midyear salary adjustment for faculty and professional staff, stopped the purchase of equipment, and reduced the number of staff by not filling vacancies as they occurred. In addition, it was necessary to raise student fees $10 a quarter last autumn and another $15 a quarter beginning in January.

Fee increases were approved with the greatest reluctance, Vandam: said. Ohio State’s fees already rank as third highest among Big Ten schools. And among 50 comparable universities across the nation, Ohio State’s fees are tenth highest.

As Dan Heinlen, OSU’s director of alumni affairs, commented in an editorial in the December OSU Montly magazine, “Ohio is already a high-tuition state... It may be great to rank in the top 10 in athletics. When it comes to fees, that high-cost ranking is a distinction OSU students would gladly give up.”

To cope with the problems created by the budget cuts, the University is also reviewing its total operation to see whether further savings can be achieved. The energy-conservation program, for example—already a big money-saver for the University—is being reviewed for further help.

In addition, the University is exploring every way available to generate funds to augment state support and student fees.

While the uncertainties that the state’s budget crisis created are over, Ohio State students, faculty, and staff have yet to feel the full impact of the budget cuts. That will come in the weeks ahead as they confront the hard day-to-day realities of trying to get along with less.

For example, as a result of the hiring freeze, the University by late December was understaffed by 220 employees. And the staffing shortage was expected to increase about 20 persons each week the freeze continues.

When the rough six months ahead are over, what is the budget outlook for Ohio State? It’s too early to know, Vandam pointed out. But in January the legislative process begins that will produce the State of Ohio’s budget for 1981-83.

Ohio State and the other public universities in Ohio have been hit hard by this year’s cuts and by the erosion of their programs and services caused by continuing high inflation. Observed Alumni Director Heinlen in the December OSU Montly, “...no one in our state will be well served by allowing what we think is the state’s greatest resource for the future—its universities—to diminish in quality, stature, and service.”
COLUMBUS, Ohio -- Ohio State University's Board of Trustees Friday (7/11) adopted a revised budget for 1980-81, reflecting a 3-percent cut in state support for the university.

The state subsidy reduction will result in a loss of $5.42 million in university income during the year, President Harold L. Enarson told the trustees.

The new budget, totaling some $521 million, replaces one the board adopted on June 12, the same day the governor announced the 3-percent cut in the wake of a shortfall in state revenue.

To meet the income reduction, the university will:
-- Raise student fees an additional $10 per quarter.
-- Eliminate a 3-percent midyear salary increase proposed in the June budget document.
-- Cut back expenditures in office and colleges.

For Ohio undergraduates at the Columbus campus, the $10 instructional fee increase, along with a June increase of $20, will bring that portion of the students' fees to $295 per quarter. That plus a general fee of $75 (incorporating a $5 increase enacted last month) results in a total 1980-81 student charge of $370 per quarter. Last year the figure was $335.
President Enarson said the fee increase was "consistent with our announcement in March, 1980, that undergraduate instructional fee increases would not exceed $30 per quarter."

The budget category of "unrestricted general funds"--the primary support for academic and administrative programs at the Columbus campus -- will absorb some $4.35 million of the university's income loss, Enarson said. Other reductions will include: regional campuses, $194,900; Cooperative Extension Service, $203,700; University Hospitals, $387,800, and other activities, $274,600.

Of the $4.35 million loss, higher student fees will replace about $1.2 million or 28 percent, and some $3.15 million in expenditure cuts will provide the additional 72 percent. The students' 28-percent share parallels the portion of unrestricted general funds to have been provided by student fees in the original budget, Enarson noted.

Eliminating a proposed midyear salary increase for the faculty and administrative and professional staff will bring a $1.36 million reduction, and retrenchment in colleges and offices another $1.79 million.

The salary increase proposal will come under study during the year, Enarson said, in view of the state revenue shortfall and indications of lower inflation rates. Also, a review is under way of the means by which college and office expenditures shall be reduced by the necessary $1.79 million.

"We will place a high priority on protecting core academic and support activities in developing a retrenchment plan that (more)
budget revision - 3
will be announced in September," Enarson said. "However, no
administrative or academic unit can be immune from close
examination during this activity."

The total income level of $521,100,000 in the revised
budget, down some $3.9 million from the June budget total of
$525 million, reflects also some upward adjustments for
current estimates of various income categories.

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(NOTE: A table of fee increases is attached.)

-wfr-
OSU Cutting Back Administrative Posts

By Gary Kleiber
Of The Dispatch Staff

While Ohio State University's dormitories and classrooms are full this quarter, many administrative offices contain empty desks.

Vacant staff positions are going unfilled because of an announcement in June by Gov. James A. Rhodes that funding to all state agencies is being cut by 3 percent because of declining state revenues.

At OSU, where personnel costs make up the largest portion of the budget, the cutback is directly affecting many jobs.

"THERE WILL BE no immediate layoffs, but vacancies that arise will not be quickly filled and some of those vacant posts will be eliminated, according to William E. Vandament, vice president for finance and planning.

"Our goal has been to protect the university's teaching and research programs as much as possible from the impact of the budget cut," Vandament said.

As a result, he said, administrative offices will have to bear a larger share of the cut than academic offices.

So while teaching positions will generally remain filled, non-teaching posts ranging from clerical to maintenance workers will be left vacant for longer periods of time than in past years.

COLLEGES HAVE been asked to trim 1.9 percent of their personnel costs, while administrative units have been asked to cut 5 percent based on average salaries. That would mean the colleges would have to eliminate 84 employees for the year and administrative offices, 116.

However, because of the process of leaving vacancies unfilled longer will spread that cut over more positions, "we may well see 500 to 600 positions left vacant at one time or another during the budget year," Vandament said.

"For example, he said rather than lay off one employee for a full year, the university can accomplish the same cost reduction by leaving three vacant positions unfilled for four months each.

The state funding cut will cost OSU more than $4.3 million this year. However, only about $1.8 million must be cut from the personnel budget because OSU trustees already have raised student fees and eliminated a planned midyear salary increase for faculty in order to help make up the difference.

"We have been trying to avoid making cuts that simply mortgage next year's budget," Vandament said. "If we cut out our equipment replacement budget, we are just deferring those costs and creating greater pressure on our budget for next year."

Also being protected in the latest round of cuts are areas such as library acquisitions, student aid and student employment programs, all of which have suffered "significant erosion" in recent years, he said.

OSU bypasses personnel cuts, leaves academic positions idle

By Pat Patterson
The Lantern

OSU should be able to avoid laying off personnel for the 1980-81 fiscal year if state funding for higher education is not cut beyond the present 3 percent reduction, said William Vandament, vice president for finance and planning.

Vice presidents and college deans have submitted staff reduction plans to meet the 3 percent cut. It involves leaving unfilled positions vacant and shifting faculty and support positions to get funding from other areas, Vandament said.

The state funding cut hits personnel the hardest because faculty and staff wages compose 80 percent of OSU's general operating budget.

When the Office of Finance and Planning began cutback plans, its objectives were to avoid layoffs, protect academic programs as much as possible, protect student employment and avoid postponing expenditures into the next fiscal year, Vandament said.

Thus, the administrative offices will have two and a half times more staff reductions than the academic offices, he explained.

Most departments have distributed their reductions in such a way as to minimize the impact. Their plans are to keep a large number of positions open for short periods, and thus spread responsibility for cutbacks to as many areas as possible.

Protecting student employment was difficult in departments with a large number of student employees, such as the Office of Student Services, Vandament said. In those instances, the share of the budget that included student employment was exempted from the cuts.

A freeze was placed on hiring in departments which lack current vacancies.

About two-thirds of all staff reductions have been worked out and final details should be reached by the end of this week, Vandament said.

He explained that some academic programs will be hurt because needed sections for courses with high student demand cannot be adequately staffed. A few course offerings might have to be eliminated, he added.

In general, Vandament said staff reductions have met the conditions his office set.

But if higher education faces additional cutbacks in January, the "conditions we tried to meet will be in jeopardy," he said. "Layoffs would have to be considered."

The administration could not rule out the possibility of higher tuition fees within the current school year if the state cuts more funding, Vandament added.

He said his office is working on plans for additional cuts if such a condition would arise.
OSU budget nets $.9 million from additional income

By Carolyn Davis
The Lantern
11-10-90

Expenditures for the 1980-81 OSU budget are expected to increase $.9 million over the July budget revision, according to William Vandament, vice president for finance and planning.

In a report to the Ohio State University Board of Trustees Friday, Vandament said most of that increase is from earnings operations such as University Hospitals, which charge for services, or from outside research grants and contracts.

No new commitments have been made for the coming year on unrestricted funds of the university, those funds which are allocated to academic units, administrative offices and physical plant upkeep, he said.

The Office of Finance and Planning is “holding the line” on unrestricted funds because of expected additional cuts in the state’s budget, he added.

“We anticipate future cuts,” Vandament said.

In the proposed revised budget, expenditures are shown at $520,426,000 as compared to July’s budget figure of $519,532,000.

Sources of income to support the 1980-81 budget are now estimated at $522 million in contrast to the $521 million estimate in July.

Vandament also reported actual expenditures for the 1979-80 academic year exceeded actual budget appropriations by approximately $3 million.

The actual income to support the 1979-80 budget commitments increased from June estimates by approximately $4 million.

Also at the trustees meeting, James Loucks, assistant vice president for registration services, said enrollment at OSU increased by more than 1,510 students from 1979.

This increase occurred despite an attempt to achieve a lower enrollment ceiling by closing admissions at an earlier date, he said.

A 2.2 percent rise in the number of Columbus undergraduate students remaining in school for the 1980-81 academic year accounts for the higher enrollment figures, Loucks said.

With an expected enrollment drop at universities in the mid-1980s, President Harold L. Enarson expressed concern over the effects of having to turn away students from the university due to an enrollment ceiling.

“If and when the decline comes, we’ll be missing that generation of students,” Enarson said.

The number of freshmen admitted to the university for this academic year was the lowest attainable without damaging future enrollment, Vandament said.

Loucks’ report showed the College of Engineering as experiencing the greatest growth in enrollment. The college had more than a 22.9 percent increase, or approximately 650 more students in 1980 than in 1979.

The Office of Continuing Education showed the next greatest growth with approximately 450 new students this year for an increase over 1979 of approximately 18.9 percent.

Loucks also reported an increase in the composite ACT scores for 1980 entering freshmen and an increase in the number of entering freshmen who were in the top one-fifth of their high school class.
Budget cut guides submitted to deans

By Pat Patterson

The Lantern

Specific guidelines for the university's freeze on hiring and equipment purchases were submitted to the deans and vice presidents Thursday by William Vandament, vice president for finance and planning.

However, he said he will-not know whether a tuition hike winter quarter will be necessary until revised budgets for university departments are completed sometime within the next few weeks.

The freeze followed a 3 percent slash in funding to many state agencies ordered to help meet a deficit of $400 million in the state budget this year.

The personnel freeze includes not filling new and vacant positions and halting reclassification of positions, promotions and all salary adjustments, regardless of the source of funds. It also prohibits changes in part-time employees' hours.

The only exemptions to the freeze will be:

- Staff to teach courses that already have been approved by the Office of Academic Affairs, including special lecturers and Graduate Teaching Associates.
- Faculty members who have been awarded externally-sponsored grants and contracts.
- Personnel responsible for the protection of the health and safety of the campus community.
- Student employee replacements due to high turnover.

In the areas that have been exempt from the freeze, any hiring requests will require extensive review before being approved, Vandament said.

Vacant positions that already have been posted will not be filled unless leaving the position empty would hurt the university's revenue-generating function, he said.

The equipment freeze applies to all requisitions for purchases of more than $500 submitted after Nov. 10. Requisitions received prior to that date will be sent back for reconsideration to the college or office requesting the purchase.

Purchase orders that already have been issued will be honored.
Funds don’t match record enrollment

By Pat Patterson
The Lantern
1-2-80

Despite efforts to limit enrollment this year, there are more students at OSU now than ever before. But state allocations are failing to meet these record-breaking numbers.

The result is that $2.5 million worth of services to students are being handled without state assistance, according to William Vandament, vice president for finance and planning.

The Ohio Board of Regents bases subsidies to state colleges and universities to a large extent on projected enrollment figures. Those projections this year fell far short of actual enrollment at most state schools, causing inadequate funding levels for the total number of students at each school.

Official OSU figures show total enrollment at 59,448, a 2.6 percent increase over last year’s figure of 57,928. According to Vandament the subsidy problem occurred last year but was not as severe as this year's. He said the state has set aside some funds to reimburse schools that exceeded projected enrollment. But he expects any reimbursement to Ohio State to cover less than 10 percent of the $2.5 million.

Vandament attributes the high enrollment at OSU to several factors including the retention of 1,300 more upper-class students than anticipated.

A rise in the number of Continuation Education and regional campus students also contributed to the total.

Vandament said his office is working with the Office of Academic Affairs, the Office of Registration Services and the Office of Student Services to come up with enrollment projections for 1981-82.

OSU state funding cut by $1.8 million

By Linda Bien
1-5-81

State support to OSU has been cut an additional $1.8 million because of the Ohio General Assembly's preChristmas legislative marathon to avoid a $496 million deficit in the state budget.

This latest cut of about 1 percent brings Ohio State's total loss in state funding to $12.6 million or 7 percent. Approximately $1.45 million of the $1.8 million cut will come from the university's equipment replacement program, said William E. Vandament, vice president for finance and planning.

The program was adopted in 1979 to replace $60 million of outdated and worn-out equipment, purchased mostly during the university's capital expansion program of the 1960s and early 1970s.

The other $330,000 of the cut will come from the regional campuses' University Hospitals' and the Cooperative Extension Service's budgets.

Vandament said the cut was not as large as expected.

But even though the size of the cut has reduced uncertainty about OSU's short-term financial situation, Vandament cautioned, "The difficulties are not over by any means."

He also said he expects the current shortage of funds to continue until the 1981 fiscal year ends on June 30.

To meet this shortage, Vandame said earlier cutbacks made by colleges and offices and the 1978 fiscal year freeze, imposed on Nov. 10, will continue.

OSU is understaffed by about 2 employees, Vandament said, and that he expects the shortage increase by approximately 20 percent for each week the freeze is in effect.
JSU feels first pains of funding cuts

• Hiring freeze leaves staff in cold

By Ann M. Marion
1-8-1981

Due to the hiring freeze instituted last quarter, vacated positions throughout the university are not being filled. William E. Vandament, vice president for finance and planning, said OSU is losing up to 20 people a week because of regular turnover and “the effects are building.”

The jobs are usually clerical or administrative and the people are leaving for better paying jobs. Student employees are exempt from the freeze.

Faculty will find that they must spend more time doing their own clerical work, said Vandament. This cuts back on time they can spend with students and research, he added.

Non-university sponsored research is not affected by the cutback since the money can go only to the project. Research through OSU funds is slowed by a similar clerical shortage, said Vandament.

For example, he said research in the College of Humanities is time-consuming work, largely involved with locating information, reading and writing in the library. The process is slowed by the shortage of clerical and library workers.

Some departments, however, are not affected at this time. John W. Riner, vice chairman of the mathematics department, said things are running well this quarter. The department has not eliminated classes or positions, he added.

Stephen W. Stoffel, vice president for personnel services said his office is running efficiently despite a smaller staff. The remaining staff splits up the duties of unplaced workers, he said, and some low-priority projects, like new brochures, are “being left on the back burner.”

The College of Arts and Sciences lost three of its 20 civil service workers and the remaining workers are sharing additional duties, said Thomas A. Willke, vice provost for the college.

Student services are the same but lines are longer and things just don’t go as fast,” Willke said, referring to appointment lines and drop-in lines.

He added that both students and staff are handling the cutback well. “If students have noticed the longer lines, they are being very understanding about it.”

The College of Engineering is having problems keeping up with enrollment, said Richard E. Wharton, administrative manager of the school. If the cutbacks continue, he said, faculty might have to handle more sections.

The major effect, said Wharton, is money. He said the department hoped to put into new projects but may be spent offering more sections.

• Equipment cuts come gradually

By Marcie Groedel

The full impact of temporary measures enacted to comply with state funding cuts has yet to be felt, according to OSU’s vice president for finance and planning.

William E. Vandament, vice president, said to accommodate the $12.6 million cutback, the spending on equipment and supplies for various departments has been reduced by 50 percent. Various department chairpersons say they are experiencing some difficulty in dealing with the equipment freeze, although others have not yet felt the shortage.

According to S. Leslie Blatt, chairperson of the physics department, the freeze on buying equipment has not directly affected the classroom, although research within the department has been greatly hindered.

Blatt said research is the first area to be affected because new materials and equipment necessary to conduct research are no longer available and this “slows down the effort.”

Blatt added that new instrumental and demonstrational equipment cannot be bought—which in the long run will affect the classroom if the freeze persists.

Ronald D. Althoff, assistant director of intramural sports, said the intramural program has not suffered as a result of the cutbacks; all the ordering of equipment was done in July, the beginning of the fiscal year. He has received no complaints and said he has been able to “maintain the same program without hurting the students.”

The Physical Facilities Department, in charge of grounds and building maintenance, has also sacrificed equipment in order to stay within a tight budget.

The delays of maintenance projects and equipment replacement are examples of the cutbacks that have been imposed, according to Tom Smith, associate vice president of physical facilities.

Donald Glover, chairman of the Engineering Department, said his department has “suffered greatly” as a result of the equipment freeze and that growing enrollment in the engineering school has intensified the equipment shortage.

Despite the freeze, students taking computer courses are not being affected, according to Roy Reeves, director of academic computing.

Book, equipment and supply purchases have been exempted from the budget cuts, said William J. Studer, director of the university libraries.

The Wilcox Student Health Center has also been excluded from budget cuts on equipment and supplies.

Steve Carter, a senior from Ashtabula and treasurer of the Ohio-Drake Unions activities board, said renovation of the Tavern in the Ohio Union has been slowed down as a result of the cutbacks.
Tough times ahead for OSU campuses

By Linda Bien
2-9-81

Tough times are ahead for Ohio State University if the General Assembly approves Gov. James A. Rhodes' proposed 1981-83 budget, a top university official says.

William E. Vandament, vice president for finance and planning, said Rhodes' proposed budget is "austere" and "put together with the assumption students will pay much more than they have before."

It "will force some very hard choices between programs, salaries and student fees," said Vandament in his budget report Friday to the Board of Trustees.

He would not predict, however, if the budget's passage could translate into higher fees for OSU students. "It's too early," he said.

"We have to remain optimistic that economic conditions will improve and that state government will be able to do more for higher education," he said.

If the governor's proposal is implemented, OSU will receive no increased funding in 1981-82. New appropriations will fall $345,000 short of restoring $12.6 million lost in state funding cuts since June.

State funds for the second year — 1982-83 — would increase by 9.5 percent. The increase, however, would not make up for an anticipated "inflationary gap" of 11 percent, Vandament said.

That gap, a university estimate based on cost figures since 1970, will cause OSU to lose about $49 million in real purchasing power over the next two years, he added.

Vandament expressed concern over funds appropriated to the regional campuses and said their outlook "is even more distressing."

The Newark branch will be spared, but the other three campuses — Lima, Marion, Mansfield and the Agricultural Technical Institute at Wooster — will be faced with a total loss of $532,000 for 1981-82.

Vandament said he did not know why regional campuses' funds were cut so severely. But he said OSU will be contacting the Ohio Board of Regents, which is responsible for allocating funds to universities, to "try and unravel what has happened."

OSU '82-83 funds cut

By Judi Perlman
2-13-81

OSU's Columbus campus will not receive its recommended share of funds for educational programs in 1982-83 if the proposed state budget is approved.

The Ohio Board of Regents requested $165 million for the Main Campus and about $5 million for regional campuses for 1982. Under the state budget proposal, OSU, including the four branches, will receive only about $150 million.

The Regents recommended $188 million for all campuses for 1982, but will receive $165 million.

The Regents had requested a budget with some increases for inflation. The state budget covers inflation in faculty salaries, but not other inflation factors, said Mary K. Noonan, public information officer for the Regents.

Appropriations are lower in 1982 because the state Office of Budget Management (OBM) predicts a rough economy that year, Noonan said.

Under the state budget proposal, OSU will receive the same amount in 1982 as it would have received this year if there had not been any budget cuts, she said. The money is a restoration of the cuts. The university is getting less funding than it should have, Noonan said.

OBM assumes that in 1983, state revenues will rise and more dollars will be available, she said.

The Regents recommended more money for OSU than other state institutions, Noonan said.

State schools are funded by students' tuition and state money. The state budget assumes that students will pay a greater share of the cost, she said.

After budget cuts, OSU received the same amount of money this year as it did in 1980.
Student-Faculty Advice Sought In OSU Cash Crisis

By Gary Kiefer
Of The Dispatch Staff

Faced with "the unpleasant prospect of deciding how to share hardship," Ohio State University officials will accept advice from a panel of students and faculty members. President Harold Enarson said Friday.

Enarson told OSU trustees that a 12-member budget advisory council will be appointed to assist administrators in the difficult choices which must be made about student fees, employee salaries and program funding.

Three deans, six faculty members and representatives of three student organizations will serve on the council.

O H I O S T A T E has lost $12.5 million in state funds as a result of three cuts in state spending, ordered by Gov. James A. Rhodes, during the fiscal year which ends June 30.

To make up for the cuts, OSU officials raised student fees, eliminated a scheduled pay raise for employees and ordered a temporary freeze on hiring and equipment purchases.

But the state budget for the next two years, as proposed by the governor last month, does not completely restore the 7 percent total cut in funding for the university, and declining state revenues make it likely the Ohio General Assembly will do more trimming.

THE TRUSTEES ALSO:

• Authorized a feasibility study of an "overnight lodging facility" to serve the families of patients in University Hospital and visitors to the health sciences complex. If approved, the facility will be built on university land but will be privately operated.

• Approved plans for a "Sphinx Plaza" with walkways, benches and shade trees in the area between the Main Library and University Hall. The $130,000 project will be completed with funds raised by the Sphinx senior honorary as its 75th anniversary gift to OSU.

• Renamed the Metallurgical Engineering Building the Mars G. Fontana Laboratories to honor the man who served 27 years as chairman of that department before retiring in 1976.
Budget cuts erode OSU upkeep

By Jeff Stevenson

Garbage overflows its containers, but remains uncollected. Weeds begin appearing in the grass. A classroom floor stays unswept overnight. A wall needing a fresh coat of paint waits untouched.

Scenes like these may soon become more common at Ohio State because of budget cuts hitting the Department of Physical Facilities.

Thomas B. Smith, associate vice president of physical facilities, said the department's budget, formerly about $15.35 million, has been decreased twice since October, resulting in a $754,000, or 4.8 percent, yearly reduction in funds. The $15.35 million excludes utility costs.

The first cut, $528,000 per year, affected personnel, Smith said. A freeze on hiring new personnel to replace leaving employees was instituted as a result of the cut.

Forty workers have left since the freeze went into effect, and Smith said that salary costs were lowered enough by January. The total number of employees in the department is 776 now.

The second cut, which went into effect in December, reduced the operating and equipment budget by $226,000.

Smith said it is impossible at this time to say exactly how much each department has been cut, but an attempt has been made to spread the decreases evenly.

Because physical facilities is a labor intensive department, spending approximately $10.4 million of its total budget for personnel costs, Smith said losing employees has hurt the most.

Three departments — grounds maintenance, facilities maintenance and building services — have borne the brunt of the hiring freeze. Together, these three have lost 34 of the 40 employees who have departed.

Compounding the problem, Smith said, is a high absentee rate. With more control over employees and tighter material requisitions, Smith predicted the department can maintain the level of service it provided in the past.

Dean Ramsey, director of grounds maintenance, said garbage removal is one of the areas in which his department is suffering most.

Nineteen workers are needed to properly keep refuse picked up, Ramsey said.

Service is greatly curtailed because there are only 16 workers, he said.

"We can only operate the big trucks with that many people," Ramsey said. "It's going to get critical if we lose any more people."

Ramsey cited other problem areas including maintaining the appearance of the campus and keeping the department vehicles operating.

Ramsey said he usually hires about 55 students for landscape work such as mowing, trimming and pruning to supplement the full-time landscape staff of 34. With the current budget limitations, however, he projects he will only be able to employ about 30 students before the next fiscal year begins July 1.

Because he relies so heavily on the students, Ramsey said his department probably will not be able to keep the campus as attractive.

Fertilization of grass, which has been extensive in the past, will be eliminated almost totally this year. Ramsey said only the Oval will be fertilized with supplies left from last fall. Also, flower planting will be slashed to about one-third from what it was in the past. Only about 10,000 to 12,000 flowers will be planted, Ramsey said.

Trees and bushes will be pruned less often in the future, Ramsey said. Pruning is done for two reasons: safety and renewal and control of the size of trees.

Fewer personnel in the vehicle and equipment maintenance shop also have caused problems, Ramsey said. The shop has 10 people, three less than are needed, trying to maintain about 86 vehicles, he said.

To fight his personnel shortage, Ramsey said he is switching men around to attempt to get all the necessary work done, but he added, "slowly, a lack of manpower will start to strangle you."

Facilities maintenance is facing similar problems, said Martin E. DeLille, director of facilities maintenance. Its work force has been cut by 118, leaving 263 people.

The reduced manpower has led to a backlog of work, he said, including painting and major building renovations such as exterior masonry and interior remodeling.
By Matt Moffet

Construction of an OSU Chemical Instrument Center remains uncertain in the wake of university budget cuts, but there is hope that the project can get underway this spring, according to the center's director.

The center initially will contain about $700,000 worth of highly sophisticated scientific equipment to be used by researchers of many disciplines. Progress has been delayed because of a freeze on hiring and the purchase of new equipment, according to Allan Marshall, director of the center and professor of chemistry and biochemistry.

Marshall said he was confident, however, that the financial difficulties facing the project would be resolved so construction could begin in late spring.

The center, originally conceived with the intention of offsetting inflationary increases in the cost of scientific equipment, has itself become a victim of inflation.

Budget cuts in August and November resulted in the university-wide freeze on hiring and the purchase of new equipment. Marshall, who was hired to direct the center before the cuts, said the freezes had caused him a three-month delay in purchasing one of the machines and an even longer delay in beginning to look for an operator for it.

The Board of Trustees did approve plans for the remodeling of Johnston Laboratory at an estimated cost of $212,408 during its Feb. 6 meeting.

Marshall said he expects the budget situation to be "clarified" and bids to be accepted within two or three months. When and if the Board of Trustees provides funds for the equipment and employees and when a contractor is selected, Marshall said construction of the center should take about six months.

The center, to be located in Johnston Laboratory, will contain three high-level computerized instruments and employ three technicians, Marshall said.

The colleges of Mathematics and Physical Sciences, Medicine, Biological Sciences and Pharmacy will share the use of the instruments and the continuing support of the center, he said.

It will mark the university's first use of centralized instrumentation, a concept in research equipment financing and administration that OSU is "about 10 years behind the times" in developing, according to Timothy R. Donoghue, associate dean of the graduate school and vice provost for research.

"OSU has definitely been lagging in creating centers for shared state of the art research equipment," Donoghue said. "It simply no longer makes good financial sense for a department to buy an expensive machine that only it will use."

Marshall also mentioned the increasing cost of instruments along with their tendency to become rapidly obsolete, as reasons for the introduction of centralized instrumentation to OSU.

He said there had been a 500 percent increase in the cost of chemical instruments since 1970. Marshall also quoted a recent National Science Foundation Report that showed improvements in the Fourier Transform nuclear resonance spectrometer (FT-NMR), one of the machines to occupy the OSU center, have produced a 10,000-fold increase in speed and a 100-fold increase in sensitivity over the top equipment available just a decade ago.

Besides containing an FT-NMR, the Chemical Instrument Center will have a Kratos MS/25 gas chromatograph/mass spectrometer (GC/MS) and an upgraded Kratos MS/902 high-resolution mass spectrometer. Each instrument also contains a small computer to speed up data reception, Marshall said.

Also beginning, according to Donoghue, are plans for another centralized instrumentation center.
Budget council formed

By Bob Keim

Anticipating some difficult decisions concerning the budget, OSU President Harold L. Enarson has formed a 14-person ad hoc Budget Advisory Council composed of deans, faculty members and students.

The council will serve in an advisory capacity, assisting the administration in deciding how to best deal with possible budget cuts by the state.

There are three deans, eight faculty members and three students on the council. The first meeting will be within the first two weeks of the quarter, according to William Vandament, vice president for finance and planning, and non-voting co-chairman of the council.

Deans on the council are Colin B. Bull, dean of the College of Mathematical and Physical Sciences, H. Justin Davidson, dean of the College of Administrative Science, and Roy M. Kottman, dean of the College of Agriculture and Home Economics.
Higher education is reminded of its financial crisis as the need for more budget cuts becomes apparent. How much state funding Ohio State eventually will get is uncertain.

No matter what the final amount, there are definite channels the money goes through once it becomes a part of OSU's budget.

It takes over $500 million to run the Ohio State University. Almost $95 million of this comes from student fees, while government appropriations account for over $240 million.

The state of Ohio is the largest government contributor to OSU, followed by the federal government and Franklin County.

Even though William Keip, director of the state Office of Budget and Management, has recommended cutting the higher education budget by an additional 7 percent, the state still will be the largest contributor to OSU.

When OSU receives income, it is placed in one of three categories: earning operations income, restricted funds or unrestricted general funds.

Almost half of the university's income is placed in the unrestricted general fund, with income from state appropriations and student fees accounting for approximately 90 percent of the fund.

This year, OSU was slated to receive $145 million from the state but because of mid-year budget cuts OSU only received $135 million.

Student instructional and general fees contributed over $71 million to the unrestricted fund in 1980-81.

It is from this fund that salaries are paid and departments are funded. The size of the state's appropriation to this fund has a major impact on whether or not there will have to be a fee increase.

A supplemental income is provided to OSU through investments in certificates of deposits, treasury notes, stocks and bonds.

OSU will make over $1 million from investments in stocks and bonds this year and officials have estimated $9 million will be made from temporary investments in certificates of deposits and treasury notes.

OSU has stocks and bonds totaling $84.8 million, according to Richard D. Jackson, vice president for business and administration. Some of these holdings include stock in General Motors Corp., Coca-Cola Co. and J.C. Penny.

Earning operations include the Office of Residence and Dining Halls, University Hospitals and the Athletic Department, which generate their own income by charging fees for services.

These operations are self-sufficient and their day-to-day functions are financed by these generated funds rather than from university funds.

In fiscal year 1981, earning operations made over $161 million, over $20 million of which came from student room and board fees paid to the Office of Residence and Dining Halls.

Restricted funds are monies given to the university for a specific purpose, such as cancer research, and must be used only for the designated purpose.

This prohibits the university from using these funds to finance something such as a faculty salary increase.

Most restricted funds are earmarked for some type of research and the federal government is the largest contributor, providing almost $57 million this year.

Federal dollars received in the unrestricted category usually are used to maintain the offices and facilities required to use federal restricted funds.

For example, if the federal government wants to keep a research center open, the university will try to have the government pay for the upkeep of the center.

OSU received a total of $114 million in restricted funds in 1980-81.

Much attention has been focused on the state budget, but the federal budget also has an impact on OSU.

Budget cuts recommended by the Reagan administration would cut financial aid funding, along with funding for research grants and compensation.

Proposed cuts in the funding of the Pell Grant (formerly the Basic Educational Opportunity Grant) will cost OSU students $4.6 million in financial funding, according to figures released by Student Financial Aids.

OSU administrators are concerned such cuts will have a drastic impact on the number of students able to attend OSU.

"We are worried about the possibility that cuts in these departments (financial aid and research) may make it impossible for students to attend college," according to William E. Vandament, vice president for finance and planning.
Medical Students See Threat To Education In Budget Cuts

By Gary Kiefer
Of The Duqueth Halt

The proposed state budget would shut many qualified students out of Ohio medical schools by forcing a 60 percent tuition increase, a group of Ohio State University medical students said Friday.

Members of the OSU chapter of the American Medical Students Association said the state cutbacks, combined with cuts in federal student loan programs, will make it financially impossible for many students from low- and middle-income families to attend medical school.

Estimates provided by the group's legislative affairs committee show the cost of attending medical school in Ohio would have to increase from the current average of about $2,600 a year to at least $4,300 to cover the difference between state funding levels and inflation.

THE STUDENTS said such a situation also would hurt health care in impoverished areas because graduat-

ing medical students with large loans to repay would be attracted to areas where they could establish lucrative practices.

The association, which has about 250 student members at OSU, will send representatives to present the group's position at budget hearings in the Ohio Senate, said Brenda Williams, chapter president.

"We are not just protesting, but trying to educate people and get them involved in the legislative process," said Williams, a first-year medical student from Tiffin.

"Health care for many people will be affected."

THE GROUP'S press conference at OSU's Graves Hall was part of the student association's National Day of Concern for Health, a nationwide effort to dramatize the need for health care funding.

One issue of particular concern to medical students is the Reagan administration's planned phasing out of the National Health Service Corps, said Peter Vasquez, a student from Dayton.

That program provides scholarships to students in health care fields who promise to work after graduation in areas in need of more health care.

Government statistics show 37 of Ohio's 88 counties have such areas, where there are more than 3,500 residents for each doctor.

THE AREAS served by the corps are often populated by low-income families, migrant workers or elderly people who cannot afford to pay much for medical services.

"The result will be that health care is only going to be available to wealthy people and those living in areas which can afford to pay physicians well," Vasquez said.

The American Medical Students Association, which represents 25,000 students nationwide, has been lobbying in Washington for increased funding for health care and education programs.
Provost finds budget affects most issues

by Lisa Holstein

V. Ann Reynolds thrives on the frenetic pace that the provost of one of the nation's largest universities must set just to keep up.

Her concerns range broadly, within and outside the University, from struggling with the far-reaching effects of federal legislation on higher education to entailing access to research equipment with for economy and to approach state-of-the-art technology.

The bulk of Reynolds' attention has been directed lately toward two major issues — promotion and tenure, and the budget.

As she works, each issue gets placed in some context within broad directions for the future of the University and its role in the continued development of excellence across the campus.

A preponderance of issues, Reynolds notes, are tied to the budget, or at least partially influenced by forces outside the University's control — including what she considers her "fundamental responsibility," promotion and tenure.

Ohio State has, she says, "taken great pains to assuage the anxiety of the peer view process. We also spend a lot of time taking sure the process is fair, trying to be helpful to faculty members denied tenure at the same time supporting our deans as they promote a rigorous process."

While promotion and tenure is a very individual matter, the overall implication of tenure density also comes into play.

University-wide, we're at 68 percent and expect us to hover at that level for a while," Reynolds said. "Some departments may be close to 100 percent, but their enrollments tend to be stable or rising, causing us not to hire new faculty in these areas."

Departments with needs for additional faculty are a different sort of problem.

"I'm the first to give the computer science faculty my greatest sympathy," Reynolds said. "Just as when I went to college we all said sure we had some typing competency, today's students want to save some computer competency.

The enrollments give the faculty heavy teaching loads, but they know, they're in a field with tremendous research potential as well. Finding extra staffing for such areas is a major concern."

Other Academic Affairs priorities related to the budget involve carefully scrutinizing programs with small enrollments, monitoring new degree programs, and developing sharing of resources through such means as the new chemical instrumentation center and the recent addition of a full-time staff member to coordinate the University's advancement in international affairs.

Management by Involvement

In all areas, Reynolds is committed to management by involvement, both her own in activities from large plans to small details, and that of deans, administrators and faculty in decisions which affect them. She already has used such methods as early budget briefing to allow some college-level planning to go forward, and creation of special faculty task forces to study major issues for the future.

Reynolds also has taken an interest in working closely with alumni. She has logged many miles across Ohio speaking to alumni gatherings about budget concerns, and has taken the initiative in strengthening relationships with outstanding graduates.

"I suppose you could call our recent successes in getting illustrious alumni to come back and spend three or four days on the campus a promising fledgling program," she said. "I find that I enjoy this type of contact, and I'm interested precisely because of what it can do for this institution. It's valuable for the students and faculty, and the price is right too — they generally come free."

Past or upcoming participants in the campus visits include William "MI" Batten, chairman of the New York Stock Exchange, a 1932 Ohio State graduate, and former CBS president and vice chairman Frank Stanton, who earned an Ohio State Ph.D. in 1935.

Reynolds also was involved in arranging a major donation to the School of Home Economics' Historic Costume Collection by Philip Sills, manufacturer of Bonnie Cashin clothing, in memory of his wife, Helen, an Ohio State alumna.

Reynolds' major impressions of Ohio State since she arrived a year ago and a half ago include its convenience compared to other large campuses and its openness to all students.

"I'm deeply impressed by how well the blind and those in wheelchairs can get around the campus," Reynolds said. "The increasing numbers of physically impaired individuals participating in commencement ceremonies is a cause for rejoicing."

She also finds the range of activities underway one of Ohio State's greatest attractions.

"I never fail to be impressed by the diversity of this place," Reynolds said. Some of the most memorable surprises, she added, have been seeing the biological sciences "frog show" — slides of frog life in a recording of Aaron Copland's Appalachian Spring," the workings of the Logan Elm Press, and the "incredibly talented people I've met in the chemistry department who are working under conditions that would have appalled Madame Curie while we wait for an appropriation for the replacement of Sawtooth."

While continuing to explore the nooks and crannies of the campus, Reynolds also keeps up as much as possible with her own fields, zoology and anatomy, by trying to schedule herself a few minutes each day to read scientific journals, sometimes over a sack lunch in her office. There, she is surrounded by a collection of drawings and paintings of various simians, reminders of her primate research.

Serves on national panels

Nationally, she continues to be active, chairing the National Institutes of Health Subcommittee on Primate Research Centers, and the Commission on Nutrition of the Mother and Pre-school Child for the National Academy of Sciences.

She sits on the executive committee of the Council on Academic Affairs of the National Association of State Universities and Land-Grant Colleges and serves on the Council of Academic Affairs of the College Board and the Advanced Biology Test board for the Graduate Records Examination committee. She also chairs the American Council on Education's Executive Council of Chief Academic Officers and serves on the ACE drafting committee for a statement on Academic Integrity and Athletic Eligibility.

"What I've enjoyed most at Ohio State so far is working with the deans on specific issues in various colleges," Reynolds added. "As I feel more and more acquainted with the University, I'm able to get more involved in the departmental or program level."

One of those areas is in recruitment, where she helps where she can at both the administrative and faculty level.
"Ohio State has some sort of magic about it," Reynolds said. "As I work on recruiting, I find that if an individual has Ohio State in his or her background, I know we have a good chance of succeeding.

"People who have attended this institution have a warm feeling for it. I'm pleased that I'm able to share in that and be a part of working toward our continued progress."
Classes face Autumn cuts

By Bob Keim

OSU will save money and increase the quality of classes by offering only enough course sections for students who register for courses in advance, said William E. Vandament, vice president for finance and planning.

Vandament announced Thursday several measures the university will take to "achieve savings and produce additional revenue" for 1981-82.

In the past, the university has offered course sections based on the estimated need for a specific number of course sections. For example, if 20 people registered for a course, but 40 people usually take the course, OSU would offer two sections of the class in anticipation of the increased need.

Under the new policy, the university will offer only enough course sections to serve the 20 students who registered in advance.

Vandament said he would not know how much the university would save from the policy until he sees the final registration figures. Those figures will be ready within two weeks, he added.

Along with reducing the number of course sections, the university will continue the hiring freeze instituted in November indefinitely into 1981-82.

Other plans announced by Vandament were:

• Freezing the $2.5 million in the Minimum Flexibility Fund (a contingency fund used for emergency situations) despite "justifiable claims on it for needed repairs and unexpected emergency situations." Vandament said the funds left over in this fund had in previous years been used for equipment purchases.

• Cutting $3 million from the budget bases of colleges and offices.

• Producing between $1 million and $1.5 million by charging for administrative services given to university earning operations.

• Due to the uncertainty of state funding, the university will request a temporary operating budget from the Board of Trustees next week, Vandament said. When state funding becomes certain, OSU will present its budget to the Trustees.

Meanwhile, OSU President Harold L. Enarson said a tuition hike of 24 percent, as recommended to him by the ad hoc Budget Advisory Council Wednesday, would be an increase "unparalleled in the university's history."

The council also recommended an 8 percent across-the-board increase in faculty salaries, with an additional 1 percent increase to reward outstanding faculty.

Enarson also expressed concern for the continuing erosion of faculty salaries by inflation.

"A budget along the lines proposed by the council ... should not be adopted unless the final state appropriation offers us no other choice," Enarson said.
Council offers guide for program cuts

Budget recommendations outlined

Steering Committee of the University Senate, should initiate a study of mechanisms that will effectively and efficiently promote a free exchange of ideas and advancement on budgetary matters.

Apart from the need for the fullier and freer flow of financial information, the ad hoc Budget Advisory Council believes that present and prospective budget constraints be dealt with rationality. The simple approaches used by some universities, e.g., equal curtailment imposed upon all units or the allocation of funding on the basis of student enrollments, may not be in the best interest of the University. Judgments should be made regarding the relative importance of the various academic units and programs for the maintenance of continuity of the primary objectives of the University; judgments of the quality and other aspects of programs should also be made if potential budgetary cutbacks are to have minimal effects on the long-term well-being of the University.

In making such decisions a preliminary consideration should be to maintain and build educational and research programs of high quality. A procedure should be established which provides for consultations among central administration, deans and faculty and adheres to the generally accepted practices which guarantee maintenance of academic freedom, protection of tenure and other rights of faculty and students.

Implementation as appropriate.

Appendix B

Factors to be considered in recommending substantial curtailment or elimination of academic programs:

A. Factors to be considered in determining whether a program is to be curtailed:
1. Importance to mission of the University
2. Quality of education
3. Strength of research and graduate programs
4. Centrality to the mission of the University
5. Availability elsewhere in the state
6. National or international program uniqueness
7. Prospects for future enrollment
8. Cost per student

B. Factors to consider in determining whether a program is to be eliminated:
1. Quality of program: productivity of faculty, performance of students
2. Importance of program to mission of the college and university
3. Present and projected cost and long-term enrollment demands
4. Duplications in other units at OSU or other universities in the state

To:
Harold L. Emerson, President
The Ohio State University

From:
Colin B. Bull
H. Justin Davidson
Joan E. DeBacage
Nathan S. Feltheimer
Judith E. Eifig
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Marlilyn G. Wachtman
W. Henry Wolf
David H. Boyle
William E. Vandament

Date:
June 9, 1981

Subject:
Principles, Factors, and Procedures in Substantial Cuts in Administration in Elimination of Programs

Responsibility for the governance of The Ohio State University is vested by statute in the Board of Trustees. To fulfill their responsibility most effectively, the Board of Trustees delegates authority to the administration, the faculty and other constituent groups of the University. According to the rules of the University, the university to establish educational and academic policy is vested in the faculty. The administration is charged with the responsibility for resource allocation and for the effective administration of activities supporting the primary educational mission of the University. In practice, the Board of Trustees, the administration, faculty, students and employees work together in a system of shared governance where responsibility and authority are, in some cases, well defined, and, in other cases, constructively ambiguous.

Resource allocation has important implications for the educational responsibilities that are a primary concern of the faculty. In order to fulfill its responsibility properly and fully, the faculty needs to understand the complexities of the budget and the budgeting process, to be informed of important developments in administrative planning, to be consulted on issues of policy regarding budgeting matters and to have an opportunity to express its views on issues of policy affecting current and projected budget decisions. In turn, the administration is charged with fulfilling its budgetary responsibility by the guidance of informed faculty views.

In the past, the processes for administration and faculty communication on budget matters have, perhaps, been adequate. But the mechanisms that were adequate in a stable budget environment may well be inadequate in times of major economic stress. For this reason, the ad hoc Budget Advisory Council strongly recommends that mechanisms for presenting consulting procedures among the administration, faculty, and other constituent groups be explored. The Budget Advisory Council believes that widespread consultation regarding budgetary matters will result in better understanding, better decision-making and higher morale.

Since the ad hoc Budget Advisory Council has had neither the resources nor the time nor the resources to explore what mechanisms might best promote consultation procedures as it has no position on what they should be. A standing Budget Advisory Council should be set up which has been suggested by some members of the present ad hoc Council as a preferred mechanism. The majority of the ad hoc Council believe, however, that determination of budgetary mechanisms should be studied further. We therefore recommend that the President, consulting with the
COLUMBUS, Ohio -- Ohio State University's Board of Trustees Friday (7/10) adopted an interim budget that extends salaries at the present level and raises student fees an average of 24 percent.

The interim action paralleled that of the state, which last week passed a four-month budget for the period ending Oct. 31.

The trustees enacted a student fee schedule to become effective with the autumn quarter, which opens Sept. 23. Some two-thirds of the fee raises will represent a surcharge for the autumn only. Fee levels for the rest of the year are to be re-evaluated after the state adopts its 1981-82 budget.

Graduate, professional and non-Ohio students will be assessed a larger share of the fee increases.

The quarterly autumn fees for Columbus undergraduates will go from $385 to $460; the non-resident total from $840 to $1,170. For graduate students, the resident fee goes from $485 to $590, non-resident from $940 to $1,415. Undergraduates' fees at the regional campuses will rise from $370 to $445 for Ohio residents and from $825 to $1,155 for non-residents.

Surcharges included in these fee categories range from $50 for resident undergraduates to $235 for non-resident students in the College of Medicine.

In his budget recommendation, President Harold L. Enarson told the trustees that the fee increases were intended to offset --more--
losses in state revenue and meet fixed costs.

"Fee increases, however, cannot be raised to a level that would offset inflationary costs as well," Enarson said. "Thus, this four-month budget would defer salary and other budget increases until a 1981-82 budget is enacted."

The trustees' resolution asked that the university administration work to ensure that faculty and staff compensation levels finally adopted be adequate to "maintain the university's competitive position among major universities," and it asked for recommendations concerning continuation or elimination of fee surcharges beyond the autumn quarter.

Enarson said his recommendations were submitted to the board "with the greatest reluctance."

"It is extremely distasteful to recommend fee increases of this magnitude," he said. "It is also distasteful to have our faculty and staff enter the new fiscal year uncertain of their compensation levels... In the face of continuing uncertainty about state funding for the university, it is difficult to see how the Board of Trustees can solve two key issues -- charges to students and compensation for staff. Hopefully, the state will be able to resolve this uncertainty in the near future."

During the four-month interim period, Enarson said the university would continue to restrict and defer expenditures, seek additional revenues and prepare for the potential curtailment of programs and services. He said these actions would include:

-- Indefinite continuation of hiring freeze.
-- Continuation of freeze on central equipment replacement program.
Continuation of $3-million college and office retrenchment established in June, 1981.

Implementation of overhead cost recovery from income-producing operations.

Limitations on the number of course offerings and corresponding reductions in short-term instructional staff.

Preparations for potential curtailment and elimination of programs and services.

On the possible need for cutting back its programs, Enarson said: "The university administration has been at work for some time identifying services and academic programs that must be severely curtailed or eliminated in the event that cuts of the magnitude contained in Am. H.B. 638 (the interim budget) must be sustained on a permanent basis.

"During the summer months, therefore, consultation with the vice presidents and deans, will be undertaken to assess impact and to develop curtailment plans and schedules. The recommendations of the ad hoc Budget Advisory Council on criteria and principles for curtailment will be of particular value in this process."

-wfr-
Revenue earned by OSU facilities

By Lynne Baker

To make up for budget cuts and to generate operating funds, Ohio State has been opening its facilities to a larger number of outside groups.

John Ellinger, manager of the Ohio Unions, said although many conferences have been scheduled before recent budget cuts, the extra monies will give the facilities "some breathing room," and added that the monies "help fill in the low points of an operation."

Ohio State has been working since November 1975 to attract various groups to campus to make better use of the university's facilities, equipment and personnel, Ellinger said. Conferences usually are scheduled during the school breaks and summer quarter.

Education-oriented groups such as 4-H Club Congress, Special Olympics, university-sponsored groups, or non-profit groups are ones which the university tries to attract, said Kenneth Ostrand, assistant director of continuing education.

Through the Office of Continuing Education, group meetings are scheduled and coordinated with the facilities they may need on campus. OSU residence and dining halls, Mershon Auditorium, the Fawcett Center for Tomorrow, the Ohio Unions, the athletics and recreational facilities are among the resources used for conferences.

Monies from all these facilities go into the university's general fund, residence and dining halls, athletics and traffic and parking.

There are no particular groups OSU wants to attract, Ellinger said. Groups have ranged from a meeting of six to a conference of 2,000 people.

In addition to helping publicize OSU and generate funds for its facilities, the groups have provided "buying power" for the university community, he said.

Also, increased use of facilities has enabled the Ohio Union to hire about 70 student employees, doubling the number of student employees hired last summer by the union.

The conferences also give OSU exposure to non-university people and non-Ohioans. This shows that OSU can be used by the general public, Ellinger said. OSU has a lot of positive facilities other universities do not have, he added.

Groups are offered a package which includes use of the unions, room and board, meeting rooms, and recreational facilities.

Ostrand added that many groups would not be able to meet if it were not for the central location and low cost the university provides for conferences.

He said the Office of Continuing Education is currently booking the Fawcett Center for Tomorrow through 1991, and the conference program through 1988.
OSU Boosts Fees, Scuttles Pay Increases

7-14-81

By Gary Kiefer
(St. Louis Post-Dispatch)

All Ohio State University students face whopping fee increases for the fall quarter and employees must forgo salary increases under an interim budget passed Friday by the OSU Board of Trustees.

The fee increases range from $75 for undergraduate students from Ohio, who will now have to pay $160 a quarter, $85 for medical students from outside the state, who will pay $2,320 a quarter.

If OSU officials said that a portion of the tuition increase in each category represents a special fall quarter surcharge which could later be decreased or dropped if the Ohio General Assembly passes a completed state budget bill.

"It is extremely distasteful to recommend for increases of this magnitude," President Harold Emison said to the board.

"It is also distasteful to have our faculty and staff enter the new fiscal year uncertain of their compensation level. But the normal processes of budgeting cannot be applied in 1981-82.

State legislators last week passed a four-month interim budget when they were unable to agree on an annual budget. As an annualized basis, the current budget represents a $4 million cut from fiscal 1980 funding with allowance for inflation.

As a result, OSU officials were forced to pass a similar four-month budget because they do not yet know the amount of state funding the university will receive for the year.

Trustees decided to postpone any decision on staff salary levels until the General Assembly finalizes its budget.

William E. Vandament, vice president for finance and planning, said that during the next four months the university also will continue its freeze on hiring and equipment purchases, cutbacks in the number of course offerings and reductions in instructional staff.

OSU's main campus would get almost $5 million less than last year if the level of state funding in the interim budget remains the same for the entire year.

The loss of state money during a time of inflation forced OSU officials to turn to their other main revenue source, student fees, which have already been raised three times in the last year.

The action by the trustees raises fees an average of 24 percent, but holds down the increase for Ohio undergraduates to about 19 percent by making out-of-state and professional students bear more of the burden.

Here are the new quarterly tuition rates, effective Sept. 23, for the Columbus campus, followed by the total increase over last year and the amount of the special surcharge.

- Ohio resident undergraduate: $460, up $75, $50 surcharge.
- Non-resident undergraduate: $1,170, $330, $120.
- Resident graduate student: $590, $165, $60.
- Non-resident graduate student: $1,415, $475, $140.
- Resident law: $680, $170, $70.
- Non-resident law: $1,165, $475, $160.
- Resident medicine: $1,140, $205.
- Non-resident medicine: $2,320.
- $835, $235.
- Resident dentistry, optometry, veterinary medicine: $950, $275, $100.
- Non-residents in dentistry, optometry, veterinary medicine: $2,130, $875, $275.

On the Regional campuses at Lima, Mansfield, Marion and Newark, undergraduate and graduate student fee levels are $5 less per quarter than on the main campus, but the surcharges are the same.

Emerson, attending his last board meeting before stepping down as president, said he had never made more difficult budget recommendations in his nine years at OSU.
Remedial classes cut back

By Carol Hagelee

More than 1,500 places in OSU basic remedial math classes have been eliminated for autumn quarter.

The move was made in response to action last December by the Ohio Board of Regents to cut back subsidies for remedial classes, according to William E. Vandament, vice president for finance and planning.

OSU administrators cut back on the classes in an effort to help balance the budget.

One OSU faculty member said he hopes the move will get the message across to high school students that the university should not be in the remedial business.

Only 500 students will be allowed to take Math 100, the basic class which is taught at the sixth-to-ninth-grade level. Those who do not get in will have to wait until either winter or spring quarter.

Administrators wanted to cut out Math 100 entirely, according to John W. Riner, vice chairman of mathematics. Saving the 500 places was a concession, he said.

“Our university is quickly degenerating into a remedial wasteland,” said Colin Bull, dean of mathematical and physical sciences, in explaining why he thinks the cutting down of the number of remedial classes is a good idea.

“The cutbacks will have drastic and unanticipated effects.”

Riner is not so sure the sudden reduction is a good idea. “The cutback will have dramatic and unanticipated effects,” he said.

He is concerned about the students whose schoolwork will suffer because they did not get into the needed remedial classes.

During the past 10 years, the number of remedial classes at OSU has been increasing to meet the needs of students not prepared in the basic skills during high school.

At the same time, the cost of higher education has skyrocketed while money to finance it has become increasingly harder to come by in Ohio.

Now the tight financial situation is forcing a cutback in remedial classes.

The regents cut back the subsidy, Vandament said, because few OSU colleges allow remedial courses to count toward graduation.

The regents did not want to subsidize college courses that consist of high school level material, Vandament added. They said taxpayers should not have to pay for the same class twice, in high school and again in college.

Cutting back on non-subsidy generating classes in autumn and spreading the total number of classes over the other three quarters will force students to take subsidized classes in other areas. This will balance the loss of subsidy revenue throughout the school year.

Gary Walters, assistant dean of humanities, said a decision has not yet been made on cutbacks in remedial English.

The number of English classes offered are balanced throughout the year, he said. This makes them less susceptible to upsetting the university budget when subsidies are lost.

The English department is prepared to eliminate some remedial classes if necessary, Walters said.

William H. Halverson, associate dean of University College, is responsible for allocating the 500 places in Math 100.

So far, 20 have been reserved for evening students and 80 for minorities in Developmental Education. Other students will be considered according to the particular needs of their program.

For example, prospective dental hygienists who test in at Level 5, the remedial level, must take Math 100 in autumn quarter. Otherwise they will not be able to apply to get into the program.

Halverson predicted 25 to 30 of the hygiene students will need a place in the class.

Halverson is still in the process of reviewing requests. Individuals with the most critical needs are being given permission to take the class, he said.
University faces shrinking state support

By Steve Sterrett
8-13-81

The tranquility of the University campus in mid-August belies the conflicts and tensions just below the surface as administrators and representatives of the faculty begin to grapple with some of the most sensitive issues in academic life.

The vigorous expansion of higher education in Ohio during the 1950s and 1960s was slowed in the 1970s as inflation outpaced university resources. In the 1980s that expansion of budgets and buildings came to a halt, despite record student enrollments, and now is contracting.

The interim four-month state budget adopted by the Ohio General Assembly July 3 reduces the state subsidy to higher education for July through October 1981 to a level below the same period two years ago.

"It is the worst situation we have confronted since the Great Depression," Ohio State President Harold Enasar told department chairmen at a budget briefing July 17.

In response to the decrease in state subsidy, the University has taken four major actions. Student tuition was raised an average of 24 percent for autumn quarter, the general retrenchment and hiring freeze in effect during most of 1980-81 was extended and the decision to raise faculty, administrative and professional staff salaries was delayed until the picture is clearer on the level of state support for the rest of 1981-82.

The fourth action involves the planning of a major retrenchment which would include the elimination of selected academic and support programs and of some staff positions and tenured faculty appointments.

"We are, however, hoping that we do not have to activate those plans, but we have to develop them. We have to have them ready to go in the event that the General Assembly will not provide relief," explained William Vandament, vice president for finance and planning.

Reviewing the situation for higher education statewide, the Ohio Board of Regents last month adopted a resolution calling for no program expansion and curtailment of enrollments at fall 1980 levels until adequate resources are assured.

"There simply is no way programs and enrollments can continue to expand under present finances," explained Edward Moulton, chancellor of the Board of Regents, in a letter to legislators July 24. "without diluting further the quality of education or increasing fees to prohibitive levels for thousands of Ohio residents who rely on the public education system."

Moulton pointed out that "in constant dollars, instructional subsidies have fallen from $1,520 per student in 1979-80 to $1,103 per student in 1981-82 — a devastating 28 percent."

"Compounding this dire situation," he noted, is word from the state Office of Budget and Management that the state's continuing cash flow problems will require a reduced schedule of subsidy payments until tax revenues pick up in January.

"Higher education again is the only component of the state budget expected to bear the burden of both the budget reduction and delayed cash disbursements, a situation I must protest publicly," Moulton said.

For Ohio State's Columbus campus, the interim four-month state budget provides $1.36 million less in state instructional subsidy than was provided for the comparable four months in 1980-81 after severe cuts.

If the level of funding in the current interim budget were to be extended for the full year, Ohio State's Columbus campus would receive a total of $131.9 million in instructional subsidies for 1981-82. This compares with $135.1 million received in 1979-80, $146.1 million appropriated for 1980-81 and $135.9 million actually received in 1980-81 following the seven percent cutback.

Taking the interim state budget on an annual basis, the Columbus campus would face in 1981-82 a projected deficit of $9.3 million. This takes into account the higher student tuition, maintaining the general retrenchment efforts and granting a faculty, administrative and professional staff pay increase. Unless the General Assembly provides increased funding when the final 1981-82 state budget is adopted, the $9.3 million would have to be made up through the major curtailment of programs and positions.

The General Assembly is scheduled to return in September to continue its budget deliberations. The interim budget was adopted when a conference committee failed to reach an agreement on the House and Senate versions of the state budget. In a highly unusual action, the funding levels of the interim budget were set lower than either the House or Senate proposals.

At the briefing July 17, President Enasar said that in normal times the university president and his designated colleagues are the people who present the Legislature with the university's needs. "In abnormal times," the rules sometimes don't operate, he added.

"We are saying that faculty, staff and students — for whom the University is their life, their career and their hope — have to find their own ways of dramatizing to the people of Ohio, in particular to legislators, the crucial importance of adequate funding," Enasar explained.
The University is beginning to develop plans for a major retrenchment, including the elimination of programs and some staff positions and the termination of some tenured faculty positions. Even as the planning process goes forward, however, University officials hope that the Legislature this fall will increase the appropriation to higher education and that the plans for major cuts will be scrapped.

"I still have faith that the Legislature, which is responsible for this institution, will find a way to give us the support we merit," commented Provost W. Ann Reynolds in an interview July 27.

That faith may prove justified in three months, but no one is taking any chances with the University's general fund facing a shortage of some $9 million if the level of state support provided in the interim four-month state budget remains constant for the rest of 1981-82.

Provost Reynolds in July charged a task force of deans with developing a draft statement of criteria for program curtailment. The draft has been circulated to all deans and will go to the Council on Academic Affairs, the University Senate Steering Committee and the new Ad Hoc Committee on Policies for Termination of Tenured Faculty During Financial Exigency for their review, Reynolds said.

The deans serving on the task force were Robert Burnham, education; Earl Brown, social and behavioral sciences; Donald Glower, engineering; Dietmer Haenicke, humanities; and Roy Kottman, agriculture and home economics. Henry Crumblett, vice president for medical affairs, also was a task force member.

Parallel activities to establish criteria for curtailment of administrative and support programs have been undertaken by the President's Staff, meeting as a coordinating body for administrative retrenchment.

President Enarson has requested that each member of the President's Staff make specific recommendations about activities that could be curtailed.

**Faculty panel named**

The provost also appointed the Ad Hoc Committee on Policies for Termination of Tenured Faculty During Financial Exigency. The committee will draft policies and procedures for terminating tenured faculty appointments in a financial crisis.

The committee members have chosen James Garland, professor of physics, as chairman.

The committee expects to complete its work by Sept. 30 and will draw on a preliminary set of guidelines for release of tenured faculty which was prepared in 1981-82 by the University Senate Committee on Academic Freedom and Responsibility.

Garland said his committee's recommendations will receive wide circulation among faculty and administrators before being submitted to the University Senate for official approval as part of the Rules of the University Faculty.

"Financial exigency is a financial crisis brought about by a continued, persistent shortage of operating revenues," Garland explained. "The dismissal of tenured faculty for financial reasons is an extraordinary step which must be undertaken with the greatest regard for the rights of the faculty, for the sanctity of academic freedom, and for the integrity of the University. The committee believes that it must also study the role of the faculty in defining and responding to financial exigency."

In addition to Garland, the committee members are Andrew Chen, professor of finance; Vincent Hamparian, professor of medical microbiology and pediatrics; Norman Rask, professor of agricultural economics; Gerald Reagan, professor of educational foundations and research; Barbara Rigney, associate professor of English; and William B. Shook, professor of ceramic engineering.

**Major retrenchment**

In mid-August the University will begin the planning for a major retrenchment. The Office of Academic Affairs will be responsible for coordinating the planning of academic cuts and the Office of Finance and Planning for the cuts in staff support programs.

"Already we have put in place generalized retrenchment across the University," William Vandament, vice president for finance and planning, told department chairmen at a budget briefing July 17. "We believe we have gone as far as we can in mere belt tightening..."

"A deficit of the magnitude of $9 million cannot be met by belt tightening and additional efficiency. We must move now to consider major curtailment of selected programs and services."

The decision to plan a major retrenchment as opposed to further general belt-tightening had the support of the ad hoc Budget Advisory Council, which completed its work in June and is now dissolved.

David Boyne, co-chairman of the advisory council, said his panel members felt the University "had removed all of the fat and we are now working on the marrow of the bone... Further retrenchment would come from curtailment or elimination of programs."

To protect the quality of the University, Boyne said, "we must decide which programs are essential to the University and which are marginal."

While they did not dispute the University's severe financial situation, two faculty leaders who were interviewed were critical of the University administration's failure to keep the faculty informed of the retrenchment planning.

Arnold Shapiro, chairman pro tem of the Faculty Compensation and Benefits Committee, said faculty members are likely to be more cooperative in the situation if they know what is going on.

Nathan Fechheimer, professor of dairy science and a member of the ad hoc Budget Advisory Council, also is critical of the composition of the task force which is drafting the criteria for program curtailment.

The task force is "charged with decisions which will profoundly affect the faculty," Fechheimer said. Faculty members, rather than a group of deans, "ought to be the primary source" of the criteria, he said.

He pointed out that the ad hoc Budget Advisory Council's recommendation on criteria for program curtailment "was written largely by the faculty on that committee."

Provost Reynolds said that the recommendations of the Budget Advisory Council were incorporated into the draft of criteria prepared by the deans' task force. "Currently, these criteria are beginning to receive wide circulation in the University community," she said.

"Any implementation of criteria for program curtailment will depend upon wide consultation and involvement of faculty at all levels," Reynolds added. "Faculty peer review of programs is the most important resource we will have in this difficult endeavor."
University cuts back on hours, services

Larkins plans cut in hours during upcoming holidays

Stories by Kelly Hibbett

In an effort to save money, OSU officials have decided to slash hours at Larkins Hall during Thanksgiving break and may do the same for the winter holidays.

Frederic Beekman, director for recreational and intramural sports, said he will reduce hours at Larkins during the break so regular hours can be maintained while classes are in session.

If hours were reduced at Larkins while classes were in session, Beekman said he would receive tremendous complaints. "We don't feel when students are paying fees and attending classes we should reduce hours. We should give this opportunity to the students."

Beekman said he was instructed to save $55,000 this academic year because of extensive cutbacks at OSU. Summer cutbacks at Larkins and other recreation centers saved OSU $35,000.

To save even more money, Beekman said he is considering closing Larkins during the three-day Christmas and New Year's weekends. He said he may also reduce hours at other times during winter break and possibly spring break.

"Everyone has to retrench. We feel we should cutback too," he said.

One recreation center will remain open on Thanksgiving, because the cost of operating a recreation center is less than the cost of operating Larkins.

"I can open something like that a lot cheaper because I don't need as many people as I do at Larkins," he said.

Beekman has not decided what center will stay open Thanksgiving.

Larkins will be closed Thanksgiving Day, Nov. 26.

Hours during the break are: Nov. 25 from 6 a.m. to 6 p.m.; Nov. 27 and 28 from 9 a.m. to 6 p.m.; and Nov. 29 from noon to 6 p.m.

Cutbacks at health center plague patients, doctors

The effects of retrenchment are visible at the Wilce Student Health Center where hours have been reduced and the number of evening doctors cut back.

The health center is now open from 8 a.m. to 8 p.m. Before cutbacks it re-saved $11,240 per quarter because of the cutbacks.

About 600 students a day use the health center. "We have been able to meet the requirements so far. But when the cold and flu season sets in, we expect some difficulties," Barney

"We have been able to meet the requirements so far. But when the cold and flu season sets in, we expect some difficulties."

— Leonard Barney

remained open until 9 p.m.

A surgeon and a resident doctor are now on duty. Before retrenchment, the center had two residents and one surgeon.

Leonard Barney, assistant director for health services said he expects to said.

Dr. Doris Charles, director for health services, said she advises students to come to the center by 7:15 p.m. in order to avoid paying employees overtime.
Campus directory service reduces answering hours

Don't call campus information after 11:30 p.m. or on weekends.
If you do, you will get a recording telling the new information hours and emergency telephone numbers for University Hospitals and campus safety.
To save money, campus information operators will only take calls from 7 a.m. to 11:30 p.m. on weekdays.
Dino Pezzuti, associate director for university systems, said the reduction will save about $50,000 a year by cutting third-shift and weekend operators.
He said by cutting information hours, he will not have to increase the load charge which university offices pay per telephone.
The load charge pays for OSU's central phone equipment — the Centrex system — and personnel. University offices pay $2.50 a month per telephone.
OSU's big budget picture

By Michele F. Mihaljevich

Ohio State University and the rest of an economically-depressed Ohio have been in a state of financial crisis for more than a year.

The Ohio General Assembly has considered two permanent budget proposals during that time. None of them have become law yet.

University budget planners and students have had to readjust to interim budgets, temporary tax increases and unprecedented tuition surcharges. The Ohio House approved the latest rendition of the biennial state budget on Thursday.

If the Senate agrees to the House version of the budget proposal, tuition could go down and faculty salaries could go up.

But given the history of the state’s budget process, it might be wise to take a wait-and-see attitude.

State gives OSU cash woes

By Michele F. Mihaljevich

The failure of state legislators to come up with a definite plan to battle Ohio’s troubled financial situation has left OSU with many problems and unanswered questions, William Napier, assistant to the president and director of government relations, said Monday.

The questions began in September of 1980 when funding cuts to state agencies amounting to 7 percent, forced OSU to put a freeze on hiring and equipment purchases.

"Then we heard talk of an additional 10 percent funding cut, but the temporary tax plan announced by Governor Rhodes in December saved us from a potentially difficult situation," Napier said.

OSU began making plans in 1981 in case money appropriated under the proposed biennial budget fell short of what the university expected, Napier said. Plans for a biennial budget were temporarily scrapped in July when members of the House and Senate could not agree on the terms of the package and opted for an interim plan.

"However, funding under the interim budget was worse than we had expected. We didn’t expect to be hit that hard," Napier said.

Because money allocated under the interim budget represented a funding cut, former OSU President Harold L. Enarson reluctantly recommended that fees be raised $75 a quarter, Napier said. "At the time, it was his (Enarson’s) expectation that two-thirds of the increase would be for fall quarter only."

The governor’s newest proposal, submitted to the legislature this September, will not help OSU over the long-term, Napier said. "It will help us in terms of faculty and staff salaries and student tuition, but it won’t solve all our problems."

Napier said the Riffe amendment to Rhodes’ proposal, including the tuition rollback plan, would provide an inducement to universities to cut fees. "The fees are entirely too high and need to be reduced," he said.

Schools participating in the rollback plan would have to commit themselves to lowering fees from winter quarter 1982 until July 1, 1982, Napier said.

William E. Vandament, vice president for finance and planning, said OSU will participate in the rollback plan. "It is not a matter of whether we will participate, but to what extent we will participate."

Senate now eyeing budget

By Jeff Sheban

State Rep. Ben Rose, R-Lima, assistant minority leader of the House, summed up the feelings of many Ohio legislators when he said the following during the House floor debate on the state budget:

"The best thing for the state of Ohio and this House is to get this (budget) bill out of here and to the Senate before any more damage is done."

They did just that, passing House Bill 694 by a 55-37 margin.

The Senate now has until midnight, Oct. 31 to decide the fate of the state budget bill, which has been called everything from a "house of cards" to "the best piece of legislation offered."

More specifically, HB 694 calls for the largest single tax increase ever in the state of Ohio — $1.88 billion.

Senate leaders have taken sides already, and some are even predicting another interim budget for the state.

State Sen. Paul Gillmor, R-Port Clinton, Senate majority leader, said the Republicans will question the spending level of the budget, which he believes is at least $100 million out of balance.

Gillmor has promised to "streamline and cut" the budget wherever possible, including higher education.

Fee hikes not new to OSU

By Kelly Hibbett

Student fees are too high. Faculty salaries are too low. The quality of education is deteriorating.

Statements such as these are uttered by faculty, administration, staff and students. But their statements are not unique — just as state budgeting is not.

Before the turn of the century, Dec. 6, 1889, "The Fornightly Lantern" reported the need for more money:

"The present condition of the state’s finances and the absolute necessity of an unusually large appropriation will no doubt be favorable to the university. The increased number of students imperatively demand increased facilities."
"Viewed from the standpoint of political policy, the legislature should be more generous than heretofore. The institution has students all over the state who recognize how niggardly we have been treated."

Total appropriations for OSU in 1899 totaled $56,000.

On May 9, 1890, "The Fornightly Lantern" again editorialized: "The appropriations are in excess of the average, for which we are thankful. Many other sums are needed, but the legislature having adjourned, silence will be preserved."

During the Great Depression, the state budget drew similar reactions.

On March 9, 1933, the "Ohio State Lantern" quoted President George W. Rightmire: "The student is the one important concern of the university in these troublous times. Rumors that tuition fees will be increased for the spring quarter are unfounded. There will be no increase."

One month later a former OSU trustee, Newton D. Baker, said, "Yes, universitv appropriation cuts will damage our university."

"But there is little that can be done about it inasmuch as the beautiful and uplifting things like education must suffer along with all other state institutions."

The 1962-63 school year was again marked with budget debate. On Jan. 31, 1962 the "Lantern" quoted President Novice Fawcett:

"Fees will undoubtedly be increased next year. I don't see how we can avoid it."

Fawcett said OSU student fees in 1962 were the highest in the Big Ten and faculty salaries were fourth from the bottom.

He said more money was needed to "avoid the loss of many of our outstanding key people and recruit others to teach an estimated increase of 2,518 students in 1962-63 over 1961-62."

In 1969 student fees again became the target source for income, when the state did not meet the university's request for money.

The tuition controversy centered around OSU's request for a $58-million subsidy which the legislature failed to provide.

Undergraduate and graduate fees for resident students increased $30, from $170 to $200.

Fawcett was quoted in the Aug. 4, 1969 issue of the "Lantern": "My recommendation . . . is in keeping with my promise last spring to students that I would do all in my power to hold instructional fees at the lowest possible level.

"If we are to balance the budget and provide quality educational opportunities for our students, increased fees are absolutely essential. "We are trying to keep the fees as low as possible without having a sharp cutback in the quality of education."

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**September 1980** — State officials discover Ohio's treasury will fall approximately $400 million short of expected 1980-81 levels. Since the state constitution requires a balanced budget, funding to all state agencies is cut 7 percent. As a result, OSU's Columbus campus receives $155.9 million for 1980-81, $10.2 million less than the $166.1 million originally appropriated. OSU begins cutting back. A hiring freeze is instituted, summer quarter 1980, Equipment and supply purchases are cut 50 percent. Promotions and salary adjustments for most OSU employees also are eliminated.

**December 1980** — Governor James A. Rhodes proposes a temporary 1-percent increase in the sales tax to bail Ohio out of its financial problems. Effective until June 1981, the 5-percent sales tax is expected to raise $165 million. That, added to increases in other forms of taxation, could raise a total of $395 million for the state. Rhodes also orders a 1-percent funding cut for all state agencies, except welfare. Previous hiring freezes at OSU are continued and are expected to cost the university more than 20 employees per week.

**December 1980** — The OSU Board of Trustees votes for a 4-percent hike in tuition, raising it $15 for winter quarter 1981.

**February 1981** — Governor Rhodes proposes a $12.7-billion biennial budget, a $1.8-billion increase from the last biennium. Included in the budget is $835 million for higher education in Ohio. This figure is $100 million short of the amount the Ohio Board of Regents has requested. The budget allocates $145.9 million for OSU's main campus, short of the regents' request of $185.2 million.
April 1981 — The Ohio House passes the governor’s proposed budget, with no changes in the higher education allotment. Legislators and university officials warn that tuition could increase 30-35 percent.

June 1981 — The Ohio Senate approves the governor’s proposed biennial budget after cutting proposed allocations to higher education by $40 million. The Senate takes this action because William Kelp, director of the state Office of Budget and Management, has warned that the House-passed budget is $177 million underfunded. The Senate’s $795.9-million proposed allocation is $140 million less than the Regents have requested for higher education.

July 1981 — The governor’s proposed budget dies in a House-Senate Conference Committee. A four-month interim budget is passed July 2. The budget cuts spending levels by 3 percent over last year for all state agencies and departments. The interim budget, if carried over 12 months, would allocate $131.9 million to OSU’s Columbus campus. This is $33.3 million less than the regents original proposal for OSU, $14 million less than the budget passed by the House and $8.4 million less than the Senate’s version of the budget.

July 1981 — The Board of Trustees announces fees will go up 24 percent beginning autumn quarter 1981. Undergraduate student fees shoot from $385 a quarter to $460. Salary levels are frozen, and freezes on hiring and equipment purchases continue.

September 1981 — Governor Rhodes asks for another temporary tax increase as part of a permanent budget proposal. The proposal would restore 4.5 percent of the 7-percent cuts made in the budget since 1980. Rhodes’ proposal calls for increasing the sales tax from 4 to 5.75 percent Oct. 1, reverting it to 5 percent next July 1 and dropping it back to 4 percent July 1, 1983. His proposal would raise $955 million. The proposal would allocate $150.2 million to OSU’s main campus and would give OSU $12.3 million more than it received under the interim budget. However, the budget still would fall $15 million short of what the regents originally proposed for OSU in January.

September 1981 — Ohio House Speaker Vernal G. Riffe, Jr., D-New Boston, proposes an amendment to Rhodes’ budget which includes $1.3 billion in permanent taxes. Passed by the House Thursday, the amendment would permanently increase the sales tax to 5 percent. His proposal still would allocate $150.2 million to OSU’s main campus. The bill would allocate $359 million more to higher education than is allocated under the interim budget.

As part of his proposal, Riffe announces a “tuition rollback plan,” which would give incentives to state colleges and universities to lower fees. Using a formula, the Board of Regents would divide $50 million among state colleges and universities that lower fees. Under the plan, the amount of reimbursement first would be determined by finding the difference between tuition in the spring of 1989 and the fall of 1981. The institution then would decide by how much of that difference it wanted to reduce fees. The percentage of the reduction would be calculated and would be multiplied by two or three (depending on whether the school followed a semester or quarter system). That total would then be multiplied by the regents’ calculation of the school's number of subsidy-eligible students to get the amount of reimbursement each institution would receive. Subsidy-eligible students are in—state undergraduates and graduate students except those in law, medical, dental and veterinary programs.

For example, the difference in OSU’s tuition from spring of 1980 to autumn 1981 is $125. If OSU did not reduce fees it would get none of the $50 million. However, if OSU reduced fees by the full $125 per student, the state would reimburse the university for 75 percent of the $125, or approximately $93.75 per student. OSU’s Board of Trustees will probably decide how much of a tuition decrease students will get at its November meeting.
Senate passes budget

By Jolinda Porfidio
10-28-81

Amid much surprise, a $13 billion two-year budget, including a $1.1 billion tax package, passed the Ohio Senate Tuesday. It now goes to a joint committee of the House and Senate for consideration.

Up to a half-hour before the bill was brought to the Senate floor for a vote, majority Republicans did not know if there would be enough support for the bill, according to State Sen. Stanley Aronoff, R-Cincinnati.

Though Democratic votes helped pass the budget, many still feel the bill is too austere.

Aronoff said the Republicans decided the bill should be brought to the Senate floor for a vote come “hell or high water,” even before they knew they had enough support for it.

If the budget bill passes the Ohio General Assembly, OSU President Edward H. Jennings has said the faculty will receive an 8 percent salary raise and the tuition surcharge could be cut by 50 percent.

He said if a budget is agreed upon by midnight Saturday, he will call a cabinet meeting Sunday to devise an OSU budget to be approved by the Board of Trustees Nov. 6.

Fee cards come out in four weeks. Jennings said if the House and Senate haven't made a decision within a month, fees could be increased and cuts would be made in the OSU budget.

State Sen. Steven Maurer, D-Botkins, who has been against the bill from the start, said he voted for it because "I made up my mind today that regardless of what one feels about the bill it's a matter of expediency."

State Sen. Charles Curran, D-Dayton, who made up his mind Thursday to vote for the bill, said he has no love for the measure but saw no further value to keeping it in the Senate.

He said there was more to gain from the bill going to a conference committee and letting them work it out.

The Senate version of the bill would allocate a total of $224.9 million in 1982 for higher education as compared with the House-proposed amount of $849.3 million. In 1983, the Senate version would allocate $905.5 million to higher education as opposed to the House-passed amount of $1,005 billion.

If the bill is agreed to by the conference committee, OSU would receive instructional subsidies $144.7 million in 1982 and $180.6 million in 1983. The College of Dentistry would receive $283,000 in 1982 to switch from a three-year to four-year curriculum.

Clinical teaching facilities at OSU would receive $12.9 million in 1982 and $13.5 million in 1983.

OSU Lima campus would receive $1.2 million in instructional subsidies.

The Mansfield campus would receive $900,000 and the Newark campus would receive $1.2 million.

William J. Napier, assistant to the president and director of government relations, said the budget's passing is "another step in the march toward a permanent budget and we're pleased that the process continues to move forward."

Jennings said the amount of money allocated to OSU in the Senate version of the budget is the minimum amount of funding that would keep OSU at last year's revenue and spending levels. But Jennings said the budget would not allow for any growth.
Jennings makes temporary cabinet appointments

By Kelly Hibbett

OSU President Edward H. Jennings Wednesday announced a temporary restructuring of his cabinet so that budget planning can take place solely within his office.

The new appointments are Judith Washburn, acting special assistant to the president; Weldon Ihrig, acting vice president for finance and planning; and Sue L. Mayer, the president’s staff associate.

All positions are subject to the approval of the OSU Board of Trustees on Nov. 6. Jennings said the positions were temporary — about six to eight months.

Last week Jennings appointed Larry R. Thompson as special assistant to the president responsible for assessing the organizational structure of OSU.

Thompson will begin his temporary position Nov. 9. His new post also will last six to eight months.

Jennings said all the appointments were necessary while he continues to familiarize himself with the institution. He said he will not make any permanent cabinet decisions until he has accomplished that.

Washburn, who has worked at OSU for 20 years, will be responsible for aiding Jennings in planning a budget once the legislature approves the 1981-83 state budget, Jennings said.

"I'm pulling the financial planning into my office directly," Jennings said.

Washburn said her duties will not change, just her title. "I will be doing the same things as I am now with fiscal planning and policy," she said.

She thinks OSU's budget should be planned in the president's office, considering the present financial situation and Jennings's financial expertise. Washburn will begin immediately.

In his new post Ihrig, assistant vice president for business and administration, will be responsible for distributing money, campus planning and account management, but not budget planning, Jennings said.

Ihrig will replace William E. Vandament, who was recently named senior vice president at New York University. Vandament's last day was Friday, but his resignation is not official until Nov. 1. Ihrig will assume his position then.

Jennings said a search committee will look for a permanent vice president, but he did not know when that will be.

Mayer, currently administrative associate to the director of alumni affairs, will be responsible for general office management and special assignments as determined by the president. Mayer will begin her new position Nov. 16.

Jennings said William J. Napier, assistant to the president and director of government relations, needs relief from his office management duties so that he can concentrate on legislative issues affecting OSU.
Three at OSU given new positions pending completion of staff study

By Gary Kiefer
Dispatch-OSU Reporter

Ohio State University President Edward H. Jennings has appointed three longtime staff members to new positions pending completion of a study of OSU’s administrative organization.

Jennings explained that the appointments are designed “to maintain the continuity of vital and essential institutional processes” while he continues to familiarize himself with the OSU operation.

WELDON IHRIG, assistant vice president for business and administration, will become acting vice president for finance and planning, responsible for budget matters. He replaces current vice president William Vandament, who is leaving OSU to become senior vice president at New York University.

Ihrig has been with OSU since 1965, starting as an assistant registrar. He has been an assistant vice president for eight years and holds a master’s degree in business administration from OSU.

JUDITH WASHBURN, an assistant vice president for finance and planning, will serve as a special assistant to Jennings on a temporary basis.

A graduate of OSU and a staff member for 20 years, Washburn will be responsible for helping with formulation of policy and analysis of resources.

SUE L. MAYER, an administrative associate to the director of alumni affairs, will become staff associate to the president responsible for office management and special assignments.

A staff member for 22 years, Mayer has worked in the office of the provost and was administrative assistant to the search committee that recommended Jennings to succeed former OSU President Harold L. Enarson.

Jennings earlier named Columbus attorney Larry R. Thompson as a temporary special assistant to assist in his organizational study.
State budget ready for Rhodes to sign

$144.7 million OSU appropriation to lower fees, raise staff salaries

By Kelly Hibbett
11-13-81

Passage Thursday of a $144.7 million permanent OSU appropriation for the 1981-82 school year will mean lower fees for students and higher salaries for faculty and staff, OSU President Edward H. Jennings announced.

But passage of the state budget will not end cutbacks. Jennings said it will still be necessary for OSU to cut an additional $6.7 million from the budget before July 1, 1983. Personnel reductions also will continue through attrition and the limited hiring freeze which began in 1980, he said.

The budget, however, does allow for some relief. Beginning winter quarter, the surcharge for undergraduate, graduate, professional, and out-of-state students will be cut in half, Jennings said.

But the $185.2 million appropriation for the second year of the state budget might require a 10 percent fee increase for autumn 1983, he said.

“This immediate fee reduction is in keeping with our basic principle that the foundation of public higher education is its accessibility to all,” Jennings said.

Administrative staff and faculty will receive a 4 percent across-the-board pay increase, effective Nov. 1, plus 5 percent in funds to be allocated — according to merit — by college and administrative officers.

Highly-demanded faculty in areas like accounting, medicine and engineering, will receive an additional 2 percent increase to be distributed on a merit basis. Jennings said this is necessary to remain competitive with other major institutions.

To equalize the effects of the delay in pay increases for those on an academic year versus annual appointments, all faculty and staff will receive a one-time cash supplement Dec. 18, he said.

Annual appointment faculty and staff have been without a pay increase since the university froze salaries in July. Academic-year appointment faculty and staff, however, have only been without a pay increase since Oct. 1.

The Dec. 18 one-time payment will cover the month of November for academic-year personnel and November plus three months for annual-appointment faculty and staff. Classified personnel such as secretaries and maintenance staff, will receive a pay increase of 75 cents per-hour or 10 percent — whichever is greater, Jennings said.

“Under the provisions of the budget, Ohio State will be able to provide long overdue raises to maintain and improve the quality of our faculty and staff,” he said.

All of Jennings’ recommendations are subject to OSU Board of Trustees’ approval Dec. 10.

Jennings also will ask for allocations of $1.1 million for student financial aid for the current year, $2 million for instructional and research equipment and a one-time $1.1 million allocation for library acquisitions.

The equipment and library acquisition allocations are to correct damage done by a 50 percent cut in equipment and supplies which went into effect September 1980.

Jennings said he also wants an 8 percent general expense budget increase for colleges and departments. This will include stipends for graduate students working as teaching and research associates.
Tax package passes Legislature over Senate Democrats' doubts

By Jolinda Portillo

It took 11 months, two interim budgets, and many hours of debate, but state legislators Thursday finally passed a permanent state budget for the 1981-83 biennium.

With the signature of Gov. James A. Rhodes the budget bill becomes law.

The bill provides $324.9 million to higher education in 1982 and $340.5 million in 1983. OSU is allocated $144.7 million in 1982 and $165.2 million in 1983.

There was optimism the budget, prepared by House and Senate conference committees, would pass the House, but there were doubts the plan would pass the Senate.

The bill passed the House by a 58-28 vote.

It did not pass the Senate on the first vote, being defeated 15-18.

After a Senate recess of more than an hour, the plan was again voted on and finally passed by a 18-15, the same four vote margin.

Republican leaders said before the Senate voted on the bill the first time that the outcome was still up in the air.

Three Democrats voted on the bill the first time. Two more Democrat votes were needed to pass the budget.

Senate Majority Leader Harry Meshel, D-Youngstown, said the Democrats withheld support on the first vote to "smoke out" Republican votes.

"I wanted to make sure, since this is a Republican tax package, that they (Republicans) get every last vote possible," he said.

On the second vote, Republicans obtained the two Democratic votes needed for the bill to pass, plus an additional Republican vote.

Sen. Kenneth Cox, D-Barberton, who switched his vote from no to yes, also said withholding the votes was partially intended to call the Republicans out and get more votes from them. He said he voted for the bill the second time because if it had not passed it would have been "utter chaos."

Sen. Marcus Roberto, D-Ravenna, who also switched his vote from no to yes, said, "The only reason I changed my vote is because the state desperately needs a state budget. We're on the brink of bankruptcy."

Sen. Sam Speck, R-New Concord, the only Republican to switch votes, said he was not in a position to talk about why he changed his vote from no to yes, but did say the problem he had with the bill will be "dealt with."

Senate President Paul Gillmor, R-Port Clinton, said after the first vote the Senate had three options. He said they were: to pass another interim budget, to send the bill to a new conference committee, or to reconsider the bill.

William Napier, assistant to the president and director of government relations at OSU, said he was very pleased with the vote.

"None of us looked forward to another interim budget. We did about as good as we could considering the times that we're working in."

Napier said he liked the trigger mechanism in the budget, which allows for a 1 percent across-the-board cut in funding if the revenue estimates of the Rhodes administration fall short. The mechanism also provides that if revenue expectations continue to fall short, a temporary tax on corporations and utilities will automatically be enacted.

Napier said last year OSU was hit with a 7 percent cut because of the revenue shortfalls. He said the tax on corporations and utilities should alleviate much of the financial burden on OSU if the projected revenues fall short again.

Jennings' pay now $78,000

By Gary Kiefer

There was something for everyone in the budget passed Thursday by Ohio State University trustees who cut student fees, raised faculty pay and increased the salary of President Edward Jennings to $78,000 a year.

The pay raise for Jennings, who assumed the post in September at a salary of $65,000, was the only surprise in the $607 million budget for 1981-82.

The budget, as passed, also fulfilled the promises Jennings made last month that OSU would cut undergraduate student fees by $25 a quarter and increase salaries for faculty and administrative staff members by an average of 9 percent.

BOARD CHAIRMAN Chester Devenow said he recommended a pay raise for Jennings because of the complexity of his job and "the financial sacrifice he made in coming here." Jennings would have been earning a salary of $90,000 this year if he had remained in his former post as president of the University of Wyoming.

Devenow noted that even with the raise to $78,000, retroactive to Nov. 1, Jennings' salary will be "substantially below some of the salaries of other presidents in the Big Ten."

Five of the Big Ten universities pay their presidents more than $80,000 a year.

JENNINGS' SALARY previously was limited by state law to $65,000 a year, a ceiling which Devenow said had hampered OSU's search for a new president. The new state budget passed in November by the Ohio General Assembly eliminated the ceiling.

Passage of the state budget, which gave OSU $309.9 million for the biennium, also allowed the trustees to reduce tuition for the first time in the university's 111-year history.

Trustees voted to cut in half a special fall quarter surcharge imposed in July following a round of state budget cuts. The other half was made part of the permanent fees structure.

Undergraduate students from Ohio who had to pay $460 in fall quarter, including a $50 surcharge, will pay only $415 a quarter beginning in January. Non-resident undergraduates will pay $1,110 a quarter, down from $1,170.

AMONG GRADUATE students, Ohio residents will get a $30 cut, to $560, while non-residents will pay $1,485, an $80 decrease. Fees for medical students will drop $60 to $1,080 for residents, while non-residents will pay $2,205, a decrease of $115.

Jennings noted that the state budget assumes state universities will have to raise fees by 10 percent next year, but said he is "hopeful we won't have to increase that much, if at all."

Faculty and staff members will get an across-the-board raise of 4 percent, while another 5 percent in "discretionary funds" will be used to give merit raises.

ELIGIBLE FACULTY and staff members also will get a one-time cash supplement to offset the delay in passing the budget.

The budget also provides for an 8 percent increase in department budgets, and special allocations of $1.1 million for student financial aid, $1.1 million for library acquisitions and $2 million for equipment purchases.

Jennings warned that OSU still has "an extremely tight and lean budget" and said he has asked his vice presidents and deans to "propose ways of making a total of $6.7 million in cutbacks by the end of the state budget biennium."

He said he believes the cuts can be made without requiring any layoffs.

IN OTHER ACTION, trustees:

• Decided to hold a formal inauguration ceremony for Jennings during the week of March 8, to be funded by private contributions.

• Awarded five contracts totaling almost $1.2 million for construction of a bulk chemical warehouse and radioactive waste processing facility at the OSU service center on Kenny Rd. The M&P Construction Co. of Blacklick, Ohio, will be general contractor.

• Amended university rules to provide for the merger into OSU of the Ohio Agricultural Research and Development Center in Wooster, as soon as Gov. James A. Rhodes signs enabling legislation. OSU will name a vice president for agricultural administration after the merger.
OSU money-makers will pay bills

By Laura Palko 1-4-82
Lantern staff writer

All OSU money-making entities will be forced to pay their own utility and maintenance bills to reduce strain on the university budget, President Edward H. Jennings said.

Judith B. Washburn, acting special assistant to the president, said the permanent action will produce $2.5 million for the 1981-82 fiscal year.

Washburn said she did not know when the money-makers would begin payment.

Jennings said his decision will reduce retrenchment in academic departments which do not generate revenue.

A few entities, such as dormitories and hospitals, have been paying for utilities. Eventually, every revenue operation will pay, Washburn said.

Other university revenue sources to be included are the campus book stores, the Ohio and Drake unions, The Lantern and the athletic departments.

Washburn said they will pay for “all physical plant upkeep and all indirect costs.” The accounting and purchasing services provided by the Office of Finance and Planning are examples of indirect costs.

A system of educational credit will be used to reduce the overhead assessment of each revenue earned at the end of the year, Washburn explained.

She said educational credit is the assignment of a cost price to each service of the entity that benefits or provides general instruction.

At the end of the year, the educational credit reimbursement will be used by the department to pay for its maintenance, she said.
OSU departments brace for 5 percent budget cuts

By Becky Yerak
Lantern staff writer 1-13-82

A 5 percent retrenchment plan will affect all departments in different ways, but OSU officials share many common feelings about the plan.

OSU President Edward H. Jennings said the plan will help OSU cut $6.7 million from the budget by June 30, 1983.

Although 5 percent cutbacks are being proposed, departmental cuts will be considered individually rather than across the board.

Most OSU vice presidents have consulted their staffs to devise individual cutback plans to be submitted by Jan. 15.

Madison H. Scott, vice president for personnel services, said each of his managers has proposed areas to be cut. He said he is now reviewing the proposals.

“We are not optimistic about not being cut. We are preparing for the worst (a 5 percent cut),” Scott said.

“We can’t make cuts without making sacrifices, but we have to look at what cuts can be made without sacrificing the quality.”

—Henry G. Cramblett

He said the last resort would be to lay off or fire personnel, and said if people leave their jobs, the positions will probably not be filled. Although this would create more work for the remaining personnel, Scott said, “We strive to be effective, and if cuts are made we have to find ways to maintain our effectiveness. The university expects efficient operations.”

John T. Mount, vice president for regional campuses and dean of University College (UVC), said each of his deans are presenting a 5 percent cutback plan. Mount also said he will have to propose a plan for UVC.

He said the plan is forcing his areas to “reorder priorities.” He also said he is talking to his staff individually about ways to reduce costs without sacrificing quality.

Mount said if UVC secretarial positions need filled, he will consider hiring students instead of professional personnel to help cut costs.

He said he plans to purchase new office equipment. The cost is worth it because secretaries will not have to be hired to do some specialized office work, Mount said.

He said he does not expect the cutbacks to drastically affect the regional campuses because of gifts, scholarships and grants they receive from nearby communities.

Weldon E. Ihrig, acting vice president for finance and planning, favors this cutback approach instead of an across-the-board cut because some units can absorb greater cuts than others.

He also said the plan’s flexibility will be helpful if state revenues do not meet expectations and OSU’s state funds are cut by 1 percent. “Hopefully, we will be able to work within the 5 percent,” Ihrig said.

“We will leave the final resolution with the unit involved because they are the best to evaluate their own programs,” he said.

Ihrig said he would rather not specify where his office has recommended cuts because new ideas might come up during consultations with the president’s office.

Because program elimination might result, Henry G. Cramblett, vice president for health sciences, said he is asking for staff, faculty and student feedback.

“We can’t make cuts without making sacrifices, but we have to look at what cuts can be made without sacrificing the quality,” he said.

He said his department is looking at the different recommendations and expects to be working right up until the deadline.

Kathryn T. Schoen, vice president for educational services, said this is a bad time for cutbacks in her office.

“Some areas are lean anyway, and we might have to pull from critical areas. Also, most of our units have no opportunities to earn,” she said.

Schoen said libraries especially will be affected because they are understaffed and inflation has skyrocketed. She also said some instructional equipment is deteriorating and needs to be replaced.

She said her office might have to cut back library hours to help decrease costs.

“The hard reality is that we don’t have the funds, so we have to look at our priorities. The choices are not always pleasant. Nothing is painless,” Schoen said.

“The hard reality is that we don’t have the funds, so we have to look at our priorities. The choices are not always pleasant. Nothing is painless.”

—Kathryn T. Schoen

She said she also will examine ways to generate funding, but there is a limit as to how much libraries can charge students for overdue materials.

Schoen declined to specify possible cuts.

She said that programs directly related to academics would have top priority. Areas that are not “100 percent devoted to instruction and research” will be more vulnerable.

Barbara M. Real, assistant vice president for student services, said the cutback is hitting her office at a bad time because of the recent decision to make money-making entities pay their own utility and maintenance bills.

“We are being hit from two different sides,” she said.

Real said student services would continue to save money through the hiring freeze.

She said her office has considered several cuts in student services to help meet the 5 percent proposed cutback. She said they are looking to see what cuts can be made without affecting a great number of students.

The athletic department has contemplated cutting hours at Larkins or closing it over vacation, Real said.

The health center has considered eliminating the surgeon who is on call on Saturdays, because his services
are seldom used. "There is always University Hospitals in case of a true emergency," Real said.

She said residence and dining halls have been cutting back on their publications, and the Veterans Affairs Office of Student Financial Aid eventually will be phased out.

Richard D. Jackson, vice president for business and administration, said he will continue to save money through a continuing hiring freeze, and expects no layoffs.

He also said he has placed some outside firms under contract for custodial work in campus buildings. "The basic reason for an outside contractor is an economic one," Jackson said.

Jackson said the 5 percent reduction plan is "most appropriate."

Richard O. Buxton, vice president for university development, said it is up to the president to decide where OSU should go with private funding. "We don't want to reduce our capabilities in generating funds. That is not to say we are better, but we are different because we are basically an income-generating department," he said.

Edwin M. Crawford, vice president for public affairs, said, "In order to cut $8.7 million, we will have to reduce some programs. I wouldn't want to talk publicly about it until the president has a chance to review it."

Crawford said academic units will be the highest priority. "Academic programs are the reason for the whole university," he said.
State faces $1 billion dollar deficit

Ax falls hard on education

By Matt Moffett
Lantern staff writer

A report from the Ohio Legislative Budget Committee Thursday projected a $1 billion dollar state deficit during the 1982-83 biennium and outlined drastic cuts in state spending, especially for education.

The cuts, the committee’s “mathematical solution” to the state’s $1 billion problem, would reduce funding to basic and higher education by $736 million over the next two years. The biennium cut would amount to $203.8 million for higher education.

Some of the cuts will be put into effect this weekend and will most likely be coupled with some kind of tax increase when the General Assembly comes back in session next week.

The committee said previous revenue estimates had been excessive and a new study projected a state revenue deficit of $258.5 million for 1982; $301.9 million for 1983; for a total of $760.4 million during the biennium.

The committee said when expenses for the state loan fund, $59 million during the biennium; and expenses for increasing welfare costs, $164 million during the biennium; are added to the revenue shortfall, the state’s total deficit for the period becomes $933.4 million.

Ohio Budget Director Howard Collier, who has been in office since Jan. 4, said Ohio is “near the downslide slope of a very serious depression — not near the bottom yet.”

Collier said there was no relief in sight for Ohio during the next calendar year.

He said over the past two months it had gradually become clear that revenue projections used as the basis for the 1982-83 state budget, passed Nov. 14, would be drastically lower than the amount needed to pay for state expenditures. The committee found that anticipated estimates of revenue, which would be obtained from state sales taxes and a personal income tax, were primarily responsible for the revenue shortfall.

Collier said the committee of government finance experts had been refiguring projected revenues for the past week and arrived at the $1 billion deficit late Wednesday night.

He said the magnitude of the state’s financial problems were surprising to committee members, legislators, and Gov. James A. Rhodes, who was informed of the committee’s report Thursday morning.

Collier said a “trigger mechanism” in the last budget bill will immediately go into effect, cutting funding to all state agencies by one percent and placing a temporary tax on corporations and utilities.

The trigger mechanism, however, would bring in just $96.3 million during the biennium, only about 10 percent of the state’s one billion dollar deficit.

He said the committee had drafted the cuts as a “purely mathematical solution” to the state’s financial problem and that they would not be implemented without further discussion with legislators. He said, however, the severity of the state’s financial crisis is so great that some of the cuts probably will go into effect over the weekend.

Cuts in funding to state institutional agencies would save $52.5 million over the biennium.

Collier said education will bear “the lion’s share” of the rest of the cuts, about 85 percent of the $847.7 million in reductions to other state agencies that would be made during the biennium under the mathematical solution.
OSU stops purchases, hiring

By Matt Moffett
By Laura Palko
Lantern staff writers

During the press conference where a Legislative Budget Committee announced a plan calling for $203.8 million in possible cuts to higher education, the committee also posted a chart to illustrate the effects of such cuts.

The chart was posted upside down—a position quite similar to the one now occupied by Ohio’s state-supported colleges and universities, which suddenly find themselves facing a financial squeeze unparalleled in the history of the state’s system of higher education.

OSU President Edward H. Jennings called it the “most severe budget crisis in the history of Ohio State University” and ordered that no university positions be filled and no purchase orders be issued without his approval.

Jennings held an emergency meeting of his staff, the Faculty Compensation and Benefits Committee, student government leaders and other university leaders Thursday afternoon when the possibility of cuts was announced.

William J. Napier, assistant to the president and director of government relations, said the budget situation is “a cause for great alarm. The shortfalls are unprecedented.

“We knew the revenues were not coming in as projected, but we had no idea it was a financial problem of this magnitude,” he said.

Napier added that if the cuts in funding for higher education discussed in the committee’s plan are put into effect, OSU would receive less funding than was appropriated in 1971 after accounting for inflation.

The committee’s “mathematical solution” to the state’s $1 billion budget problem would cut basic and higher educational funding by $736 million over the next 17 months.

It would take $65.8 million away from higher education in 1982 and cut $138 million in 1983—a total of $203.8 million over the biennium.


“Obviously we’ll put a freeze on everything,” said Colir B. Bull, dean of the College of Mathematical and Physical Sciences.

The freeze will hurt the university in the future, Bull said. Faculty members left last year when OSU had budget problems and more will leave this year—“the best ones,” he said.

“How can the state pass a budget and then eight weeks later say it made a $1 billion boo-boo?” Bull asked.

“We couldn’t guess at the number of school closings the plan would cause,” State Budget Director Howard Collier said. “It would certainly do permanent damage to higher education.

“Colleges and higher education have already been put through the wringer. These cuts would be applied against what is already a lean base.”

Claire Sawaya, the budget committee’s senior analyst for education, said she could not guess what the proposed cuts would do to the overall quality of the state’s higher education, but that it would make the schools’ physical situation “dismal.”

Weldon E. Iong, acting vice president for finance and planning, said the funding cut is a “serious problem.”

“We are still trying to understand the impact,” he said.

OSU officials will meet again today at 10 a.m. to discuss the implications of possible cuts in aid to the university.
Addition to utility payment package

OSU units to get invested income

By Becky Yerak
Lantern staff writer 1-15-82

OSU money-making entities soon will receive their investment income, but only after paying their own utility and maintenance costs, an OSU official said.

Weldon E. Ihrig, acting vice president for finance and planning, said this new policy is a good idea because money-making units will pay their fair share of administrative support services and maintenance costs, yet receive income made from their investments.

In the past, all income earned from investments was retained by the general fund. With the new policy, earning units will receive any income they make through their investments.

The decision to force all money-making units to pay their own utility and maintenance bills will provide a consistency in payment that has never before existed, Ihrig said.

He said there has never been a formal policy that required these units to pay their own costs. In the past, some have paid and others have not.

"Since these units use administrative support services, they should pay their fair share of the services and reduce strain on the general fund," Ihrig said. Academic programs receive most of their funding through the general fund.

Previously, all of these support services were paid by the general fund. He said, for example, that the units' earnings must be processed by the personnel services office.

"Why take the resources (general fund) that support the academic areas to support the payroll operations for the earning units?" he asked.

"When they (money-making units) pay their overhead they will be paying their fair share of the processing costs of areas like the payroll," Ihrig said.

He said his office has done the preliminary calculations to estimate the proportion of overhead and maintenance each area will have to pay, and estimated earnings from investments.

"Now we are waiting for their responses," Ihrig said.

Many of these money-making units, including The Lantern, the Ohio and Drake unions, and the athletic departments, already have disagreed with the decision to have all units pay their own maintenance costs.

Barbara Real, assistant vice president for student services, has said the policy is coming at a bad time because of another proposal to have all departments make a proposed 5 percent retrenchment plan.

She said, however, that the idea of credits against taxation is a good one.

Credits would be given if a facility was used for educational instruction or purposes, and Real gave the example of St. John Arena being used for graduation. The credits would reduce the overhead that the money-makers would have to pay at the end of the year. 
State deficit bodes increases for taxes

By Duane St. Clair 1-15-82

Downtown Statehouse Reporter

Business and utility taxes will be increased, other taxes might have to be boosted and spending will be cut to avoid a projected $983.4 million state budget deficit.

These steps are necessary, according to Budget Director Howard L. Collier.

Collier said Thursday that Ohio is "on the downside of economic depression." The state's economy isn't expected to begin recovering before late this year, well behind recovery in other parts of the country, he said.

Gary James A. Rhodes and Collier will meet with legislative leaders in an attempt to avoid the deficit.

The state budget adopted effective Nov. 15 allows an automatic 1 percent $55.6 million spending cut, a one-time $24 million business tax increase in May and a one-time $20.7 million utility tax boost in June.

The spending cut already is in effect and the two tax increases definitely will be imposed, Collier said.

THE DEFICIT could cut aid to schools and universities by $735 million by June 30, 1983, the end of the state budget period. It could also lead to state employee layoffs.

The latest money problem erupted two months ago after the Ohio General Assembly adopted what was thought to be a $1.3 billion tax increase package, the largest in Ohio's history.

Collier said tax collections are so off base estimates used in November that the tax package "may not be a record at all."

Collier's Office of Budget and Management recalculated tax collection projections made in September and concluded estimates were off by about $716.6 million.

The newest estimates show the state sales tax is likely to raise just over $4 billion. That is $485 million less than projected when the sales tax was raised from 4 cents to 5 cents and its use was expanded to cover some services, such as repairs.

Taxes on auto sales, for example, are expected to raise $184 million less than projected.

THE STATE income tax projection has been cut by $148 million and corporate tax collections estimates lowered $190 million to reflect the bad economy.

The separate Legislative Budget Office redid its revenue estimates and came to about the same conclusions in a report issued Thursday.

Besides less income, welfare spending will go up $164 million because of soaring unemployment. The state also will have to come up with $59 million for schools to borrow, Collier estimated.

The state can balance its budget by cutting spending $897.7 million by June 30, 1983 — 19 percent by June 30 and another 16.3 percent the next year. Collier said cuts that big are "unacceptable."

About 88 percent of the spending cuts would have to come from education, which is supposed to get over $6.3 billion in state aid during the budget period.

The cuts would reduce primary and secondary education aid $532 million and higher education support by $204 million, the budget office staff calculated.

Matthew Filipic, assistant budget director, said welfare, property tax relief and payments to local governments would not be cut. Funds for agencies that operate prisons, hospitals and other institutions would be cut $52 million.

OSU halts hiring, purchases

By Gary Kiefer 1-15-82

Downtown OSU Reporter

Ohio State University President Edward Jennings on Thursday expanded a hiring freeze and stopped all new purchases in anticipation of cuts in OSU's state subsidy.

The action came after an afternoon press conference in which state Budget Director Howard Collier said Ohio is in a depression and that spending cuts which must be made will fall heaviest on education.

JENNINGS, who only last month asked OSU trustees to cut tuition, said the large-scale cutbacks called for by Collier will bring about "the most severe budget crisis in the history of Ohio State University."

THEOSU President Edward Jennings said the large-scale cutbacks called for by the state budget director will bring about "the most severe budget crisis in the history of Ohio State University."

The OSU president ordered that "no positions at the university be filled," which is an expansion of a longstanding policy that limited hiring to replacing key individuals because of budget shortages. Jennings also halted all purchase orders not approved by the president.

The pending state cuts are expected to take from OSU much of the gains it made in the current state budget passed in November. The university is receiving $144.7 million in state money for the fiscal year which ends in June, but the budget called for that amount to rise to $165.2 million in the 1982-83 fiscal year.

HOWEVER, Collier indicated the state's revenue problems will require that spending be cut by about 8 percent for the current year. Because less than six months of that fiscal year remains, the net effect will be that OSU will have to reduce spending by about 19 percent for the remainder of the year.

State officials also predicted cuts of about 16 percent for the 1982-83 year.

The latest bad news from the state comes just as OSU officials were beginning to think they were over the worst of their financial problems.

Declining state subsidies had forced OSU trustees to impose massive fee increases and delay faculty pay raises over the last year. But after the Ohio General Assembly passed a budget giving the university some relief, trustees in December were able to trim fees by $25 a quarter and increase faculty pay.
OSU faculty favors wage cutbacks over job terminations during crisis

By Laura Palko
Lantern staff writer 1-22-82

Salary cutbacks may be more appealing to faculty members than the dismissal of tenured faculty during a severe financial crisis.

During a Thursday open meeting in Weigel Hall, several faculty members voiced that and other opinions about the two-part report on the release of tenured faculty. The report was completed in December by the ad hoc seven-member faculty committee.

Clarifying financial exigency, forming a budgetary advisory committee and pinpointing program curtailment procedures are just some of the concerns of the OSU faculty.

Several faculty members indicated they would rather take a cut in salary than see the dismissal of tenured faculty members in a time of financial emergency.

Richard Lanese, president of the OSU chapter of the American Association of University Professors (AAUP), said approval of the tenured faculty release policy will result in "unthinkable" danger to future faculty.

"The application of a temporary salary reduction for faculty and administrators should be the only solution," he said.

One faculty member said, "Today we have been asked to plan our funeral, but we were not asked what could have prevented the death."

Harold S. Weiss, professor of physiology, advocated an "across-the-board reduction in faculty salary" as a possible alternative to financial emergency.

James C. Garland, chairman of the Ad Hoc Faculty Committee on the Release of the Tenured Faculty, said many faculty members who provided written comments felt the definition of financial exigency included in the report easily could be misinterpreted because it is too vague.

The arguments voiced at the hearing reinforced the complaint.

According to the report, financial exigency is "an imminent financial crisis which seriously jeopardizes the quality of the university's academic programs and the ability of the university to fulfill its obligations to the public..."

Several faculty members believe the term financial exigency needs to be identified and defined more clearly.

William M. Protheroe, professor of astronomy, said the term financial exigency is "inappropriate" because the university will always receive state funding.

"Extreme financial distress" might be a better term, said Protheroe, also past president of AAUP.

One popular solution offered was to form a budgetary advisory committee acquainted with the financial situation at OSU.

Lanese said the university should select a faculty committee familiar with the OSU's finance situation to recommend solutions to a budget crisis.

Howard L. Gauthier, representing the Committee on Academic Freedom and Responsibility, said the formation of new committees should be avoided when there are so many senate committees.

"Bureaucratic clutter should be eliminated," he said.

Another question raised at the hearing dealt with the need for a precise clarification of a tenuring unit.

"Tenure is university-wide, and not only restricted to a tenuring unit," Lanese said.

The report describes a tenuring unit as the group of peers that reviews the work of a professor when considering him or her for tenure. "Although the peer group may reside within a department, a division, a school, or a unit of some other name, the group nevertheless comprises a cohesive entity," according to the report.

Ralph R. Hunt, assistant professor of English at Mansfield, maintained that the tenuring unit on a branch campus could be the campus itself.

The reduction of a tenuring unit would endanger the entire branch campus, Hunt said.

William F. Palmer, professor of physics, said the composition of procedures for program curtailment is another important issue inadequately covered by the report.

Janet M. Martin, student representative of the Council of Graduate Students, said, "The crux of the matter, program curtailment or elimination, is not addressed."

Faculty members also were concerned about who would decide which academic programs would be cut in the event of financial emergency.

OSU's work toward affirmative action is considered by some faculty to be endangered by the ad hoc committee's report.

"We must not adopt policies which increase tension between affirmative action and the tenure policy," said Phillip S. Jastram, professor of physics.

Frank W. Hale, vice provost for minority affairs, urged the rules committee to "balance the scales toward justice." He asked that the role of minority faculty participation in the university be broadened in the promotion and tenure process.

James R. Leffler, representing the Senate Committee on Women and Minorities, recommended that the university "abide by the legal and ethical occurrences of affirmative action" in all issues.

Although many faculty members complimented the ad hoc committee on their work in developing the report, the majority felt the technical rules adopted should be acceptable to the entire university community.

The Faculty Select Rules Committee will consider the opinions to develop a set of technical rules for the release of tenured faculty in the case of financial exigency at OSU.

"Tenure is a subtle and complex set of institutional rights and commitments," Garland said.
Athletics, research spared

OSU travel plans screech to halt

By Basil A Ayish
Lantern staff writer 1-22-32

What used to be a major operation of Ohio State has now come to a standstill because of Ohio’s recent budget mishap.

The OSU Travel Office in Lincoln Tower used to receive 700-1000 travel requests each month, said Betty Kauderer, clerical supervisor for the travel office.

That all changed Tuesday when an order from OSU President Edward H. Jennings’ office indefinitely stopped all university-sponsored travel.

The travel ban excludes trips by revenue-generating departments and offices such as the athletic department or research travel, which is privately or federally funded.

For fiscal 1981, university travel cost over $2.7 million, excluding athletic department travel. The money came from state and federal grants and revenue, said James L. Nichols, university treasurer.

The newest state budget problems have put a damper on university travel because of uncertainty about which areas will carry the weight of budget cuts.

Although the travel office will have no new travel requests coming in, it will not be dismantled. “We still have back-up work to catch up with,” Kauderer said.

Until the presidential order, the travel office processed paper work and approved travel and reimbursement of students, faculty and staff for university-approved trips, she said.

Those trips included conventions, fund-raising and recruiting of students, faculty and staff.

The athletic department, which pays for athletic travel through self-generated funds, budgeted $528,000 last year for team and individual travel, which included recruiting. Now all travel must be approved through the president’s office, said Douglas Clay, athletic department business manager.

Athletic teams now are granted permission to travel on a week-by-week basis, he said. This has hurt recruiting travel since it usually is not planned very far in advance.

“All recruiting has been stopped except for football and men’s and women’s basketball,” Clay said.
OSU capital improvements to continue through freeze

By Becky Yerak
Lantern staff writer 1-26-82

University purchases may be limited and hiring may be frozen, but capital improvement projects are still underway.

OSU President Edward H. Jennings had stopped all planning for capital improvements projects last week when a projected $1 billion deficit was announced.

Richard D. Jackson, vice president for business and administration, said that restriction has since changed.

He said the projects temporarily were stopped until everyone better understood the magnitude of the budget problem.

The state Office of Budget and Management (OBM) has encouraged the continuation of the projects which include the new $40 million cancer hospital and the new $16.4 million Sawtooth attached to McPherson Chemical Laboratory.

OBM officials have said they believe the projects will create jobs.

Jackson said he also supports continuation of the projects. "The majority of work at the university is repair and restoration, and as long as we put off that work, the more expensive it becomes due to deterioration and inflation. The antiquity of Sawtooth does not go away. It just gets older, not better."

Jennings also has frozen all purchasing orders, except for essential purchases like food and medical supplies.

When the purchasing freeze was first ordered, Jackson said there were about $8 million worth of purchasing orders that could have been issued but were sent back.

From Jan. 14 — when the freeze was issued — to Jan. 21, OSU has approved only 16 purchasing orders totaling almost $21,000. Most of the purchases were hospital supplies, Jackson said.

Before the state projected deficit was announced, OSU officials believed $6.7 million would have to be cut from its budget by June 30, 1983. Each vice president and dean was asked to submit a proposed 5 percent retrenchment plan.

With the projected deficit, however, "5 percent looks pretty small," Jennings said.

Edwin M. Crawford, vice president for public affairs, said Jennings' tours around Ohio could remain unaffected because most of the expenses are paid for by the city he is visiting.

About the financial situation, Crawford said, however, "I think crisis is the right word to describe it. It is the most severe I have experienced."

"I know it is going to be far more than 5 percent. There is no doubt we will be talking about cuts much larger than that."

Crawford also said service areas are likely to be hit the hardest. "We are trying to protect teaching and research."

Some university publications have been put on hold until further notice. Crawford said, however, "In any crisis, communication is essential."

Madison H. Scott, vice president for personnel services, said his office has not been filling open positions, yet the work load continues to pile up.

Firing or laying off personnel would be a last resort, he said. "We cannot make firm decisions until we know the magnitude of the problem."

Scott also said his office already has been affected by the overtime restriction Jennings recommended.

"In order to meet the payroll deadline, they [personnel services workers] worked and were not paid overtime. But the payroll must go on," Scott said.

Jennings also has called for all energy-saving steps used during the energy crisis.

Jackson said OSU has a good record with energy conservation. He said OSU has expanded 14 percent since 1973, but has saved $29.3 million through energy conservation.
President Jennings' policy address

The following is a transcription of the budget policy speech given Tuesday by OSU President Edward H. Jennings in Marshon Auditorium.

I believe that we must begin now to act under the assumption that the proposed budget cut may well be a long-term reduction in our state subsidy, and that the situation in the state could indeed become worse over the next 17 months. We know from past experience that further budget reductions are possible. We must therefore look to ourselves for solutions. We must assume that this is our problem to solve, for good or ill.

I believe that we can and, indeed, we must approach the coming cutbacks from a positive perspective. Anything else is to deny the very purpose and foundation of the great university. Let me outline for you what I believe are those principal characteristics of this institution — characteristics that remain inviolate as we manage our budget decline.

First, we are a magnificently diverse institution. Our activities range from cancer research to operating a power plant, from teaching basic English and mathematics to providing doctoral education in chemistry and electrical engineering, from enhancing the creative talents of the artist to preparing leaders for the most sophisticated and highly technological environment the world has ever imagined.

Second, we are a public, land-grant institution. This confers upon us great responsibilities to provide quality higher education to the individuals, through low tuition, adequate financial aid, and student work opportunities. Indeed, in this very audience there are none of you who would not have a higher education today if it were not for the existence of high quality land-grant universities — land-grant universities such as The Ohio State University.

Third, our primary responsibility is the education, training, and nurturing of human beings. If we permit quality in that endeavor to be compromised, we will have fulfilled our most important consequences 10 years from now and 50 years from now. We need only look at the current consequences of the decline of physical capital permitted by some American Industries in past years. Our economy is suffering today partly because 20 years ago, 30 or 40 years ago, manufacturing technology was not upgraded and renewed. America's industrial base had declined. It is our responsibility to insure that such a decline does not occur in our inventory of human resources.

Fourth, we are, as a university, no better and no worse than the quality of the faculty, our staff, and our students. If we permit mediocrity to grow and our legacy will be mediocre human resources. The university character of this university must be preserved. This is our highest priority, and this is our most important responsibility.

Fifth, we have a clear institutional mission of teaching, research, and service. Very often, that mission generates conflict between the need to preserve and transmit knowledge, and the equally critical need to create new knowledge. We must recognize that such conflict is what leads to progress — in education, in business, in science, in any endeavor. If we do not allow our university cannot be a great teaching institution without also being a great research institution. Research is the life blood of the classroom is devoid of creativity. The classroom without the influx of current research is merely a repetition of what has gone before.

Our service enterprises is certainly related to the dissemination of knowledge and active participation in society. In recent years, we have added various services that have been demanded by society. They are very important to the university, the community, the state, and the nation. They are also very valuable. In fulfilling our service missions, we must not divorce those services from our fundamental responsibilities for teaching and research, and the cost of those services must be in appropriate ratio to the benefit.

Sixth, we must consider carefully the suggestions of those who would have us measure ourselves in terms of immediate output or productivity. Accountability is essential, but our very mission, by its very nature, is long-term. We cannot, for example, be subject to time and motion studies that attempt to calibrate teaching in terms of square feet or average attendance. Judgment is required because education is, by its very nature, intangible. It is difficult for any of us, or all of us in our collective wisdom, to predict the impact of our achievements 50 years from now. Seeding short-term and quantitative measures to demonstrate our excellence denies the essence of contribution. And we risk the possibility that we will create the same problems, far, far greater than those we face today.

The leadership of society is now in our hands, but it will not be so forever. Our future society will be as good or as bad as the minds of the men and women studying in our universities today. Like all institutions, we must accept the principle of strict accountability. But accountability for universities must reflect the uncertain and long-term future of our society.

Seventh, we are by our very nature an incredibly diverse institution. What is popular and "state of the art" today is likely to be obsolete, and even trivial tomorrow. The program that cannot attract students today may be the program that we talk about 50 years from now.

We should be mindful of this. Thirty years ago, Prof. Goddard's rockets were considered merely interesting toys since, by the current wisdom of 1919, everyone "knew" propulsion would be impossible in the atmosphere. Then the rocket program encouraged by the government. When we are tempted, by the current wisdom of 1982, to label any field of inquiry "useless" or "trivial," we should think of the roots of the space shuttle Enterprise and its implications.

Eighth, while we are diverse and dynamic, we are also intrinsically interdependent. In making budget judgments, we must recognize the centrality of many of our departments to our total educational mission, and the relationships of many of our parts to the university as a whole.

Some argue for a reduction or elimination of certain departments where the demand for majors in the field is small — departments like philosophy or political science or art history. Yet those departments do not serve just their majors. They educate for a whole host of students majoring in hundreds of other subjects. They are also vital to general education. All students leaving our university must have a solid educational foundation in the liberal arts simply to be able to grow in whatever career they choose.

It is just as vital to recognize that all of us are part of The Ohio State University, the custodians of the apparent financial structure of our service enterprises for various and specific activities. We do not have separate pockets of money resources. It is not the English department's money; it is not the
Development Fund's money; it is the university's money. The financial problems of the university are problems we share as a university. We shall solve them together as a university.

Ninth, the hallmark of our university is academic freedom, as it is in higher education throughout this country. While we may argue among ourselves over the consequences and meaning of academic freedom; we must never forget that the demand for new knowledge will not be fulfilled without upholding the principles of academic freedom. An individual must be permitted to seek the truth, wherever the truth may lie. The heart and soul of our university lies in this fundamental trust.

More people must be keenly aware of the need for continued academic vitality and our obligation to provide truly equal opportunities for women, minorities, the disabled, and the disadvantaged.

We must continue to maintain the principle of academic freedom, while at the same time allowing the flexibility required for vital infusions of new talent, and for advancement opportunities for those groups which have for too long have been denied full and free access to all positions in our society. None of us can afford to rest on our laurels. We must continue to increase opportunities for all individuals.

In addition to these fundamental characteristics, we must also consider the total environment in which we operate. This institution is heavily dependent on the federal sector. Federal support to higher education has been reduced already. Unfortunately, it will continue to diminish. Thus, our state budget reductions must be considered in tandem with federal budget cutbacks. Together, the reduction in funds to The Ohio State University could be felt to a greater degree than if we faced cutbacks from just one source.

Federal budget cutbacks also are closely related to the issue of accessibility. Many of our students depend on federally supported grants, loans, and jobs to finance their education. Our tuition levels must take into account the very real probability that financial aid will continue to be more difficult for our students to obtain.

Unfortunately, we do not face our current problem from a position of financial strength. This university has been going through budget cutbacks for quite some time. Each of you has felt the impact of past cuts. You may have received lower salary increases, or watched the demise of supply budgets, or seen class sizes grow, or paid higher tuition, or seen the departure of some of our faculty and staff. The best example — or perhaps I should say worst example — is our equipment and library acquisitions budgets.

To return to the level we had achieved 10 years ago in those areas would require an infusion of at least $55 million dollars, an amount equal to the cut-backs we have faced in the last 3 years.

Finally, it is ironic that in higher education we, the faculty, have for years used the terms "hard money" and "soft money." Hard money was appropriated by the state; soft money was provided from other sources. But state money is no longer quite so hard. Consequently, we must examine more rigorously and seek to enhance our revenue-producing activities and other sources of funds than we have in the past.

From these general characteristics of The Ohio State University — characteristics we share with other major, comprehensive institutions of higher education throughout this nation — we can draw a number of basic principles to which we must adhere in managing our financial problems.

First, we do not have the luxury of time.

Second, our primary obligation is to the future, the future quality of this university and the quality of life in this state and this nation.

Third, our primary obligation is teaching, research, and service as it relates to teaching and research.

Fourth, our diverse departments are deeply interdependent and dynamic; in ways that cannot be clearly measured or predicted.

Fifth, teaching and research are inseparable activities and academic freedom is indispensable to both.

Sixth, quality must be preserved by budget cuts that are selective rather than across-the-board.

Seventh, accessibility must be maintained along with comprehensive, equal opportunities for all.

Eighth, flexibility and cooperation are vital to our success.

Above all, we must remember that we have not achieved so much without relying upon our collective abilities and talents to adapt to new circumstances. This current circumstance will indeed test our flexibility. It will test our determination to cooperate across established institutional lines as we develop the creative solutions required to maintain and enhance our strengths. We must draw upon all of our capabilities.

Several solutions readily suggest themselves. We look at our financial problems. Let me list some of them for you.

Tuition could be increased, and undoubtedly it will be. But to meet our requirements, tuition would need to be approximately doubled. Such an increase must be considered carefully in light of this state's basic principle of public education — accessibility to all. Ohio's percentage of high school graduates pursuing higher education is already among the lowest in the nation. If we double tuition, we reduce opportunities for individuals in a way that I am not at all certain this state or nation is prepared to accept.

Programs could be eliminated or staff could be reduced. If we take this action, however, we must be aware of the interaction of programs, of the interdependence of academic freedom, and of the implications for the dynamic nature of this university. We must remain mindful of the effects upon providing comprehensive educational opportunities that this great university ought to be providing for the people of Ohio.

We could lower total enrollment. This reduces opportunities for the students of Ohio and diminishes the pool of talent necessary to replenish the academic and non-academic leadership in Ohio and in our nation. Today we have applications that are roughly double the number of freshmen that we enroll. If we lower enrollment, we not only reduce opportunities, we also fail to meet the demand for education at this university.

We could reduce services. Our debt will be reduced. We also must charge for certain services in the future at rates commensurate with the real costs. This will be necessary if we are to balance the budget while preserving our quality, our diversity, and our joint mission of teaching and research. But the transmission of our knowledge — both existing and new knowledge — to the community at large will be irrevocably damaged if we are excessive.

We could consolidate programs and operations that appear to have a high cost because they are spread throughout the campuses. But the cost we see is really only a dollar cost. We must also consider the total cost. What, for example, is the cost of reducing institutional diversity and decentralization?

Consolidation could also go beyond this university. But we must not assume that duplication of programs throughout the state is necessarily wasteful. Just as diversity is an asset of this university, educational diversity is an asset to this state. Confining programs to a single location may be appropriate. But if we lose diversity and consolidation opportunities, the cost/benefit ratio may be negative.

Potential solutions are endless. Each proposal has some merit. More importantly, each proposal should have long-term implications for the future of this university, for Ohio, and for the nation. None can be taken lightly.

If we are to go beyond the patchwork of across-the-board cutbacks, and I believe we must — then some form of each solution may be used. But, the enormity of the issue facing us today is such that we make major educational judgments as we implement our solutions.

We cannot simply put another notch in our belt, eliminate photocopying, or eliminate programs with 10 or fewer students. The decisions are of such magnitude that they will affect generations to come. They reach the very heart of the educational mission of this university.

I emphasize that we do not have the time or the luxury to study these major issues in long and ponderous depth. We do not have the time to assure ourselves that we are minimizing the loss to the people of this state. Indeed, no such assurances are possible, no matter how tenuously we attempt to predict the future. The very magnitude of the proposed cutbacks requires that we take some enormous risks — risks that must be assumed now.

To return to where I began, I believe that at the very least it is reasonable to expect that the 1982-83 fiscal year subsidy for this university will be reduced by approximately $19.5 million. We must reduce our budget, or increase our revenues, or a combination of both by that amount before June 30, 1982.

As we proceed with these cuts, we must do so not only in accord with the principles I have outlined today, but also with the expectation that this reduction will continue through the 1982-83 fiscal year, totaling approximately $55 million for the bimonth. Today, however, we must concentrate on the next 6 months.

One further point, before I give specific details. Even as we plan for the worst, it is also important to recognize the deep and abiding interest in education, for example, The Ohio State University Hospitals, the Ohio Agricultural Research and
Development Center, labor education, the Ohio Cooperative Extension Service, and other essential services supported by the education budget. If the community and the legislature are able to increase financial support to higher education for the next fiscal year, we must insure that we have maintained the flexibility needed to re-evaluate and re-adjust decisions that must be made now and in the coming weeks. We must be evermindful that cuts, once made, are not readily restored, even if the funds become available in the future.

With all this in mind, I am today issuing the following instructions to address the $19.5 million problem we face for this fiscal year:

• The special one-time allocation for library acquisitions and equipment approved last December is canceled. This should produce $2.6 million.
• The proposed system of recovering service costs is to be installed as recommended effective Jan. 1, 1982, producing $4.5 million.
• The budgets of the various operating units of the Columbus Campus are to be reduced by $5 million. Such reductions are to be determined by the responsible university officer and they are to be made in accord with the principles I have outlined. To determine this reduction in each area, I have considered the total resources available in each unit, the principles enunciated today, and the budgetary flexibility available to each unit. I have excluded instructional budgets from my analysis of total resources available.
• The use of energy is to be reduced by an amount required to produce a savings of $500,000.
• The budgets of the various operating units where state subsidy is appropriated to the university in line-item form are to be reduced by $4.3 million. These reductions are in proportion to the state subsidy reduction recommended for the Columbus Campus — as they must be, in view of the nature of the appropriation.

These budget reductions total $19.3 million. In addition, I will use part of this year’s $3.3 million in contingency funds originally set aside as an emergency fund to balance the remainder of the deficit. This leaves us only $2.5 million in contingency funds to allow for necessary adjustments when unforeseen emergencies arise. This represents what the university spends in a day and a half. It is a dangerously thin cash balance for an institution of this size and complexity, especially when it is remembered that the state's estimate for the deficit may be too optimistic.

Beyond these financial adjustments, I am also directing the following:

• Budget reductions as they affect staffing are to be made through attrition, and any internal reassignments of staff are to be made in accord with current university personnel policies.
• The freeze on expenditures instituted Jan. 15 will be modified for each unit as soon as that unit has demonstrated its ability to meet the expenditure goals outlined.
• I am establishing an early retirement program, and will consider plans for expansion of job-sharing, flex-time, and other creative options for current staff.
• With the advice and consultation of the University Senate, I will appoint a university-wide committee of faculty, staff, and students to review the actions I have taken and judge whether they are consistent with the principles and concepts I have outlined.

In addition, I ask that you provide guidance on how we will manage an outstanding institution of higher education on a budget that has every likelihood of being $55 million less than it was just two short weeks ago. I also ask that you solicit wide and comprehensive participation in the budget reduction process. I expect to have their initial recommendations returned to me by April 15.

• Finally, I will name an administrative policy review and implementation team to advise me. As this extremely complex institution attempts to address our equally complex problems, this team will be invaluable in providing advice, guidance, and interpretation of our fundamental principles as our university officers make extremely difficult decisions on a daily basis.

With that, I would like to add a personal note. This university is a great and viable institution. It represents one of this nation's major centers of higher education. The nation and the state deserve nothing less than the very best we have to offer.

It is up to each of us not only to cope with our problems, but to manage them. We must proceed to make this university a better institution for tomorrow than it is today. We may be smaller. We may have fewer resources at our disposal. But we must never lose sight of the goal of quality, of improving quality, or becoming even stronger. Our predecessors and our successors deserve nothing less.

I am new to The Ohio State University. I came here because of the enormous existing strength and future potential of this institution. I did not come here to preside over the decline or demise of the excellence of this great university. I will do all I can to preserve and extend the quality, and the vitality, and the strength of this institution. I count on each of you to do the same. Our goal should be — our goal must be — to become a better, a stronger, and more vital educational institution than we are today. After all, we are The Ohio State University.
Jennings outlines $19.6 million in cutbacks

By Laura Palko
Lantern staff writer 1-27-82

Cutbacks over the next five months will not force the need for a spring quarter fee-hike or faculty and staff layoffs, OSU President Edward H. Jennings said Tuesday.

The state may cut $55 million from OSU’s subsidy for the remainder of the 1982-83 biennium, Jennings said in a public address at Mershon Auditorium.

To cut $19.6 million from the university budget by June 30, 1982, he issued cutback instructions which include overhead payments by revenue-generating entities, cancellation of book and equipment allocations and departmental refrenchment.

Spring quarter tuition will not be increased, but a fee-hike is likely either summer or autumn quarter, he said.

“I believe that we ... must approach the coming cutbacks from a positive perspective,” he said.

Jennings did not recommend cutbacks which could total $55.4 million for the following fiscal year.

“To put this in perspective, $55 million represents more than 2,700 jobs at our average salary rates. Fifty-five million dollars represents the combined annual budgets of the Colleges of the Arts, Biological Sciences, Humanities, Mathematical and Physical Sciences.

“And this deficit may not be the worst-case scenario,” he said.

He stated the primary responsibility of OSU is “the education, training, and nurturing of human capital.”

To maintain the quality of that goal, Jennings said he believes the protection of academic programs is critical.

Although some people advocate the reduction or elimination of certain departments, Jennings said he refused to jeopardize the accessibility of the institution.

He contends the departments are interdependent and necessary to the university in order to provide a “solid educational foundation” for students.

Elimination of staff also would impinge on OSU’s standard of academic freedom, Jennings said.

Budget cutbacks affecting the staff will be made through attrition, he said.

William J. Napier, assistant to the president and director of government relations, said the administration is attempting to spare academics as much as possible.

Michael C. Gerald, professor of pharmacy, supports the presidents’ policy to “spread the hardships out.”

“He supports the faculty and staff,” Gerald said, and he does not want those people to “jump ship.”

Jennings said he is sympathetic to the plight of the students contending with tuition increases and rising school expenses.

“Our tuition level must take into account the very real probability that financial aid and jobs will continue to be more difficult for our students to obtain,” he said.

Any tuition increases would be considered carefully so that university accessibility would not be impaired, Jennings said.

The president said the quality of OSU “must be preserved by budget cuts that are selective rather than across-the-board.”

Jennings directed that the following specific budget cuts be made within the university in the next five months:

• The cancellation of a special onetime allocation for library acquisitions and equipment approved last December to save $3.6 million.

• The proposed system of requiring revenue producing auxiliaries to pay their own utility and maintenance expenses, effective Jan. 1, 1982, to produce $1.6 million.

• Vice presidents in charge of various operating units of the Columbus campus are to reduce the total budget by $6 million.

• An energy-saving program will produce a savings of $500,000.

• The operating units receiving state subsidy are to cut their budgets by $4.3 million — in proportion to the state subsidy reductions recommended for the Columbus campus.

The budget reductions total $18.9 million. In addition, Jennings proposes to use $400,000 of this year’s $2.3 million in emergency funds to balance the remainder of the deficit.

Jennings also said the university expenditure freeze will be modified for each unit as soon as each unit is able to meet the outlined budget cuts.

Other options outlined by Jennings include the establishment of an early retirement program and the consideration of expanding job-sharing and flex-time programs for the staff.

He will also appoint a committee of faculty, staff and students to review his actions and judge their consistency with the proposed concepts. The committee will be appointed with the advice of the University Senate.

Jennings will ask the committee to “solicit wide and comprehensive participation in the budget reduction process.”

In addition, he will name a personal advisory team to review administrative policy and its implementation.

Jennings emphasized the need to consider the future of the university and its students in considering each of the proposed cutback policies.

“Our future society will be as good or as bad as the minds of the men and women studying in our universities today,” Jennings said.

The uncertain future of society must be held accountable by the university, he said.

“We must proceed to make this university a better institution for tomorrow than it is today,” Jennings said.

Because the financial problems of OSU are shared by the university community, they should be solved together as a university, he said.
Vice presidents must now decide $6 million in cuts

By Becky Yerak
Lantern staff writer

OSU vice presidents were assigned the task Tuesday of cutting over $6 million from their operating budgets by June 30.

The cut is part of a $19.6 million cutback plan OSU President Edward H. Jennings announced for this fiscal year.

Jennings said the cuts to be made are: $1.59 million from undergraduate and graduate colleges; $780,000 from health professions colleges; $970,000 from academic support and services; $760,000 from student services; and $1.9 million from administration and operations.

Most vice presidents still are unsure of the effect these cuts could have for their programs.

"The policies are solid," said William R. Nester, vice president for student services. "Now we will have to weigh their translation to our specific programs, and the impact those policies will have." Nester said his office is studying possible areas where cuts can be made.

OSU financial aid programs, which are a part of student services, also could be hurt by diminishing federal funding.

Besides a probable fee increase, some students will experience a reduction in financial aid. This will hurt accessibility even more, Jennings said.

Some areas in student services are money-making units, and they soon will be required to pay for all of their own maintenance and support services. Barbara M. Real, assistant vice president for student services, has said, "We are being hit from two different sides."

Richard D. Jackson, vice president for business and administration said his office is looking into how OSU can cut its energy consumption.

He also has said OSU recently placed some outside firms under contract for custodial work in campus buildings. "The basic reason for an outside contractor is an economic one."

Edwin M. Crawford, vice president for public affairs, said, "He (Jennings) did a fine job in defining the basic principles of the problems and the severe limits put on our resources because of the size of the cut." Crawford's office is examining possible cutbacks and restrictions, he said.

Richard O. Buxton, vice president for university development, said he is confident about Jennings' proposals.

"It is a tough problem, but he has a good grasp of the problem," Buxton said.

He said his staff is examining fundraising activities and this past year's donation statistics to see where they can work most effectively.

Henry G. Cramblitt, vice president for health sciences, said he is in the process of sending memos to his assistants about possible cuts to their areas and expects to receive replies soon.

Kathryn T. Schoen, vice president for educational services, has said her office is watching expenditures from paper to the number of trips the equipment van takes to different areas on campus.

Concerning equipment and library acquisitions, Jennings said it would take at least $55 million — the amount of the state cutback OSU faces — to return to the same level of 10 years ago.

Madison H. Scott, vice president for personnel services, summed up his feelings about the speech by saying, "He said what he had to say."

"The policies are solid. Now we will have to weigh their translation to our specific programs, and the impact those policies will have."

—William R. Nester, vice president for student services
Regional campuses ordered to cut $500,000

By Craig Jolley
Lantern staff writer

Regional campus administrators are uncertain exactly how they will make the cuts mandated by OSU President Edward H. Jennings Tuesday.

During a press conference, Jennings announced the regional campuses would have to cut their budgets collectively by $500,000 as part of the $4.2 million state line reduction mandated by the General Assembly.

John T. Mount, vice-president of regional campuses, said the budget problem is a serious one.

The budget reduction for each individual campus has not been specified, he said, but he added it would be about $100,000 to $120,000 for each campus.

He said once the amount of each budget cut is known, the regional directors will start applying the principles set forth in Jennings' address to make those cuts.

"The challenge now is to balance the budget for the next five months," Mount said.

David W. Kramer, dean and director of the Mansfield campus, said, "I thought it was one of the finest speeches I've ever heard a university president give."

He said he especially liked the fact that Jennings did not specifically list programs to be cut or how much, but left the decision up to individual units to decide.

"It's very helpful to the regional campuses since we receive our own funding," he said.

Kramer said the cuts mentioned by Jennings came as no surprise and were basically in the amount he had expected.

"It was too early to determine precisely what areas would have to be cut, he said.

"We have a variety of ways to cut, but at this stage I think we will have to wait. It's important that we don't make any spur-of-the-moment decisions," he said.

The big difference between cuts at regional campuses and those at the main campus is one of depth, Kramer said.

"For example, we only have two psychology positions available and one of the professors left. If the other one were to leave, and we can't hire any more, then we will have to stop teaching psychology courses," he explained.

Because most of regional campuses' money is involved in instructional units, Kramer said the cuts were going to be difficult to make.

"We're more vulnerable to cuts than the main campus is," he said.

James S. Biddle, dean and director of the Lima campus, called the speech "excellent" in that it "laid the value of OSU out for everyone to see."

He said he felt Jennings had achieved his desire to keep the instructional budget as unaffected as possible by establishing guidelines to keep academic quality consistent in the face of budget cuts.

"We're going to be looking at places where we can make cuts within the next 24 hours," he said.

According to Biddle, the Lima campus halted all programs not associated with the instructional process after Jennings imposed restrictions on spending last week.

"Now we can begin to selectively reinstate some of these programs," he said.

Biddle said the process would begin immediately and could be completed by the end of the week.

"Well stated and courageous," was the reaction Francis E. Hazard, dean and director of the Marion campus, had toward Jennings' speech.

"He (Jennings) reminded people of things that are often over-looked. People forget that Ohio is at the bottom of the list in education and that it's necessary to bring Ohio back into national prominence," he said.

In talking about budget cuts, Hazard said only some of the options applied to the regional campuses such as tuition increases, to a limited extent staff reductions and possibly some reduction in programs.

He said, however, he would disagree with lowering enrollment because that would jeopardize educational accessibility.

"We'll have to look at other sources for cuts. Perhaps we may have to cut faculty services more than they've ever seen. Or student life activities will have to become more self-sufficient," he said.
OSU president reveals cuts, skirts tax issue

By Gary Kiefer
Dispatch OSU Reporter 1-27-82

Even after announcing nearly $20 million in budget cuts Tuesday, Ohio State University President Edward Jennings was unwilling to join the call for a state tax increase.

"I have a big enough job as it is," he said at an afternoon press conference. "I think it's the job of the legislature to talk about taxes."

If he won't lead the way, reporters asked, will Jennings at least lobby for a tax bill if one is introduced?

"I DON'T LOBBY. I provide them (legislators) information about Ohio State University," he responded.

The information he provided Tuesday, during a lengthy noon speech in Mershon Auditorium, was that declining state support for higher education has left OSU "desperately short of funds."

The speech outlined $19.6 million in spending cuts that must be made by June 30. The result will be colder classrooms, fewer new books for the library and more empty desks in administrative offices, he said.

But Jennings' plan avoided any staff layoffs, tuition increases or program eliminations, at least through the rest of this academic year.

JENNINGS SAID he hopes to avoid any layoffs as he looks for ways to cut a total of $55 million over the next 18 months, an amount he said represents 2,700 jobs at average salary.

"At this time, I expect to accommodate these cuts through attrition," Jennings said. But he acknowledged that any deeper cuts in OSU's state subsidy would present a new problem, since most of the annual $601 million budget goes for salaries.

Tuition, now at $435 a quarter, "undoubtedly" will rise, but not until fall quarter, Jennings said, adding, "We've still got to ask the question, 'How much?'

If OSU tried to make up for all the budget cuts just by raising fees, the tuition would at least double, he said. "But that raises real questions about the mission of a state university," he said.

PROGRAM CUTS also may be required in the future, Jennings added, but they represent tough decisions that, once made, are difficult to reverse.

Jennings' plan for the immediate future - tapping contingency funds, cutting energy use, trimming administrative operations - manages to avoid cutting into instructional budgets.

But how it will affect specific university operations remains to be worked out. Jennings admitted some services may have to be eliminated.

Jennings said that while OSU can continue to hope for relief from the General Assembly, "We must assume this is our problem to solve, for good or ill."
Rhodes slashes budget, seeks tax increase

By Duane St. Clair 31, 1982

Jan 31, 1982

Gov. James A. Rhodes on Saturday approved cutting state general fund spending beginning Monday and proposed a sales tax increase to overcome a projected $1 billion state budget deficit.

The general fund will be cut by $542.5 million. The sales tax would be increased by one cent per dollar to raise $854 million for the state, pending legislative approval.

Senate Republican leaders immediately ruled out raising the tax

from 5 cents to 6 cents on the dollar. Rhodes proposed the increase he adopted by March 1 as part of a spending overhaul plan prepared by Budget Director Howard L. Collier.

If the tax isn’t adopted, Collier said cuts will have to be deeper. However, he said he wasn’t sure how much deeper the cuts would be or how soon they would be imposed.

Rhodes’ first cut will be 3 percent, which will reduce aid to schools by 6 percent between now and June 30, the end of the fiscal year. Other state agencies which get general revenue funds will have cuts of 7.2 percent.

The cuts will be followed by another 6 percent cut next July 1 to reduce state spending another $200 million.

Matthew Filippic, assistant budget director, said the cuts will cost primary and secondary education $130 million and colleges and universities $70 million by June 30, 1983, the end of the budget period.

Collier presented legislative leaders with the extensive spending overhaul plan near the end of a two-hour closed-door meeting in Rhodes’ Statehouse office.

After the meeting, Senate President Paul E. Gillmor, R-Port Clinton, and Sen. Stanley J. Aronoff said they agree with the cuts but not with a tax increase.

The sales tax may have to be raised later this year, they said, but it would not get approval in the Ohio General Assembly this month.

Collier said the state’s income is projected to be $760.4 million less than the $1.34 billion appropriated in the budget.

In addition, spending will have to go up $239.3 million, which makes his latest deficit projection $999.7 million.

The state will have to provide an additional $125.5 million to pay for higher welfare caseloads; $21 million for schools to borrow to stay open this year; $3 million to pay for bonds to be sold for prison construction; and $13 million to pay interest on more than $600 million the state has had to borrow for unemployment benefits.

To avoid the deficit without massive cuts, Collier said the state also will have to delay five percent or 45-cents-an-hour pay raises for state employees are supposed to get July 1.

He also called for a delay in teacher pay raises scheduled for next summer.

All the spending changes, except the cuts, will require legislative approval.

3 percent state cuts won’t alter OSU’s budget plans

By Laura Palko
Lantern staff writer 2-2-82

The 3 percent cut in state spending will not alter the $19.6 million in cutbacks ordered last week by OSU President Edward H. Jennings.

The state cuts — ordered by Gov. James A. Rhodes Saturday — went into effect Monday.

Previous analysis of the state budget deficit estimated an 8.9 percent cut to higher education.

Jennings outlined plans to cut $19.6 million in the next five months, and is estimating a total of $55 million in state cuts through the biennium.

Rhodes’ 3 percent cut for this fiscal year will result in a funding cut of 6 percent, or $70 million for Ohio’s colleges and universities.

Jennings said he sees no reason to change the cutbacks he outlined in last week’s policy address. “My best information is that we are going to have a $19.6 million cutback,” Jennings said.

“The whole thing is very uncertain,” said Judith B. Washburn, special assistant to the president. “Passage of the sales tax is not probable.”

Washburn said OSU is required to balance its budget every fiscal year.

“We’re required as a university not to have a deficit budget,” she said. “We must be fiscally responsible.”

Weldon E. Ihrig, acting vice president for finance and planning, also supports Jennings stand on the budget decision.

“We have made no change in our plans,” Ihrig said.

OSU started out with a level of uncertainty as to the exact figures to be cut by the state, he said.

“We are still awaiting some final word,” Ihrig said. “It would be helpful to know the true magnitude of the situation.”
Deans outline problems posed by budget cutbacks

By Craig Jolley
Lantern staff writer

Some educational and research programs might suffer in the wake of OSU President Edward H. Jennings' call for $19.6 million in budget cuts.

According to five OSU deans, the cutbacks may mean larger classes, outdated equipment and the loss of faculty.

Patrick R. Dugan, dean of the College of Biological Sciences, said three faculty and three service personnel positions have been frozen.

In addition, Dugan said he will reorganize his administration, but declined to comment on the specific details of that plan until the individuals concerned had been informed.

Although no definite decisions have been made about cutting education programs, Dugan said he may have to cancel some smaller classes and not offer others as often.

Colin B. Bull, dean of the College of Mathematical and Physical Sciences, said some of his programs would undergo changes as well.

"Almost certainly there will be a reduced number of teaching associates in our bigger classes, such as math, which means our recitation classes will be larger," he said.

Some graduate courses also will fall under the knife this year, Bull said.

Because of the cuts, faculty may have to teach additional classes, he said.

"We are trying as hard as we can to protect the integrity of teaching and research," he said.

Albert H. Soloway, dean of the College of Pharmacy, said he is concerned about the loss of his best faculty members to the private sector or other universities.

"It (budget cuts) has resulted in some of our brightest people leaving in the middle of the year," he said.

In making his budget plans, Soloway said keeping academic quality consistent is critical. But his greatest concern is maintaining the quality of faculty.

"I don't want to see our faculty get discouraged. Quality is not made up of bricks and mortar or even equipment, but people," he said.

Cuts in equipment and maintenance funds, however, are a concern to other deans in their budget prep-

ations.

Jennings canceled a $3.6 million allocation for equipment and books Tuesday because of state cutbacks.

Robert F. Redmond, associate dean of the College of Engineering, said students should be trained on new equipment because of the constant changes in the engineering field.

"Hands-on experience is what we like to give students, and accommodations will have to be made in the lectures to get around the problem. But until we can get back to that hands-on approach, it will be a shortcoming," he said.

Dugan said his college also needs up-to-date equipment to educate students.

"In our business we have to teach students how to operate current equipment relating to the biological sciences," he said.

Because of this, Dugan said certain areas may have to be specialized instead of trying to upgrade equipment in all areas.

Bull said not being able to purchase equipment would place his college in a bad situation.

"We will fall behind the competition," he said.

As an example, Bull pointed to the Department of Astronomy, which has access to the fifth largest university telescope in the country in Flagstaff, Ariz.

He said the department needs new equipment to carry out research with the telescope, but, because of the funding cut, that equipment will be hard to obtain.

For James E. Meeks, dean of the College of Law, the cancellation of the library acquisition fund will have a "direct, serious impact" on the law library.

"It (the acquisition) would have been a one-time shot which would have helped us catch up with our library," he said.

Meeks said the cancellation will have a negative effect on his faculty's morale.

"They (the faculty) see us losing ground on every front. They see the library and equipment support deteriorating. They are faced with the possibility of larger classes and finally their summer research programs could be curtailed. In terms of faculty morale, it is very low," he said.
Tax-exempt OSU tract to be tested

By Duane St. Clair

The Ohio Department of Tax Equalization will decide whether a private company can avoid paying real estate taxes by leasing a building from Ohio State University.

The decision also will indicate whether universities can make a profit by not paying taxes on real property.

Franklin County Auditor Roger W. Tracy Jr. has decided to bill OSU for $5,046 in real estate taxes on a building it owns at 330 Kinneary Rd. OSU leases the building for $86,430 a year to Warner Cable Corp.

THE UNIVERSITY has asked for a tax exemption and Tracy's office has forwarded the request to the tax equalization department for a decision.

The property was tax-exempt from 1976 until last year when the auditor's office decided it shouldn't be. The decision was made to test tax exemptions for income-producing university property.

Franklin County Treasurer Dana G. Rinehart criticized the exemption application Thursday. The application says the university bought the building in September 1961 for $242,834 to promote a charitable, educational and public purpose, namely the university.

"That is a plain untruth," Rinehart said. The building is used strictly to make money for the university's general fund, he said.

THE EXEMPTION is sought under a state law that says exemptions can be granted if the property is bought "not with the view to profit," Rinehart said. The university is profiting from the property, he said.

Meanwhile, Warner Cable, a private profit-making firm, he said, would not pay taxes, either directly or indirectly on the property in Clinton Township.

The university, he said, claims it is short of money because of state budget cuts. At the same time, he said, it is ignoring the needs of primary and secondary education by trying to avoid paying taxes, some of which would go to Columbus schools.

It's conceivable, Rinehart said, that a private firm or an individual could get a charitable organization, even a church, to buy and lease a property for a business venture and avoid real estate tax payments, just as Warner Cable probably will.

James R. Gorry Jr., lawyer for the tax equalization department, said the values of tax-exempt property are growing faster than the values of taxable property in the state.

RINEHART SAID the tax exemption problem in Ohio "makes the ($1.3 million) theft in (State Treasurer) Gertrude Donahoy's office look like a piker."

In a related matter, the Ohio Supreme Court on Wednesday ruled that the Chemical Abstracts Society, a non-profit, educational institution, does not have to pay about $104,000 in taxes on its 60-acre tract at Olentangy River Rd. and W. Dodridge St.

Part of the site is landscaped and has recreational facilities to help recruit employees, which the court said makes the land "incidental to" its non-profit educational operation.

IN A DISSENTING opinion, Justice William B. Brown said the ruling means such an institution could build the equivalent of an Augusta National golf course for its employees and not pay any taxes on it. He said he doubted the Ohio General Assembly intended to grant exemptions on such investments.

Rinehart said "hats off to" Brown, whose dissent the treasurer said showed the exemption law adopted in 1969 "doesn't have a loophole. It's a Grand Canyon and we're going to drop a $250,000 (OSU) building through it," he said.
OSU offices, campuses begin trimming budgets

By Scott R. Schumaker
Lantern staff writer
2-11-83

Several Ohio State departments and offices have begun cutting their budgets to meet President Edward H. Jennings' request to cut OSU's budget by $5.7 million.

The regional campuses, the Office of Personnel Services, the College of Agriculture and Home Economics and the Office of University Communications and Development have begun trimming their budgets to account for their share of the 2.45 million Jennings instructed the vice presidents' offices to cut last week.

The four regional campuses cut their budget $240,000, or 5.2 percent, said John T. Mount, vice president for regional campuses and dean of University College.

Each campus' budget cut was proportional to its enrollment, he said.

 Mansfield, the largest regional campus, cut $74,000. Newark cut $62,000; Lima cut $60,000 and Marion cut $44,000, Mount said.

The reductions were made in the following five areas:
* Academic offerings that did not draw enough student interest to justify keeping them as part of the curriculum. Costs in the employment of special faculty and faculty transportation to and from campuses will be reduced by these cuts.
* Operating accounts for printing, supplies and advertising.
* Support staff, which includes maintenance and clerical workers, by not filling vacancies until the end of the fiscal year.
* Energy costs and snow removal because of this year's mild winter.
* Equipment purchases.

The deans and faculty of the regional campuses were consulted about what areas would be cut, Mount said.

Careful planning reduced the effects of the cuts, he said. Officials had expected 1983 budget cuts and had planned the budget accordingly.

About 2 percent of the regional campus' budget was never spent because of the anticipation of cuts, Mount said.

The Office of Personnel Services cut personnel and operating equipment budgets by $48,000, according to Madison H. Scott, vice president for Personnel Services.

About $34,000 will be cut from the personnel budget by not hiring people to fill open positions, and $12,000 will be cut from the operating equipment budget, Scott said.

Some employees will be reassigned as work demands shift. If someone quits in payroll, for example, an employee may be reassigned from another area to fill the opening.

Scott also will be assuming more responsibilities because his special assistant position will not be filled.

"Everybody is in the same old leaky boat," he said.

The College of Agriculture and Home Economics will cut $1.2 million from its budget.

The College of Agriculture will make cuts in teaching, research and the cooperative extension program. The Agricultural Technical Institute (ATI) in Wooster also will cut $76,000 from its budget, said Harold D. Bauman, assistant dean of the College of Agriculture and Home Economics.

The various departments of the College of Agriculture will each make the teaching cuts in proportion to their size, he said.

Each department also can cut allocations from Ohio General Assembly funds, contract funds, grants and earnings.

Contract funds cannot be cut directly because they must be used to do the work that was contracted. However, contract funds free other funds that can be cut, Bauman said.

For example, instead of using General Assembly funds, for work in one area, a department would use contract funds whenever available.

Bauman said $829,000 will be cut in research in the following areas:
* Department operations, such as supplies and travel.
* State vehicle use.
* Purchasing research animals.
* Equipment purchases, rental and repairs.

Bauman said the $366,000 cut from the OSU Cooperative Extension Service will be made by postponing the purchase of a computer system that would centralize each of the 38 state offices and by not filling vacant positions.

ATI is similar to a regional campus and will make cuts like the other regional campuses.

The overall agriculture budget cuts will have some impact, but will not cause the cancellation of courses, Bauman said.

University Communications and Development will cut its budget by $76,000, said Barbara J. Osborne, special assistant to the vice president for the department.

The areas affected will include:
* The Development fund will cut $23,000 in personnel funds by postponing the filling of one open position.
* University Communications and Development Administration will cut $20,000 in personnel funds and $3,000 in operating funds.
* Communications Services will cut $5,000 from "onCampus", a weekly publication for OSU faculty and staff. It also will cut $2,500 from the operating budget.
* University Publications will cut $5,000 from "Quest", a publication on research at OSU. They also will cut $2,500 from its operating budget.
Ohio’s latest budget crisis: A chronological review

By Matt Moffett
and Laura Palko
Lantern staff writers
2-12-82

It has now been 28 days since the state dropped its $1 billion budget bomb on a disbelieving public, already suffering the inflation and unemployment of an outrageous recession. In the weeks that followed the announcement of the $1 billion deficit, the governor ducked, the OSU administrators cut, the media speculated and the people simply wondered why.

The summary of events that follows does not attempt to answer that question. But it should provide some insight into how Ohio has arrived at what some already are calling “The Depression of ’82.”

NOVEMBER 12 — After 11 months and two interim budgets the Ohio legislature approves a $13.5 billion budget for the 1981-82 biennium with a $144.7 million appropriation to OSU for 1981-82 and $165.2 million for 1982-83. The bill, hammered out in a conference committee, includes a record $1.3 billion tax package.

That night OSU President Edward H. Jennings announces that autumn quarter tuition surcharges will be reduced 50 percent. He also raises faculty salaries 4 percent across-the-board with 5 percent more to be distributed on a merit basis. A $1.1 million allocation for student financial aid, a $2 million line for the equipment purchases and a one-time $1.1 million allocation for library acquisitions also are part of the plan. Jennings says, however, $6.7 million must be cut from the budget by July 1, 1983.

DECEMBER 8 — In a gloomy foreshadowing of troubles to come, Budget Director William Keip reports that revenue totals for November were about $25 million below estimates. “It is not a cause for concern at this point,” Keip says. Later on, however, it will be.

DECEMBER 10 — The OSU Board of Trustees approves the $807 million OSU budget, including the tuition cut and salary increases. After the board meeting Jennings says OSU money-making entities must begin paying for their own utilities, maintenance and overhead costs.

JANUARY 4 — Former budget director William Keip makes his final report to the state legislature. It is not encouraging. Keip reports that the state may not be able to make welfare payments if tax revenue continues to fall short of estimates. Howard Collier becomes the new budget director as Keip moves on as director of the Ohio Department of Administrative Services.

JANUARY 13 — OSU vice presidents begin searching for areas to cut to meet a university-wide $6.7 million retrenchment announced in November. Individual cutback plans are to be submitted Jan. 15.

JANUARY 14 — Black Thursday in Ohio. Collier announces that Ohio is facing a projected $983.4 deficit. According to Collier, Ohio is “near the downslide slope of a serious depression — not near the bottom yet.” He unveils a “mathematical solution” to the states $1 million problem. His proposal would take $6.5 million from higher education in 1982 and $138 million in 1983 — a total of $203.8 million. That would amount to an 8.9 percent reduction for this year and a 16.3 cut for the next fiscal year.

Jennings receives word of the “most severe budget crisis in the history of Ohio State University.” The state’s proposed cuts prompt him to halt all purchasing and hiring.

JANUARY 15 — All in-state and out-of-state travel is frozen and plans for renovation and construction are halted. No employee overtime is available.

JANUARY 19 — Senate President Paul E. Gillmor, R-Port Clinton, says he might support a tax increase to bail the state out of its present fiscal misery. House Speaker Vernal G. Rifke, D-New Boston, rejects any suggestion of such an increase. At a meeting of the State Controlling Board, the group that releases funds appropriated by the legislature, Collier describes the cuts outlined in the “mathematical solution” as “reprehensible.”

JANUARY 20 — Collier announces that cuts in aid to higher education will be delayed for 30 days to give legislative leaders more time to devise alternative solutions. Later, the controlling board releases the entire January higher education instructional subsidy.

Jennings denies rumors that OSU will close its doors for summer quarter. He also says OSU will double tuition only if told to do so by the state. If tuition is doubled, “we are on the road to becoming a private institution,” Jennings says.

JANUARY 21 — Jennings announces $20 million will be cut by June 30 without eliminating academic programs. Plans for the March 9 OSU presidential inauguration ceremony are canceled.

JANUARY 22 — Ohio Board of Regents Chancellor Edward Q. Moulton warns legislators that the proposed cuts in aid to higher education would lead to 50 percent tuition increases and the cancellation of Ohio Instructional Grants for 22,000 students beginning spring quarter.

JANUARY 25 — Gillmor, Rifke and Senate Finance Committee Chairman Stanley J. Aronoff, R-Cincinnati, meet with Gov. James A. Rhodes and top budget officials. The legislators come out of the meeting saying they will do nothing to battle the budget deficit until Rhodes initiates massive spending cuts. Gillmor changes his stand on a tax increase, saying he would not support one.

JANUARY 26 — Jennings delivers policy address to the university and outlines $19.6 million in cutbacks to be made by June 30. He does not mention a spring quarter fee hike or faculty and staff layoffs. Jennings orders revenue-earning entities to pay overhead costs totaling $4.5 million; cancellation of the library acquisitions and equipment allocation to save $3.8 million; vice presidents of campus operating units to cut $5 million from their budgets; installation of an energy saving plan to save $500,000; operating units receiving state subsidies to cut
their budgets by $4.3 million. Jennings also plans to use $3 million from university emergency funds. The formation of a policy review and implementation team and a university-wide fiscal advisory committee is announced. The travel ban and hiring and purchasing freezes are lifted, leaving it up to individual vice presidents to make the required cuts within their areas.

JANUARY 27 — Senate Republicans present a plan to balance the budget on a month-by-month basis, starting with a floating system of spending reductions of about 10 percent. The cuts would change to compensate for shortfalls in tax revenue.

Jennings travels to Washington and appeals to the Ohio congressional delegation to consider the university’s need for federal funding. He tells the congressmen OSU’s $125 million allocation for student loans and grants is to be reduced to $6 million.

JANUARY 30 — At last, the ax falls. Rhodes orders an immediate 3 percent cut in state spending and proposes a package of other money saving measures, including a 1 percent increase in the state sales tax, which would raise it from 3 to 6 cents. The 3 percent cut erases the state’s $100 million shortfall through January, but legislators are cool to the idea of another tax increase in an election year. The cut costs Ohio’s colleges and universities $70 million in aid for 1982.

FEBRUARY 1 — Jennings says the 3 percent cuts ordered by Rhodes will not alter OSU budget cutback plans. The policy review and implementation team is named to provide Jennings guidance in managing the OSU budget.

FEBRUARY 2 — About 150 students from universities throughout Ohio gather at the Statehouse to talk to legislators about the proposed cuts in aid to higher education. Problems of organization mar the rally, sponsored by the Ohio Student Association (OSA). Legislators are unaware that the students are coming and, in many cases, are unavailable to meet with them.

FEBRUARY 3 — The University Senate Steering Committee announces nominations are open for a university-wide fiscal advisory committee to help Jennings review enacted retrenchment policies.

The Players

Gov. James A. Rhodes — Has kept a low profile during the budget crisis. His proposal for a 1 cent sales tax increase has met with a cool reception from legislators facing re-election battles. He has said he thinks the legislature will be more receptive to a tax increase when continued budget cuts force school closings.

Howard Collier, Director of the Office of Budget and Management — Back in the saddle again after two previous stints as Rhodes’ budget director, Collier brings with him a wealth of experience. More importantly, he was not in office when the budget blunders were made, and is thus able to maintain a measure of credibility.

Ohio House Speaker Vernal G. Riffe, D-New Boston — "Is the House," says one legislator. Riffe is one of the dominant figures in Ohio politics. He has been adamant in opposing a tax increase to balance the budget and he is still skeptical about the severity of the state’s financial problems.

Ohio Senate President Paul E. Gillmor, R-Port Clinton — Has led a Republican caucus, which has been more active than its Democratic counterpart in proposing budget solutions. Rhodes adopted some of the points in the Republican budget solution in his own plan.

OSU President Edward H. Jennings — Became president of OSU in September primarily because he was noted for his financial expertise. Jennings has cut OSU’s budget each time the state failed to balance the books. He said he favors weighing increases in tuition against a retrenchment program to keep OSU in the black. Jennings also has stressed maintaining competitive faculty and staff salaries.
OSU colleges and departments can count on at least 90 percent of their 1981-82 base budgets when planning for the 1982-83 fiscal year, OSU President Edward H. Jennings said Wednesday.

Jennings said he announced the 10 percent cut Wednesday so deans and directors could make definite commitments to hire faculty and plan class scheduling for next year.

He emphasized that the cuts may not be as large as 10 percent, but said that depends upon uncertainties such as future state subsidies and tuition rates. Jennings said he does not foresee the percentage falling below 90 percent.

He said the 90 percent commitment was "not bad" but it is still "awfully tough" under the circumstances.

It was not immediately known how much money the plan would save the university.

But Diether H. Haenicke, dean of the College of Humanities, said, "A 10 percent cut would result in severe shortages in all areas of operations."

He said personnel in the College of Humanities would be hit especially hard, because 91 percent of the college's expenditures are tied up in personnel funds. Budgets for travel and equipment also would be affected, as well as the number of classes offered.

James E. Meeks, dean of the College of Law, also said personnel would be affected greatly by a 10 percent cut, but said it still is too soon to assess the exact impact. Personnel costs make up approximately 90 percent of the law school's budget.

S. Earl Brown, dean of the College of Social and Behavioral Sciences, said budget problems might force the college to consider leaving open positions unfilled or filling them with graduate students. He said he also may have to cut some summer programs and make further reductions in equipment purchases, traveling expenses and telephone and copy machine use.
Researchers across the country may be discouraged from applying for government research grants because of President Reagan's proposed funding cuts, but OSU faculty are not intimidated.

Kenneth W. Sloan, executive director for the Research Foundation, said OSU research proposals have dropped less than 1 percent in the last year.

Other universities and colleges, however, are experiencing a drastic decrease in grant requests.

The State University of New York reported a 15 to 20 percent drop in research proposals this year, Sloan said.

According to a published report, many researchers are discouraged by Reagan's proposals to cut deeply into the budgets of agencies that support university research. They often decide it would be a waste of time to apply when no money is available.

While some agencies have had their budgets reduced, in many cases Congress did not cut as extensively as Reagan recommended. As a result, the prospects for receiving grants are not as dim as they were assumed to be.

Program officials also may have trouble justifying increased budgets in the future if research proposals continue to drop.

According to the report, Julia Jacobson, of the Association for Affiliated College and University Offices in Washington, said, "There is no question that it could have an impact on budgets in the future if few people apply for grants now. The administration and Congress will say, 'You don't need that money.'"

Jacobson said the association released a newsletter that reported the National Science Foundation experienced a 25 percent drop in grant applications in the current fiscal year. The National Institute of Mental Health had a 66 percent reduction while the education division of the National Endowment of the Humanities dropped 25 percent.

Sloan said OSU faculty have taken advantage of the drop in proposals and have continued to apply for research grants as usual.

"This is probably the best time to submit (proposals)," Sloan said. He said the OSU Research Foundation staff counsels the department leaders in applying for the research grants.

"There have been similar budget messages in years past," Sloan said. "I think our faculty has learned through time."
Budget cut prompts sale of OSU's reserve oil

By Becky Yerak
Lantern staff writer 2-23-82

About 300,000 gallons of heating oil originally purchased by OSU in 1977 and stored in Springfield will be sold because of the university's need for ready cash.

The oil, which is stored at Tresler Oil Co., originally cost 38.9 cents a gallon, but OSU hopes to sell it for at least $1 a gallon, said Stephanie K. Blackwood, administrative associate for business administration.

The current market price is approximately $1.10 a gallon, she said.

Bids on the oil will be taken until Wednesday.

Blackwood said the money from the sale will be put back into the general fund as part of The Office of Business Administration's current retrenchment.

At this time, OSU is in a "cash-needed situation," she said.

Richard D. Jackson, vice president for business administration, already put $269,102 toward his retrenchment from the expected sale of the oil.

The oil costs about $18,000 a year to store and is not needed for reserve as it was during the energy crisis, Blackwood said.

She said it is not needed because OSU depends on more than just oil, and is studying alternate forms of energy.

Blackwood said her office was trying to find ways to cut costs during last year's retrenchment, and someone mentioned the oil.

The proposal was written last year, but no action was taken because OSU decided to watch the market for changes. The market did not change, however, and the decision was made to sell, she said.
OSU President Edward H. Jennings Wednesday announced the appointment of a 12-member University Fiscal Advisory Committee composed of seven faculty members, three students and two staff members.

The committee will review current budget policies and provide Jennings guidance on managing the university through an estimated budget cutback of $56 million through the biennium.

The faculty members are: David H. Boyne, chairman of the Department of Agricultural Economics and Rural Sociology; Jessie A. Engle, associate professor of mathematics at the Marion campus; Nancy S. Erickson, associate professor of law; Joan R. Leitzel, associate professor of mathematics; William Moore, Jr., professor of educational administration; Ronald C. Rosbottom, professor of romance languages; and Marilyn R. Waldman, chairman of the division of comparative studies in the humanities.

The three students selected for the advisory committee include John S. Jordan, a graduate student in clinical psychology from Columbus; Eric M. Seabrook, a junior in communications from Augusta, Ga.; and Mark H. Spencer, a graduate student in educational administration from Salt Lake City, Utah.

Betty J. Hudson, assistant dean for the University College Administration, and Richard S. Stedard, administrative associate in political science are the two staff members who accepted appointments to the advisory committee.

Larry R. Thompson and Judith B. Washburn, special assistants to the president, will act as liaison between the committee and Jennings' office.

He also said he looks forward to working closely with the committee as it provides guidance "with respect to the numerous alternatives that must be considered as this institution is managed with more limited financial resources."

Jennings asked the University Senate Steering Committee last month to provide him with a slate naming 10 faculty, six student and four staff candidates.

Jennings asked that the advisory committee submit its initial recommendations to him by April 15.
Keeping higher education going in a financial squeeze

Ohio State's new president enters an uncertain financial climate with qualifications that make him the right man at the right time.

By Gael Monie O'Brien

Edward H. Jennings, the 10th president of Ohio State University, arrived in Columbus last fall to confront the complex financial difficulties facing most educational institutions these days, especially those in economically hard-pressed industrial states. With Ohio's economy lagging, Ohio State had been forced to make serious budget cuts and was in the second year of a hiring and equipment freeze. In addition, conflicts in the General Assembly had pushed the state into financing with temporary budgets and by the time a permanent appropriations bill was approved—four months late—OSU had lost about $5 million in state subsidy payments as a result of the lower interim budget totals.

Jennings came to Ohio State from the University of Wyoming, where he was credited with effecting a tremendous hike in state support for the school—nearly a 60 percent increase in funds. He had a reputation for working well with that state's legislature, but the Wyoming economy was on the rise thanks to the significant increase in tax revenues.
resulting from the development of oil, gas and coal reserves.

At Ohio State, however, 120 faculty positions and 200 staff jobs were unfilled because of the freeze. Student fees had been hiked 24 percent and facilities and equipment were overdue for maintenance work because the state had not passed a capital improvements bill in over two years. There were even any of the usual flowers planted on campus.

In addition to the impact of the state's money problems, there was the federal government proposing cutbacks in education and research support, action bound to affect an institution that was used to getting some $80 million a year in federal funds.

Jennings, 45, who has a Ph.D. in finance and who requested tenure at OSU as professor of finance as part of his contract, wasted no time getting to know the people in position to help Ohio State. Within his first two weeks on the job he met with Franklin County legislators and appeared before an Ohio House of Representatives finance subcommittee which was holding hearings on the state budget. When the bill was sent to the Senate for approval, Jennings met individually with leaders of both parties.

His background as a former vice president of finance was apparent in talks with legislators, says William Napier, assistant to Jennings for legislative affairs. "Dr. Jennings told legislators what specifically could be done at OSU at each of several different funding levels," says Napier. "This was a new approach for legislators because they are used to university presidents talking in general terms." On the day the Ohio Senate voted on the budget, Jennings was the only university president there, standing in the Senate chamber while the bill was debated.

OSU was to receive an estimated $309.9 million from the state for operating expenses for the two years ending June 30, 1988. The university's annual budget is some $600 million. "It is a very lean state budget and a very lean budget for the university," Jennings said at the time.

Immediately after the state budget was approved, Jennings made the very popular decision to reduce student fees—the first such reduction in the university's history—and to increase faculty salaries by an average 9 percent.

The university also was to upgrade facilities and build some new buildings with the $90 million the legislature appropriated for it in the capital improvements bill. Included in the funding was a new cancer hospital, which received nearly half the appropriation.

But hardly had the ink dried on the state appropriations bill when budget officials realized there had been a major miscalculation on projected tax revenues and deep slashes were being considered for Ohio State and other publicly-supported schools for the period through mid-1989.

Jennings expected the university would have to cut $6.7 million from its spending plans over that time to keep down student fees, increase faculty salaries and make library acquisitions and equipment purchases. But the new projection from the state indicated that the subsidy could be reduced as much as 20 percent, forcing even greater cuts at the university.

In addition to grappling with money problems, Jennings spent his first period on the job getting acquainted with the people important to Ohio State, internally and externally. He resists, however, labeling as "public relations" the visibility he is trying to create for the school.

"Public relations can mean you have a product that isn't worth selling," he says, launching into his oft-repeated statement on the excellence of Ohio State's faculty—one of the reasons he took the job, he says—and the outstanding national reputation of the university.

"Perhaps one of the things you and I need to work on in the months ahead," he told members of the University Senate, "is helping the people of Ohio take a fresh look at Ohio State." He added that he brought "no specific agenda to the presidency" other than a desire to improve Ohio State's position as a leading university.

Jennings has a reputation for broad consultation. His administrative style, he says, is to talk to people and find out what is working before changing anything. "If it ain't broke, don't fix it," he says, smiling.

Initial campus reaction to the new president was generally of the "he seems to be doing all of the right things" tone. An engineering faculty member, bemoaning the inadequacy of his college's library and equipment budgets, says, "Somebody has to convince the legislature that you can't run a Cadillac of a school with Ford-type funding."

One of the few things Jennings brought to his new office was a resolution of appreciation from the University Senate at Wyoming. It praises him for being "eminently successful in obtaining substantial support for the university." Jennings proudly cites the 15 percent salary increases for faculty and the several buildings that were funded during his two years as Wyoming’s president. It is his "superb leadership record" and "experience and professional knowledge of the intricacies of finance" that are highlighted in the Ohio Senate resolution welcoming him to Ohio that also hangs on Jennings’ padded office wall.

For all the attention paid to his financial background, he makes it clear he also wants his experience as a faculty member recognized, as if to diffuse the inevitable faculty-administration antagonism that develops on most campuses. Becoming an administrator in the first place was a matter of chance, he says. When he was at the University of Iowa the vice president for finance suffered a heart attack and the president asked Jennings, then a department chairman, to assume more responsibility. Eventually, he became vice president. Jennings, who also had a brief stint in industry before getting his doctorate, gives the appearance of being able to have it both ways—he is president, with clear financial objectives, but as he told a group of faculty last fall, "I consider it a special honor also to have been appointed a professor and to join the distinguished company of scholars that make up Ohio State’s faculty."

It is too early to know where he intends to take OSU. He will supervise the university’s compliance with recommendations of an Ohio Board of Regents and Board of Education advisory commission that called for a college preparatory curriculum as a minimum standard for unconditional admission for college freshmen. It is expected that the program, which requires a specified number of units in English and writing skills, mathematics and other subjects, will reduce the need for costly remedial courses offered by OSU and other state universities.

At a time when the state’s re-
sources are spread thin and it will be necessary to make further spending cuts, the future of Ohio's support for its major university is not certain. Jennings appears all the more deter-
minded to do what is needed to main-
tain support for Ohio State and keep it as what he insists is "one of the three or four top public universities in the nation."

As the largest university in Ohio, Ohio State tends to overshadow the other institutions in the Central Ohio area. There are other colleges and universities and technical institutes in the community. Beginning with Ohio State, here is a summary of the offerings:

Ohio State University

Ohio State University has a total en-
rollment of 57,000 students; 52,682 at the main campus in Columbus and the rest on the regional cam-
puses in Lima, Marion, Newark and Mansfield, the Ohio Agricultural Re-
search and Development Center at Wooster and the OSU Graduate Cen-
ter at Wright-Patterson Air Force Base near Dayton. The main cam-
pus, occupying 380 buildings and 3,265 acres, is situated in the middle of urban Columbus, yet it maintains a separate college community with its own campus atmosphere.

In the late 1890s, the university's first colleges were established in agricul-
ture and home economics, veterinary medicine, pharmacy, engi-
neering and law. Today, the aca-
demic program includes 12 under-
graduate colleges, a graduate school and the additional professional col-
leges of dentistry, medicine and op-
tometry. OSU has an endowment of about $85 million.

Several of OSU's programs are ranked high in national surveys in-
cluding industrial technology educa-
tion, chemistry and linguistics. A re-
cent national survey placed the fac-
ulties in education, agriculture and

home economics at Ohio State among
the best in the nation. Another study
rated the College of Pharmacy among the top three schools and ranked the College of Optometry third in the nation. Also, the College of Veterinary Medicine has been recognized as one of the top four in the country, and a ranking in en-
engineering placed that OSU division in the top seven.

OSU provides some unique areas of study. It is the only university in Ohio to offer degrees in geodetic sci-
ence, landscape architecture, medi-
cal illustration, medical communica-
tion, mining engineering, natural
resources, optometry, veterinary medicine and welding engineering. OSU is also the only school in the state to offer graduate-level work in agriculture and landscape architec-
ture. The bachelor's degree is of-
fered in 202 undergraduate areas of study, the master's degree in 116 and the doctorate in 86. The Associate of Applied Science degree also is available in certain areas.

In addition to its vast academic offer-
ings, OSU provides services to the city and state in the way of health care, information centers and ongoing research. University Hospi-
tals, the dental clinic, the College of Optometry and the veterinary hos-

As the largest university in Ohio, Ohio State tends to overshadow the other institutions in the Central Ohio area."

Ohio State University president Edward Jennings.
hospital treat thousands of patients each year. Information and training in the areas of agriculture, home economics and teaching methods are presented to people all over the state by OSU's Cooperative Extension Service.

Among the many research centers are the federally-designated comprehensive Cancer Research and Demonstration Center, one of 21 in the country; the Transportation Research Center in Marysville; the Institute of Polar Studies; the Ohio Agricultural Research and Development Center, and the program for Energy Research, Education and Public Service. There are more than 100 areas of specialized research in operation at Ohio State.

Other services to the community include radio stations WOSU-AM and FM, WOSU-TV in Columbus and WPBO-TV in Portsmouth and the Department of Continuing Education. OSU offers a wide range of credit and noncredit courses through a variety of continuing education programs. The Weekend University, in its second year, has an enrollment of 1,000 students a quarter and offers many intermediate and advanced courses in addition to introductory courses. Evening courses serve about 13,500 students a quarter. About 700 courses are offered in the evening, including as of this year a complete undergraduate major in computer science. Courses in photography and cinema are now available in the evening program. The Urban Extension and Community Programs offer about 150 noncredit courses a quarter, including a series of lectures this spring on law for nonlawyers. Basic skills courses are offered on site to businesses and organizations.

OSU functions as a system of colleges under the umbrella of the university, and specific information is available through the administrative offices in each college.

**Tuition:** $435 a quarter for undergraduate Ohio residents; $560 at the graduate level. **Room:** $1,473 (average annual cost for undergraduate housing, multiple occupancy). **Room and board:** $2,271 (average per year).

**OSU Admissions Office, third floor, Lincoln Tower, 1800 Cannon Dr., Columbus 43210. Phone: 422-6621; Office of Continuing Education, 210 Student Hall, 422-8890; noncredit program, 2400 Olentangy River Rd., 422-8571.**
Department cutbacks take hold; quality of equipment decreasing

By Laura Palko
Lantern staff writer 3-12-82

Although inadequate equipment decreases the quality of OSU academic programs and makes it more difficult to attract qualified faculty, many departments are using equipment funds to meet recent budget cutback orders.

Reports from various department directors concerning the impact of budget cuts on their units describe the decreasing degree of quality in the services and equipment offered by the university.

In addition to the publicized problems of obsolete equipment in the College of Engineering and the lack of funding to replace equipment at the WOSU radio and television stations, university-wide difficulties will affect every OSU student.

Katheryn T. Schoen, vice president for educational services, reports a decrease in employees at university libraries is taking its toll on service quality.

Holding records for serials are not up to date, filing cards cannot be kept current, and discrepancies exist in information headings, according to the report.

The greatest impact in the library cuts has been on acquisitions of materials.

Recently, $1.35 million in one-time-only money allocated for books was taken from the libraries. This represents a loss of about 55,000 titles.

The seriousness of the cutbacks is detrimental since university libraries need an estimated $12 million just to regain their 1968-69 position, the report said.

The College of Law library lost $50,000 in acquisition funds as a result of the budget cuts.

While state support has increased at less than 3 percent annually, the college has faced an average 25 percent inflation rate in the cost of books during the past three years.

As a result, the library has decreased in size from the sixth largest in the nation to the 10th largest.

The report states the libraries have been able to maintain normal operations only because student employment has been protected.

William R. Wallace, dean of the College of Dentistry, said the college will meet its $212,000 cut by using funds originally intended to replace critically needed equipment.

Wallace said the college needs new dental equipment as well as funding for quality research and education.

The budget cuts will “obviously affect the capability of faculty,” he said.

Wallace expressed concern that the college will have to replace the equipment sometime.

“We are avoiding an inevitable situation,” he said.

The College of Social and Behavioral Sciences reported the School of Journalism needs 100 new typewriters, and The Lantern needs a new photo enlarger.

The college budget for equipment was slashed by $275,000.

Mitchel D. Livingston, dean of Student Life, said some programs in the Office of Student Life may be threatened by budget cuts.

The office may have to charge fees for many programs and services that are now free to students, the report said.

Livingston said his office is “trying to absorb (its) debts without eliminating services.”

However, he said, further budget reductions could have a negative impact on student services such as Freshman Orientation and Welcome Week.

About 14,000 students participate in these activities annually, he said.

Also, special programs for women and minorities, which are already under-budgeted, are threatened.

Because student life programs have a direct impact on student retention, a decrease in their services may increase student attrition, according to the report.
Two OSU positions to be axed

By Don Baird 4-3-82

LIMA, OHIO — Ohio State University President Edward H. Jennings will abolish the positions of two retiring OSU vice presidents, he said Friday.

His action followed announcements that John T. Mount, vice president for regional campuses, and Kathryn T. Schoen, vice president for educational services, will retire next year.

At a meeting of the board of trustees, held on OSU's Lima campus, Jennings said he will reassign programs they administered to other areas.

He also praised former head football coach Woody Hayes for his 28 years spent winning 205 football games and said a university street, Stadium Dr., will be renamed in his honor.

HAYES WAS fired in 1979 but later was awarded the title of professor emeritus by OSU trustees.

Friday, trustees awarded Hayes OSU's distinguished service award and approved the renaming of Stadium Dr., which runs from Neil Ave. to Kenny Rd., between Ohio Stadium and St. John Arena.

Jennings also had praise for the Ohio Senate, predicting a bill it passed earlier this week will reduce OSU's share of statewide budget cuts from about $55 million to $27.5 million.

"I very much appreciate the understanding that the Ohio Senate has provided," he said.

In January, Jennings slashed OSU's budget almost $20 million for the period ending June 30. He had feared the budget for the next fiscal year would have to be cut by about another $55 million.

If the House also approves the Senate bill calling for new taxes, OSU will face $7.5 million in cuts next year.
COLUMBUS, Ohio -- The Ohio State University Board of Trustees Thursday (6/10) approved an operating budget of $644.8 million for the 1982-83 fiscal year beginning July 1.

"We are recommending an extremely austere fiscal program," Ohio State President Edward Jennings told the trustees.

Between last January and the end of the next fiscal year, the university expects to retrench $42 million, even assuming the Ohio Legislature agrees to a package of less severe state budget reductions and tax increases for this next year, Jennings said.

If the Legislature fails to reach agreement on measures to increase state revenues by July 1, the university will initiate additional budget cuts during 1982-83 totaling $8 million, the president said.

"Although it was our intent to wait until legislative action was completed before recommending a budget for 1982-83, we cannot wait any longer," he said. "Our goal has been to provide more fiscal stability to allow faculty, staff and students to plan for next year. Unless we proceed, the stability we hope to establish will be endangered."

As part of the university budget, the trustees approved increases in instructional and general fees averaging slightly less than 12 percent, effective autumn quarter 1982. An

- more -
undergraduate student from Ohio, for example, will pay $486 per quarter, up from $435.

Room and board charges also went up. An undergraduate will pay $833 per quarter beginning next autumn, 11 percent more than the current rate of $752.

"If we are to remain a viable institution of quality higher education, students must bear at least a moderate rise in the cost," Jennings said.

Recognizing that students face a variety of rising costs, however, Jennings recommended and the board concurred in a limit on increases in normal charges assessed by the university to a combined average of no more than 12 percent.

In addition, the trustees approved the president's recommendation that the university make a special, one-time allocation of $600,000 to maintain the purchasing power of university-funded student financial aid.

The trustees also adopted the president's recommended budget guidelines for 1982-83. Included in these guidelines are:

* An increase in faculty and administrative and professional staff salaries by an average of 3 percent across-the-board and 5 percent for merit.

* An increase of 9 percent in the general expense budgets of the colleges and offices, which includes 7 percent increases in stipends for graduate students working as teaching, research and administrative associates.

* An allowance of 1 percent as a supplemental allocation to adjust salaries of faculty and administrative and professional
University budget -- 3

staff in areas where market competition requires higher salaries.

The university budget for 1982-83 also includes full implementation of the overhead cost recovery system instituted last January for all university earnings operations and extends the budget retrenchments ordered in January at a level of $22.5 million annually.

If the Legislature does approve a revised state budget with additional revenues, then the university will:

* Eliminate the need for $8 million in further cuts and restore the applicable portion of the cuts to university operations funded by line-item appropriations from the state.

* Continue upgrading equipment and library acquisitions by making $5 million available in one-time funding in addition to the $3.1 million provided for these uses in the 1981-82 budget.

* Commit up to $3.2 million to meet teaching needs generated by increasing and shifting student enrollments.

* Maintain a $3.8 million contingency against further state and federal cutbacks during 1982-83.
For the University’s budget-makers, 1981-82 was unprecedented in its complexity and problems. After coping with three state cutbacks totaling 7 percent in the previous year, Ohio State started the new year with an interim budget that covered a four-month period during which legislators sought solutions to the state’s financial difficulties. The temporary budget continued Ohio State salaries at the current level and raised student fees an average of 24 percent. Nevertheless, the interim state subsidy level was below that of 1979 while both inflation and student enrollment were higher.

In November, the General Assembly made its appropriations for the remainder of the biennium. While finances were tight, University administrators were hopeful. The allocation, President Jennings said, was expected to permit the University to fulfill its mission as the state’s land-grant university and to maintain its reputation for excellence.

In December, the Trustees approved a budget for the rest of the year with a total income estimate of $607 million. It included the first student fee reduction in the University’s history by making a 50 percent cut in a surcharge assessed in the Autumn Quarter. Salary increases averaged 11 percent. There were raises in college and department general expense budgets and other increases.

Yet there remained the need to cut an additional $6.7 million before June 1983, and the president cautioned that uncertainties in the state’s income could affect student fee levels. Hiring restrictions continued, and the state’s budget legislation contained an automatic 1 percent cutback to be triggered if revenues were not up to projections.

They were not. Only two weeks into the new year, State Budget Director Howard Collier warned that a $1-billion deficit loomed by the end of the biennium, even in spite of higher taxes. Ohio State’s share of new state cutbacks at that time was set at $55 million for the biennium, $19.6 million by June 1982.

The University acted quickly. Although the full impact of the crisis was not immediately known, President Jennings directed a general freeze on hiring and on all but essential purchases. Capital planning ceased, energy-saving measures were reemphasized, and overtime work was curtailed. It was, he said, “clearly the most severe budget crisis in the history of Ohio State University.”

When the demands of the crisis became known in more detail, he brought faculty, staff, and students together in Mershon Auditorium on Jan. 26 to outline the specific policies and approaches designed to provide the necessary retrenchment for the rest of the year.

The measures included cancellation of a one-time allocation of $3.6 million for library acquisitions and equipment; installation of a system of recovering support services costs to save $4.5 million; budget reductions for the various operating units of the Columbus campus, $6 million; energy reductions, a half-million dollars; and $4.3 million in reductions for operating units where state subsidy is appropriated in line-item form.

At that time the president also announced plans to appoint two new committees, one to review the budget actions, the other to be an advisory administrative policy review and implementation team.

Named to the Fiscal Advisory Committee were faculty members David H. Boyne, Jesse A. Engle, Nancy S. Erickson, Joan R. Leitzel, William Moore Jr., Ronald C. Rosbottom, and Marilyn R. Waldman, chair. Students appointed were John S. Jordan, Eric Seabrook, and Mark H. Spencer. Staff representatives were Betty J. Hudson and Richard S. Stoddard. The committee made its report to the president on May 18.

The Administrative Policy Review and Implementation Team had as its charge, Jennings said, the provision of “advice, guidance, and interpretations of our fundamental principles as our University officers make extremely difficult and complex decisions on a daily basis.”

Appointed to this body were Dean Robert A. Burnham, Dean Diether H. Haenelie, Vice President Richard D. Jackson, Vice President Roy M. Kottman, Provost W. Ann Reynolds, Vice President Madison H. Scott, and Dean Manuel Tzagournis. Assisting the committee were President’s Staff members Weldon E. Ihrig, William J. Napier, Larry R. Thompson, Judith B. Washburn, and Sue L. Mayer.

Uncertainties regarding the budget for the current and following year remained until the Ohio Legislature enacted a temporary tax increase in late May.

The results were that cuts for fiscal 1981-82 totaled 5.5 percent with cuts from the 1982-83 proposed budget totaling 10 percent of the University’s appropriation. There would also be an automatic cut of an additional 2 percent if state revenues fell short of expectations.

In spite of the delays, the University prepared its operating budget for 1982-83 and presented it to the Board of Trustees. The Board approved it on schedule, before the state took final actions on the Ohio budget.

The University would operate in the year ahead on a budget totaling $644.8 million. The president called it “an extremely austere fiscal program.”

It included a $22-million retrenchment for the year. There were provisions for an additional $8 million in cuts if sufficient legislative support was not forthcoming.

Student fees went up. On an annual basis, instructional and general fees increased 9.6 percent. Room and board charges rose 11 percent.

All University charges were limited to a combined increase not to exceed 12 percent. A special one-time allocation totaling $600,000 went to maintain purchasing power of University-funded student aid.

The overhead cost recovery system begun in January was fully implemented.

One part of the University—the hospitals—kept rates at current levels for 1982-83. The University Hospitals Board announced on June 17 that, for the first time in 50 years, the hospitals would avoid an annual rate increase. The action came as the board adopted a budget with cost-containment provisions.

Faculty and students alike were concerned during the year with issues related directly or indirectly to the University’s retrenchment and financial prospects.

The future of tenure was one matter of sustained interest.
Sources

Total educational and general

State appropriations
Student fees and charges
Gifts, grants, and contracts
Endowment
Federal and local appropriations
Sales and services
Other
From fund balances

Total educational and general

Auxiliaries and hospitals

Auxiliary enterprises operations
Public service
Sold services
Other
From auxiliary enterprises funds
From fund balances

Total auxiliaries and hospitals

Total current sources

Uses

Total educational and general

Instruction educational and departmental research
Sponsored research
Public service
Audience support
Student services
Student aid
Operation and maintenance of plant
Institutional support
Other
Provision for uncollectible accounts
Appropriated for plant and endowment funds
Debt service
Auxiliary enterprises support

Total educational and general

Auxiliaries and hospitals

Auxiliary enterprises operations
Public service
Sold services
Other
Provision for uncollectible accounts
Appropriated for plant and endowment funds
Debt service

Total auxiliaries and hospitals

Total current uses
Budget worries OSU

By Graydon Hambrick

Larger classes, a more unsettled faculty and a bad sign to companies outside Ohio are among visions held by Edward H. Jennings as he considers what Gov. Richard F. Celeste's proposed budget will do to the Ohio State University campus.

The OSU president, while lacking specific figures, also thinks the budget for higher education would:

- Cause further cuts in campus services, from secretarial help to groundskeeping.

- Slow faculty research.

- Impede OSU's role in aiding the state economy.

"We need business and industrial development, and that will be slowed" if the education budget is low, Jennings said. He is trying to spur business growth with the proposed establishment of an industrial park near the OSU campus.

Jennings said Celeste's proposed $1.7 billion higher education budget would restore only $22 million of $34 million ordered chopped from the current year's budget by Celeste and former Gov. James A. Rhodes.

Under those earlier cuts OSU, in the fiscal year ending June 30, will receive only $182.9 million of its initial legislative appropriation of $215.7 million.

Jennings says he is not ready to concede that Celeste's spending plan is complete.

Because of previously ordered cuts by Celeste and Rhodes, OSU has already taken such steps as increasing the size of undergraduate science classes from 35 students to 30 students.

Enrollment in some colleges has decreased, but in others it has increased. Fewer students are enrolling in education, for instance, while enrollment in engineering has doubled. But money can't always be shifted from one office to another, officials said.
OSU boosts Jennings’ salary to $92,760

By John Switzer
Dispatch Staff Reporter

Ohio State University trustees approved Friday an 8 percent pay raise for President Edward H. Jennings. It is his third in two years.

Simultaneously, trustees approved a $712.8 million budget for fiscal year 1983-84, including a 7 percent increase in student fees.

Jennings’ salary climbs to $92,760, from $85,800. It was $65,000 when he was hired in June 1981, grew to $78,000 in December 1981 and reached $85,800 in June 1982.

Trustees said the increase is based on Jennings’ job performance and salaries paid to other Big Ten Conference presidents.

The student fee increase, announced earlier, means that an Ohio undergraduate student at the OSU main campus will pay $519 a quarter, up from $486. Tuition for out-of-state students will rise to $1,329 a quarter, from $1,242.

An Ohio graduate student will pay $670 a quarter, up from $627. Out-of-state graduate students will pay $1,611, up from $1,506.

Dormitory room and board costs for undergraduates will be $870 a quarter, up from $833.

Last school year’s budget was $651.1 million.

Most of the increase in the new budget is intended to meet higher costs and salary increases for academic and administrative employees ranging up to 7 percent. An across-the-board 3 percent raise is to be given with merit raises reaching 4 percent.

Jennings told trustees that $211.1 million, or less than 30 percent of the budget, will be provided by the state government. An average of 40 to 50 percent is provided by state governments at other major universities, he said.

The balance of OSU’s budget is based on $116.2 million in student fees and $385.5 million in income such as research grants, contracts, private gifts and charges by University Hospitals and other income-generating departments.

Jennings said OSU will face a serious problem in trying to keep student fees down in 1984-85.

“The level of state funding for the 1984-85 fiscal year may require student fee increases above this year’s 7 percent and further budget reallocation within all areas of the university,” he said.

In other action, the trustees:

- Granted college status to the School of Nursing, raising the total to 18 colleges at the university.
- Named Kathryn T. Schoen, vice president for educational services, as acting dean of the new college.
- Named the architectural firms of Trott & Bean of Columbus and Eisenman/Robertson of New York City to design the proposed $15 million Center for the Visual Arts.
- Approved matching a $647,423 Federal Aviation Administration grant with $71,933 in university funds to renovate Don Scott Field, the university airport.
- Received a $36,175 grant from the Board of Regents to conduct a surveillance program for Vietnam veterans who believe they have health problems that might be related to Agent Orange exposure.
- Approved spending $800,000 for a 94-unit apartment complex next to the Agricultural Technical Institution at Wooster for use as a student dormitory.
OSU trustees approve
salary, fee hikes

By Cynthia A. Griffin
Lantern staff writer 7-12-83

OSU students had mixed reactions over the Board of Trustees’ decision Friday to raise President Edward H. Jennings’ salary to $92,760. The board also approved a budget containing a 7 percent tuition increase.

The pay raise makes Jennings the second highest paid president among public funded Big Ten universities.

“If they’re going to increase our tuition, I don’t think they should increase his pay,” said Lorin K. Moore, a junior from Tallmadge majoring in allied medicine.

“It upsets me,” said Lora Swansinger, an engineering student from Brunswick. “Departments could use more funds for educational purposes.

“I wish more money went to grants and loans because I think everyone should get the chance to go to college,” she said.

Jennings said his salary and performance are reviewed every year at this time. He is eligible for another raise next summer if the trustees approve it.

Jennings has been granted three pay increases since July 1981, when he began at a salary of $65,000. The raise is 8 percent higher than the $85,800 he made last year.

The board decided the raise on Jennings’ outstanding work at the university and recognition of the ability he’s shown.

Although Jennings’ raise disturbed many students, some are more understanding of the board’s action.

“I don’t really mind. I imagine he’s got a lot of stress on him,” said Joseph R. Abraham, a sophomore from Columbus majoring in political science. “He deserves it.”

OSU Provost Dietrich Haenicke said the 8 percent figure “roughly parallels the increase given to the faculty members.” He said he agrees with the board’s decision, emphasizing that he feels the president’s work has been outstanding.

The approved budget includes a 3 percent across-the-board increase in salary for faculty members, and makes teachers eligible for merit pay which could go as high as 4 percent.

In the fall, tuition for undergraduate Ohio residents will be $519 — $33 more than this quarter.

Residence and dining hall fees for undergraduates will increase from $333 to $370 per quarter.

Speaking before the board, Jennings said, “Every effort will be made to improve student accessibility through moderate student tuition, but quality education must continue to be our highest priority.”

The board also made final approval of recommendations for the proposed Center for the Visual Arts to be constructed by the architectural teams of Trott & Bean of Columbus and Eisenman/Robertson of New York. The estimated cost of the project is $15 million, to be collected through private contributions.

The board also approved plans for renovation at OSU’s Don Scott Field. A Federal Aviation Administration grant of $647,423 will be matched by $71,933 from the university to fund the project.

The School of Nursing, established in 1914, was changed Friday to the College of Nursing. The board appointed Kathryn T. Schoen, vice president for educational services, as acting dean of the college.

Schoen had planned to retire in August, but the nursing faculty asked her to remain until a new dean is appointed.

The board appointed Jack M. Hollander vice president for research and graduate studies, effective Sept. 1. Hollander, 56, is currently professor of energy and resources at the University of California at Berkeley. He is also director of the Energy Research Group for the nine University of California campuses.

The board named Joan Huber, head of the department of sociology at the University of Illinois at Urbana-Champaign, as dean of the College of Social and Behavioral Sciences at OSU. Huber will take her position Jan. 1, 1984.

The board also accepted an $86,175 grant from the Ohio Board of Regents to conduct a study on Ohio Vietnam veterans who believe their health was affected by Agent Orange, a chemical used to kill dense foliage in the Vietnam jungles. Veterans who think they qualify for the test must contact their personal physicians and fill out health forms prepared by the research team.
Current presidential salaries of Big Ten universities

Northwestern University is a private school and is not funded by public taxes. The salary for Northwestern's president is not public information.
By Bob Irvin
Lantern staff writer 10-20-83

OSU President Edward H. Jennings' staff has already begun plans for budget reductions which will be necessary if State Issues 2 and 3 pass Nov. 8.

According to Larry R. Thompson, special assistant to the OSU president, these plans have placed the president's staff in an awkward position.

He said the president and his staff at this time are unsure of the specific services which would be cut if the issues pass or the extent of the cuts.

"We need to start planning for budget reductions now," Thompson said.

Issue 2 is a constitutional amendment that would require a three-fifths vote of the General Assembly instead of a simple majority to pass future tax increases. Issue 3 would repeal all new tax measures enacted this year.

Late last month in a speech before University Senate, Jennings estimated the total direct loss to OSU would be $132.7 million.

Jennings' estimate includes $79.3 million in approved capital improvements, $7.3 million in economic recovery and quality enhancement initiatives and $46.1 million in OSU's annual operating budget.

The $46.1 million figure represents an estimated reduction from $223 million to $177 million in state appropriations for the 1984-85 fiscal year.

That would be a drop of 21 percent — a reduction Jennings said would "risk irreparable damage to the Ohio State University."

The president also said the possible effects would be a 30 percent increase in tuition, a reduction in freshmen enrollment and reductions in academic budgets.

He said other effects could be reduced budgets in such restricted fund areas as Cooperative Extension, clinical support for medicine, veterinary medicine and dentistry.

Services totaling $8.6 million could be curtailed, including the use of the student unions, Larkins Hall, University Hospitals, agricultural testing services, the Cancer Research Institute and WOSU AM-FM-TV.

However, the 21 percent reduction in state appropriations is not likely to be evenly applied among all services, Thompson said.

"I doubt if the cuts will be across the board ... and so some of them (services) will be more affected than others," he said. "Some are less self-supporting than others."

Thompson added that they want to keep the academic units as complete as possible.

He said the university is in the unpleasant position of already having to make plans for reductions in new enrollment.

Jennings said in his speech that as many or more than 2,000 applicants would have to be turned away. The normal figure of new students is approximately 6,800. If the issues pass, the freshman class could be reduced by more than 30 percent.
COLUMBUS, Ohio -- President Edward H. Jennings presented budget guidelines for the 1984-85 fiscal year to Ohio State University's Board of Trustees on Friday (5/4).

The guidelines will be used by the university's colleges and offices to develop their individual budgets for the next year.

The president then will bring the university's total 1984-85 budget to the board for adoption at its next meeting, June 7. As part of that budget, the trustees will approve the pay increases for faculty and administrative and professional staff, the level of student fees, and other university charges.

"Barring very unusual circumstances," Jennings said, the budget guidelines presented Friday will reflect what his university budget recommendations will be to the board in June.

In his budget guidelines, the president called for:

-- a salary increase of 3 percent for faculty and staff and 4 percent in salary funds for merit increases.
-- a 5.5 percent increase in undergraduate instructional and general fees and a 7.5 percent increase for graduate and professional students. For an Ohio resident on the Columbus campus, the fees per quarter would rise next autumn from $519 to $547 for an undergraduate and from $670 to $718 for a graduate student.
-- a 3.2 percent average increase in fees charged by residence and dining halls. Room and board for a typical student would rise from $870 per quarter to $898 next autumn.
-- a 6 percent increase for the colleges' and offices' operating and equipment budgets.

The full text of President Jennings' statement is attached.
I am pleased to bring before the Board today, budget guidelines for the 1984-85 fiscal year that represent a return to normalcy within the institution. The State of Ohio has, in the last year, achieved budgetary stability, which has enabled the University to make realistic plans for the future reflecting this stable base of support. Even our planning timetable returns to the University's regular cycle with this May recommendation of guidelines.

Our budget remains very tight, however. Fiscal 1984-85 marks the second year of a biennium in which Ohio State is only beginning to recover from the devastating effects of four budget cuts in the preceding three years. Our priorities during that difficult time have been to achieve stability; maintain quality, and even make some progress in that regard; and to guard the vital concept of accessibility by holding down tuition and fee increases for our students.

The manner in which the deans, the faculty, staff, and student body have supported these goals in responding to our budget problems has brought us to the point where I am now able to recommend budget guidelines that begin to move us forward. For that, I want to thank all who have been involved in guiding the University through this difficult period.
However, I do want to emphasize that our state appropriation is still $12 million short, in inflation-adjusted dollars, of our state appropriation for 1979-80. We need to remind ourselves that Ohio's new tax base, created in the spring of 1983, replaced only $250 million of a $500 million state budget deficit. With the state funding provided for 1983-84 being at the same level as that appropriated the previous year, prior to the budget cuts, the $13 million in additional state funds for the next fiscal year represents an effective increase of only 3 percent a year for this biennium.

These guidelines for 1984-85 reflect our continued adherence to the five-year compensation plan developed three years ago by the University Senate's Faculty Compensation and Benefits Committee; and to the priority recommendations of the Fiscal Advisory Committee, which emphasized the importance of enhancing academic quality even as we continue to work toward improving accessibility.

Pursuing excellence within the institution means providing special funding for targeted areas; continuing our attention to maintaining competitive salaries; and making progress on the reduction of our enormous equipment and library needs backlog. Comprehensive quality also, of course, requires adequate funding to the operating budgets of individual colleges.
Just as important to our students as the quality found in the University's faculty and academic resources, is the cost of their education. Even under retrenchment, we have been able to hold Ohio State's tuition and fees to levels well below the Board of Regents statewide guidelines. We remain committed, within available resources, to continue our efforts to make progress in overcoming Ohio State's unfortunate status as one of the highest cost institutions among our sister universities in the Big Ten.

It is in this context that I bring to the Board these budget guidelines for 1984-85. In keeping with a return to normal budget cycles throughout the institution, it is my intention to recommend to this Board at its June 8 meeting the final budget for 1984-85. However, barring very unusual circumstances, the guidelines I am outlining today reflect what those recommendations will be.

Specifically, I am recommending a salary increase of 3 percent for our faculty and staff and providing 4 percent in salary funds for merit increases. Additionally, as in the past, central dollars will be provided for market adjustments and promotions. Our salary budgets also provide for Civil Service employees the average 7 percent pay raise recently mandated by the Ohio General Assembly.
In keeping with the recommendations in the five-year plan of the Faculty Compensation and Benefits Committee of University Senate, Ohio State has been striving to improve its salary ranking relative to the Big Ten. We have succeeded in moving into first and second place in the different faculty ranks. This year's increase represents not only attention to inflation, but also our commitment to maintaining our rank.

This salary recommendation also is closely in line with the 7.9 percent increase recommended by the members of the University Senate Fiscal Committee. However, I should point out that the Faculty Compensation and Benefits Committee has been involved in a study which suggests that the Big Ten, our traditional benchmark, has been losing ground in its relative salary ranking with all colleges and universities. This committee's higher recommendation of 9.5 percent salary increases reflected a new, nationwide comparative grouping.

While the salary guidelines I am recommending today continue to follow the five-year plan adopted in 1981, I believe the Faculty Compensation and Benefits Committee has raised an important issue that merits our further attention. We need to ascertain the appropriateness of continuing to use the Big Ten as our only salary comparison group. We do compete in the national arena. Therefore, I have asked the Compensation and Benefits Committee to continue to refine its study, and provide a more detailed report on the possibility of adopting a new comparative base for future years.
Our continued progress on building comprehensive quality demands that our salary levels enable us to retain and attract the very best faculty and staff. Correspondingly, our academic programs and support services must be returned to adequate funding levels. For the colleges' and offices' operating and equipment budgets, I am recommending 6 percent increases for 1984-85. This amount provides new funding rather than limited recovery from earlier budget cuts. That pattern of the past few years is behind us, and our deans will now be able to make decisions from a clearly defined budget base.

As we strive to provide the funding necessary for the multitude of programs which make this a comprehensive University, we also must continue to recognize that resources are limited. We are all faced with the challenge of continually evaluating programs, and searching for more cost-effective methods of performing needed services. While working to enhance our ability to attract external resources, we also must demonstrate as an institution that the most effective use is being made of our existing resources.

To strengthen our continuing efforts in reallocating resources internally to meet changing needs and support demonstrated excellence, I also am asking the deans and vice presidents to implement plans for operating their units at 97 percent of their 1984-85 base budgets by July 1, 1985.
Implementing further efficiencies, improving cost containment and continuing the reductions in programs and services which are no longer needed or central to the University's mission will be the basis for generating this 3 percent reallocation. The funds resulting from these actions will be used to assist in extending our emphasis on academic excellence, as well as supporting new program and service initiatives.

As we discuss new initiatives to build excellence, I want to digress for a moment to a related item. Through the Office of Research and Graduate Studies, the University has this year provided $1.4 million in seed monies to assist faculty in initiating new research and scholarship efforts, in almost every college within the institution. Those funds have been awarded to more than 130 faculty members who successfully competed for support. That program will be recommended for continuation in the coming fiscal year.

The final funding item covered in these guidelines also relates to research -- that is, funding for equipment and libraries. We have made noticeable strides in the past three years on budgets for maintenance and replacement of out-dated equipment. That will continue, with a $5 million special allocation that I am recommending yet this fiscal year.
Next, we turn to guidelines on University-wide fees. Overall, the average for all fee and rate increases throughout the institution will be held to 6 percent. While this amount is above the current inflation rate of 4 percent, it reflects the fact that this biennium's state appropriations still left us with a total budget that was too low.

In addition, Ohio State has maintained its tuition charges at levels below those used in the Board of Regents state funding models, by not increasing student fees at the rates suggested during the past years of budget shortfalls. Even with the 1984-85 increase, we will continue to be at tuition levels substantially below those projected by the Regents.

On tuition and fees, I am recommending a 5.5 percent increase at the undergraduate level and a 7.5 percent increase for graduate and professional students. In keeping with the concept that availability of financial aid is just as important to accessibility as tuition rates, I also am recommending a concurrent allocation to the Student Financial Aids budget to cover the full amount of the tuition increase for students currently receiving aid, as well as any newly eligible students.
This level of increase comes only after thorough consideration of the University Senate Fiscal Committee's recommended increases of 6.5 percent for undergraduates and 8 percent for graduate and professional students. In light of Ohio State's unique role in the state as a land-grant institution, with the historic mission of providing access for all Ohioans, I believe we must continue to strengthen our efforts to reduce the total share of costs paid by students and their parents.

Our budget discussions with the Regents and with the General Assembly also will strongly emphasize the need to reduce students' overall share of the costs of higher education throughout Ohio. Ohio State remains a relatively high cost public institution. This year, we expect our tuition increase to be one of the lowest percentage increases in the Big Ten. But we need to continue to do all we can to further improve our ranking on the relative cost of an Ohio State education.

When we look at the total impact of other charges to the student body, I am delighted to report even lower increase guidelines in other areas of special concern to our students. Residence and dining hall fee guidelines stand at a 3.2 percent consolidated average, which includes the various rates for the many different housing arrangements and meal contracts.
I want to take this opportunity to single out the administration and staff of the residence and dining halls for their significant progress in holding costs down. It is through their achievements that this ranks as the lowest of all the major fee increases I will be recommending with the budget in June.

For commuter students and our faculty and staff, parking fee increases also are held relatively low, to a 3.7 percent average. In the University Hospitals, increases will average 6 percent. This also is a very positive reflection on the cost containment measures implemented by the Hospitals staff in recent years.

While this second year of the biennium provides limited resources, its stability provides hope that the new biennium beginning in July, 1985, will provide enhanced support to allow even greater progress. We are committed to continuing our emphasis on excellence and accessibility, while maintaining the comprehensive diversity of this great University.

Thank you, Mr. Chairman. I will be happy to respond to any questions.
Funds budgeted for OSU face-lift

By Elaine McGrath
Lantern staff writer 5-16-84

Ohio's state-supported colleges and universities will receive the biggest share of the state's proposed capital improvements budget which was unveiled Tuesday by the Office of Budget and Management.

The $530 million budget appropriates money for construction and renovation projects of state and local government agencies. The plan now goes to the Ohio General Assembly for approval.

Under the budget, Ohio's colleges would receive $318.9 million or about 60 percent of the total. OSU would receive the biggest chunk, $87.6 million.

David Marsh, assistant vice president of facilities planning at OSU, said the money would be used to build new veterinary science and agricultural engineering buildings and to renovate Hagerty and Lazenby halls, in addition to a number of smaller projects.

About $6 million is appropriated for the veterinary science facility. Marsh said construction on the project will probably begin in September. The Hagerty and Lazenby renovations will cost a total of $95.5 million and the agricultural engineering project about $11 million.

The Office of Budget and Management has asked Ohio universities to pay 20 percent of the cost of constructing new facilities.

Marsh said OSU will not be required to pay for 20 percent of the agricultural engineering building because it is considered a replacement project, not a new building. The department is now housed in Ives Hall.

Chris Sale, director of the budget office, said the budget, the lowest one prepared since 1977, emphasizes renovation of existing facilities. Only one-third of the budget is allotted for new construction projects, she said.

State Sen. William F. Bowen, D-Cincinnati, chairman of the Senate Finance Committee, said the legislation has bipartisan support in the Senate.

"The full cooperation of the Senate will be there. We expect the bill will be on the governor's desk by Memorial Day,"


Ohio's parks and natural areas are in line for the second biggest piece of the proposed budget, with $82.4 million or 15.4 percent designated for natural resources.

Mental health and retardation facilities would get the next biggest share, 13.2 percent or $73.3 million, followed by administrative services, rehabilitation and correction facilities and youth services with less than 3 percent each.
COLUMBUS, Ohio -- The Board of Trustees of Ohio State University on Thursday (6/7) adopted an annual operating budget totaling $781,120,000 for the 1984-85 fiscal year which begins July 1.

University fees and charges, including student fees, approved as part of the budget were held to an average increase of 5.6 percent.

In a statement accompanying his budget recommendations, President Edward H. Jennings told the trustees that "the state support for 1984-85 remains extremely limited" and the university "must continue to operate with an extremely tight budget."

He noted, however, that "this year (1983-84) of fiscal stability has provided members of this university community a restored faith that looks forward to a year of progress rather than attempting to build from the disasters of mid-year budget cuts."

Jennings reported that the budget was prepared with emphasis on the following priorities:

-- Achieving fiscal stability and providing adequate time to plan ways to maintain operations within the funds available;
-- Maintaining and enhancing quality throughout the university;
-- Preserving the accessibility for students by keeping fee increases as low as possible.

Undergraduate instructional and general fees will increase by 5.5 -- more --
percent, while instructional fees for graduate and professional students will increase 7.5 percent, effective autumn quarter.

Under the new fee schedule for full-time students, the instructional and general fees for an undergraduate student on the Columbus campus who is an Ohio resident will increase from $519 per quarter to $547. An undergraduate who is not an Ohio resident will pay $1,417 per quarter, up from $1,328.

A graduate student from Ohio will pay $718 per quarter on the Columbus campus in instructional and general fees, up from $670 per quarter. For a non-resident, the graduate charges will increase from $1,610 to $1,728.

Student fees on the four regional campuses will be $16 less per quarter for each category of student due to a lower general fee on those campuses.

President Jennings singled out "the continued emphasis on cost containment by our Residence and Dining Halls and by Traffic and Parking." The average rate increases for the two units were 3.2 percent and 3.7 percent, respectively.

Residence hall fees for room and board for an undergraduate will increase from $870 per quarter to $898.

The parking fees for faculty "A" decals will go from $108 per year to $112, staff "B" decals from $54 to $56, and student "C" decals from $27 to $28, effective autumn quarter.

Ticket prices for football and basketball games, which were not raised last year, will increase 7 percent and 7.5 percent, respectively.

Football tickets per game will be $7 for students, up $.50; $10.75
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for faculty and staff, up $.75; and $16 for the general public, up $1. Basketball tickets per game will be $3 for students, up $.25; $4 for faculty and staff, up $.25; and $7.50 for the general public, up $.50.

The trustees approved the following spending guidelines:

-- Increase faculty and administrative and professional staff salaries by 3 percent and provide 4 percent in salary funds for merit increases.

-- Fund the salary increases for Civil Service staff recently mandated by the Legislature at an average increase of 7 percent.

-- Increase general expense budgets by 6 percent for colleges and offices.

-- Provide funding to maintain the purchasing power of university-funded student financial aid, plus $4.5 million to address special critical needs, including providing adequate teaching staffs, supporting efforts to enhance quality, and assisting in program changes and cost containment.

-- Provide resources to meet mandatory general fund cost increases, such as utilities and employee benefits.

In addition, President Jennings told the board that the budget calls for colleges and offices to develop plans to operate with a 3 percent reduction in their base budgets, effective June 30, 1985.

"This provides over 12 months for these units to adjust to lower spending levels and avoids the crisis budgeting experienced over the past three years of budget cuts," Jennings said.

"These reductions will result from further efficiencies, improving cost containment, and continuing reductions in programs and services which are no longer needed or central to the university's mission.

- more -
Equipment funds fall short

By Dan Verdon 17July 1984
Lantern staff writer

Ohio State will receive more than $7.9 million for classroom, laboratory and data processing equipment — about $22 million less than OSU had requested.

The money comes as part of a $45 million improvements package approved Friday by the Ohio Board of Regents for state universities.

OSU officials were satisfied with the amount even though it is not as much as they had asked for.

"We were very pleased to get the money," said OSU fiscal officer Weldon E. Hrigr. "We have this ongoing effort to modernize the university's equipment for teaching and this provides significant assistance for that effort."

OSU had requested $30 million for the biennium, or two year period.

"Obviously we didn't get that, but every little bit helps," Hrigr said.

The Ohio General Assembly appropriated the money earlier this year and allotted $10 million for technical equipment in two-year schools; $20 million for classroom and laboratory equipment for four-year schools; and $15 million for data processing equipment for all state colleges and universities.

The Ohio General Assembly assigned the board to divide the money between 63 state universities and their branches and colleges.

"This is the first time higher education has experienced a full response to its enormous backlog of equipment needs," said William B. Coulter, chancellor of the Ohio Board of Regents, in a prepared statement. The backlog was created by record enrollments in Ohio colleges and universities and by equipment which rapidly becomes obsolete.

This package is $20 million more than the last improvement plan, according to figures provided by Mary K. Noonan, director of public affairs for the board.

Hrigr said the colleges are currently checking the instructional equipment to see what needs to be revitalized.

The colleges will submit the lists for improvements on the equipment, and they will be reviewed by university officials.

OSU's decision on the allotment of funds will be sent back to the Board of Regents, he said. The board will have to approve the proposals submitted by all the universities before they can be reimbursed for the money spent on the equipment, he said.

Hrigr said the university has already started to improve equipment and the latest grant will increase the progress already made in revitalization.

OSU received just under $5.5 million for classroom and laboratory equipment and more than $2.5 million for data processing equipment.

Noonan said the board considered the different kinds of programs, the demand for the programs and the number of students enrolled in those programs.

"The decision was weighted heavily to those institutions that have a high equipment demand," Noonan said.

Noonan explained that a campus with a large amount of engineering, math or computer science programs probably received more money than a campus that was more liberal arts oriented.

But in the data processing decision the board recognized that all programs are beginning to use more computers, she said.

The regents will go to the controlling board in July to ask for the release of the $45 million for the colleges and universities, she said.

OSU branches also received the following funds for improvements in laboratory, classroom and data processing equipment: Newark, $60,950; Lima, $72,550; Mansfield, $79,150; Marion, $72,850.
Ohio colleges and universities shared in the $45 million given for modernization. This chart represents the top eight schools.
Budget crises: battling for stability

By Larry Dieker
Lantern staff writer

On Jan. 26, 1982, five months after coming to OSU, President Edward H. Jennings told a filled Mershon Auditorium that OSU faced "an issue of a magnitude unprecedented in the history of The Ohio State University."

The issue was an immediate 6 percent budget cut from the state, a cut twice the percentage faced by OSU during the Great Depression.

State tax revenues were expected to fall $1 billion short of expectations over the next 17 months. The national economy was bad, and Ohio's economy was recovering slower than most. Businesses were not making as much money as the state had anticipated.

OSU's share of the deficit would be an estimated $55 million through June 30, 1983, the end of the biennium. Twenty-nine percent of OSU's $601 million operating budget came from state subsidies.

The cutsback came as a surprise to OSU, said Weldon Ihrig, vice president for fiscal planning.

When Jennings came to OSU in September 1981, there was no state budget. The same funding levels had been maintained. By working with the General Assembly, OSU worked out a budget by November.

But the joy was temporary. Two months later OSU got news that the state would not be able to supply the promised funds.

As Jennings said at the time, $55 million was equivalent to 2,700 jobs at average salary rates.

OSU had to make cuts and increase revenues to match $19.6 million of the cutsbacks by June 30, 1982, less than six months away. Although the state planned a budget for a two-year period, it was required by law to have a balanced budget at the end of each fiscal year.

"We only had a six month period, which sounds like a long time," Jennings said. "But on Jan. 5, students are already here, the contracts are already committed."

Freeze, priorities, action

The day after the state informed OSU of the expected deficit, Jennings froze all purchases.

"We couldn't buy a pencil," Jennings said.

But instead of making cuts across-the-board or looking for ways to cut spending, Jennings looked at the university's characteristics that had to be preserved.

He needed a sturdy foundation on which to stand as cuts were made. There was no time for deliberation. The cuts had to be made quickly.

Jennings said he wanted to be careful because program cuts would affect the future of OSU and are sometimes difficult to replace should future funding arise.

OSU had to remain accessible to students, which meant keeping tuition as low as possible and financial aids and work opportunities available. But just as important, was maintaining the existing quality of OSU's teaching, research and service, what Jennings called OSU's fundamental mission. That was his solid ground.

Weldon Ihrig, vice president for fiscal affairs, said Jennings' commitment to maintain and strengthen basic teaching and established research never wavered.

"One of the keys is that the priorities don't change as the winds change," Ihrig said. Jennings achieved basic cooperation from all the different groups at OSU with a candor and openness in sharing what the financial situation was all about, Ihrig said.

Jennings named an administrative team to advise him. He established a Fiscal Advisory Committee of faculty, staff and students to review his actions against the principles he outlined.

To save $19.6 million, Jennings cut the special funds for books and equipment and began an energy efficiency program. He also began charging overhead to profitable services at OSU and reduced campus operating budget costs.

"We said to each of our officers that their resources would be unfrozen when they had provided the institution with their plan, essentially their check of how they would reduce (their budgets)," Jennings said.

These targets were based on the amount of resources the unit had, and how flexible the unit's budget was. Salary costs were inflexible because there were to be no layoffs, Ihrig said.

By May 1982, the budget was still not sound. The retrenchment continued in part. Tuition was raised 12 percent. The special library and equipment fund was returned.

In March 1983, the state appeared to have solved some of its budget difficulties. Gov. Richard F. Celeste's tax increase had passed and produced approximately 26.8 percent new income tax revenue for the state.

The new tax supplemented an earlier temporary 50 percent tax hike, and both were made permanent. Jennings said the tax increase solved about half of the state's $1 billion deficit.

Because the state was doing better, the governor's new recommendation for higher education funding seemed too low to Jennings.

He addressed the Education Subcommittee of the House Finance and Appropriations Committee in April, encouraging the committee to follow the Board of Regents' recommendation for funding, which was $213 million higher than the governor's.

By June 1983, the Ohio House of Representatives approved a bill that allocated $75 million more than the governor's proposal, but still $138 million short of the regents' recommendation. Because the Ohio Senate had not yet taken action on the bill, Jennings couldn't be sure what the exact funding would be.

For the third year in a row, Jennings presented a tentative budget to the board of trustees. He wanted to allow students to know tuition. And he wanted deans, department heads and directors to be able to make budget plans for the fiscal year beginning July 1, 1983.

He recommended two budgets for 1982-83 at the June 10 meeting. One version included a deficit, should the new funding bill not pass. The difference in the two budgets was $8 million.

However, OSU did not have to use the reduced budget because the bill passed. Although OSU would not have to scrape another $8 million off its budget, the university still had to keep a tight hold of its finances.
**Issues 2 and 3**

By September 1983, there was a strong possibility that the tax increase passed in March would be repealed.

Issue 3 would have repealed all state taxes enacted in 1983. The state would lose $1.5 billion for the next fiscal year. Jennings estimated that OSU would lose $137 million.

"(Had Issue 3 passed) we would have become a private institution because the state subsidies would have gone to 15 percent," Jennings said.

Both Issues 2 and 3 were defeated in November.

OSU suffered four budget cuts during 1981-84, but Jennings believes OSU came through the years of severe financial difficulty with mild repercussions.

There was no huge enrollment decline, he said. There was no mass exodus of the faculty.

Neil Milner, officer of university budget, said, "Probably the only good thing about a retrenchment is that it requires a hard evaluation. It forces you to think lean."

But fees are higher than they would have been if funding had been more stable and time is lost for faculty research, Milner said. Whatever worn equipment suffers can be remedied with more funding, but it will never be known what discoveries might have been realized if the faculty had not been overloaded with teaching, he said.

In May, with Issue 3 out of the way, Jennings told the Board of Trustees that the "budget guidelines for the 1984-85 fiscal year represent a return to normalcy within the Institution."

The future will depend on many factors in the economy, Ihrig said. But he is cautiously optimistic.
Ohio State heads list for critical need funds

By MARGARET SIZEMORE
C-J Staff Writer

The Ohio Board of Regents yesterday approved a $305 million two-year budget for construction and renovation work and new equipment for the state’s public colleges and universities.

The recommendation is part of an $889 million plan spanning six years. The first part of the plan will go to the Legislature next year for inclusion in the state’s 1987-88 budget.

Topping the list of funding for the 1987-88 period is Ohio State University, which would receive up to $72,165,000 under the proposal.

"Critical" needs totaling $41,750,000 at OSU include $1.6 million for renovation of Sullivant Hall; $4.3 million for Derby Hall renovation; $10.1 million to renovate Hamilton Hall; $15.5 million to replace Brown Hall's annex; and $9.2 million for utilities and other renovation work.

Several other proposed "quality enhancement" projects worth $97 million at OSU and other institutions may be funded, depending on how much money the Legislature approves for higher education in the next biennial budget.

Enhancement projects proposed at OSU include $7.2 million for classroom renovation; $400,000 for the poultry research building; $4.1 million to renovate dental labs; $18.2 million for an addition to the Biological Sciences Building-Parks Hall complex; and $430,000 for the Marion campus maintenance building.

Proposed for the 1989-90 biennium is $7.9 million for OSU's library book warehouse.

The plan proposes spending a total of $24.6 million in the 1989-90 biennium for OSU and $44.5 million for 1991-92, for a six-year total of $151.3 million.

The state’s public universities and colleges collectively asked for more than $337 million for the 1987-88 period. The board's $305 million two-year proposal includes $240 million strictly for "critical" renovation and construction needs. Collective equipment needs would get $55 million, and $10 million would go to asbestos removal and abatement at the institutions.

Regents Chancellor William B. Coulter and President Richard Krabach called the proposal reasonable. They said the $305 million ceiling is a precaution against an overambitious building program that could result in higher student fees.

At Ohio University for the 1987-88 period, critical needs include $5.7 million for Clippinger Hall renovation; $750,000 for the Hocking Conservancy District; $2 million for utility tunnel renovation; $1.3 million for Memorial Auditorium renovation; and $1.1 million for regional campuses. Enhancement proposals during that period include $3.6 million for Kantner Hall renovation and $285,000 for regional campuses.

Other recommendations for OU include spending $12 million during the 1989-90 biennium and $12.2 million in 1991-92, for an overall six-year total of $40.6 million.
COLUMBUS, Ohio -- The Board of Trustees on Friday (7/12) adopted an annual operating budget for Ohio State University totaling $827,857,000 for the 1985-86 fiscal year.

The university has been operating since the fiscal year began July 1 under a provisional spending plan authorized earlier by the trustees, based on budget guidelines recommended by President Edward H. Jennings at the June 7 board meeting.

University fees and charges, including student fees, approved as part of the budget were held to an average increase of 3.3 percent. In addition, Jennings noted that, as a direct result of the Instructional Subsidy levels provided by the General Assembly, "with this budget, there will be no increase in tuition at Ohio State for the second year of the biennium (1986-87)."

Jennings also told the trustees that while recovery from the difficulties of past budget cutbacks is continuing slowly, the overall fiscal picture "is undoubtedly brighter for Ohio State. We owe much of the credit for these new opportunities to the General Assembly and governor. For the new biennium, it is clear that both political parties have placed a high priority on excellence in higher education."

In the budget adopted, undergraduate instructional and general fees will increase by 3.8 percent, and instructional fees for graduate and professional students will increase 3.9 percent, effective autumn quarter. The trustees at their June meeting raised student tuition levels for autumn quarter. An undergraduate who is an Ohio resident, for example, will pay $568 per quarter on the Columbus campus, up from $547.

Jennings also outlined briefly some areas of Ohio State's response to the emphasis on academic quality provided by the state's funding for expanded Selective Excellence initiatives aimed at strengthening Ohio's economic redevelopment potential. These include the new Research Challenge matching grants created to expand research and scholarship activity throughout the state.
and the Academic Challenge of an additional one-percent of the subsidy amount for each year of the biennium.

The Academic Challenge, Jennings said, "will allow us to expand our own efforts to identify academic programs which already are outstanding, or which have the potential to very quickly achieve preeminence with an infusion of new funding." Last year, Ohio State implemented a selective excellence program of internal reallocations to provide budget enhancements to strengthen academic quality.

For 1985-86, Jennings announced special budget allocations to recognize and enhance excellence in dance, physics and history. The first recipients of Ohio State's special allocations in 1984-85 were political science, chemistry and manufacturing engineering.

As part of the budget, the trustees approved a number of fee increases. Residence hall fees for room and board for an undergraduate will increase 3.9 percent from $898 per quarter to $933. The parking fees will rise 3.6 percent with faculty "A" decals going from $112 per year to $116, staff "B" decals from $56 to $58, and student "C" decals from $28 to $29.

Ticket prices for football and basketball games will increase 6.5 percent and 6.9 percent, respectively. Football tickets per game will be $17 for the general public, up $1; $11.50 for faculty and staff, up $.75; and $7.50 for students, up $.50. Basketball tickets per game will be $8 for the general public, up $.50; $4.25 for faculty and staff, up $.25; and $3.25 for students, up $.25.

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In adopting the university budget for the 1985-86 fiscal year, the trustees also approved a pay increase of $8,000 per year for President Jennings, raising his salary to $108,760 annually.

John F. Havens, chairman of the Board of Trustees, reported that the board's personnel committee recommended the raise after a review of Jennings' performance.

"As a board, we have continued the practice of making an ongoing evaluation of the president's performance," Havens said. "We believe the assessment of his performance should be publicly recorded.

"Last year it was noted that President Jennings' leadership, service, dedication and achievements on behalf of the university have been exceptional. This year we have again concluded that, on the basis of results, his performance has been noteworthy and deserving of recognition. Given his performance and continued excellence in leadership, we have concluded that he merits a
salary increase commensurate with his achievements. We recommend a salary increase of $8,000."

The president's annual salary was last set at $100,760 in July 1984.

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In other action, the trustees:

--Approved a change in the name of the Department of Home Management and Housing to the Department of Family Resource Management, effective immediately.

--Approved the new degree program of a bachelor of science degree with an economics major in the Colleges of the Arts and Sciences.

--Adopted amendments to the Rules of the Board of Trustees and the Rules of the University Faculty changing the name of the Graduate Council to the Council on Research and Graduate Studies and increasing the membership of the Council on Student Affairs from 15 to 18 members.

--Reappointed investment advisors to assist in the management of the university's endowment fund.

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(0015T)
Trustees OK 6.5% pay hike for 4,350 employees at OSU

By JEFF GRABMEIER
C-J Staff Writer

About 4,350 Ohio State University civil service employees will receive an average 6.5 percent pay raise under a wage scale approved by the OSU board of trustees yesterday.

The raise will be effective as of last Monday and will affect all classified civil service employees who are not represented by recognized unions, according to university officials.

These employees include a variety of support staff at the university, such as secretaries and clerks, said Madison Scott, vice president for personnel services.

Not all employees will receive exactly the same pay raise. Officials said raises will range from 5.5 to 8.4 percent, with 6.5 percent being the average.

The wage increase approved yesterday marks the first time OSU has been authorized to set wages for its classified workers, according to university officials. The Ohio Legislature previously set the wage scales for classified employees, but passed a new law earlier this month that gives universities that right.

In announcing the raises, OSU President Edward Jennings said the university is "deeply appreciative" of the work of classified employees and said they are "keeping the university running smoothly."

While raising wages for support staff, the trustees also recognized the "continued excellence" of Jennings' work by voting him an $8,000 annual pay raise. The salary increase brings Jennings' salary to $108,760 a year. Jennings started at OSU in 1981 making $65,000 yearly.

The changes in Jennings' salary and the wage scale were the only revisions made yesterday in the provisional 1985-86 fiscal year budget approved by trustees last month, university fiscal officials said.

The trustees waited until yesterday to complete work on the $227.8 million budget because the state budget had not been completed when trustees met last month.

University fees and charges were held to an average increase of 3.3 percent in next year's budget. In addition, Jennings said no tuition increase is planned for the 1985-86 school year.

Jennings said the new budget gives the university "the most promising fiscal outlook . . . in several years."

While state funding increased for next year, Thomas L. Tobin, vice president for university communications and development, told trustees he is also pleased with figures released this week that show private giving to OSU has increased.

The $30 million raised in the
Regents cut OSU requests

By Ruth Hanley
Dispatch OSU Reporter

As happy as Ohio State University officials profess to be about winning preliminary approval for $41.8 million in capital improvement projects, their thoughts linger on the big ones that got away.

The Ohio Board of Regents approved a two-year, $305 million capital budget Monday for the state's public colleges and universities.

OSU received the biggest share of the proposed 1987-88 budget, which will be submitted to Gov. Richard F. Celeste and the Ohio General Assembly for approval.

In addition to the $41.8 million for "critical need" projects, the budget for OSU includes $80.4 million in "quality enhancement" proposals that the state would finance if more money is committed to higher education.

OSU requests totaled $130 million for the upcoming biennium. Over the next six years, the university projects its capital improvement needs at $340 million, but the capital plan recommends funding for $151.4 million.

"We're pleased from the standpoint that the university's priorities were followed" in determining OSU's share of the budget, said Weldon E. Ihrig, OSU vice president for finance.

"Obviously, we feel there are additional funds needed. But I think it will keep us going forward. We all want to go forward faster than funding will allow."

Campus planner Jean Hansford said some of the projects that were not approved are "extremely important."

"We don't put things on 'wish lists' here. We go through a long and arduous process to prepare capital requests," he said.

Some OSU projects were approved for funding in the 1989-90 or 1991-92 bienniums. Others were eliminated as the regents considered $837 million in 1987-88 requests from 38 colleges and universities.

One project not approved was construction of an exit ramp from Rt. 315 and street improvements to allow easier access to University Hospital. Emergency squads and visitors must "wind through urban traffic and heavy intersections, taking minutes in what should take seconds" to reach the hospital, Hansford said. Officials may seek other ways to pay for the project.

Only one of the approved projects on OSU's "critical need" list is for new construction. That is replacement of the Brown Hall Annex, which houses the School of Architecture.

All others are for renovation, which fits in with OSU's plan to protect a $1.6 billion investment in its 391-building Columbus campus, Ihrig said. Since enrollment has stabilized in recent years, the need for additional space has been overtaken by "our concern that we keep these buildings in shape," he said.
OSU feeling pinch of Gramm-Rudman

By Jason J. Meyers
Lantern staff writer

The Gramm-Rudman-Hollings law has already cost the university millions of dollars in federal funds for research programs and student financial aids, officials said.

Across-the-board cuts made March 1 in university programs were described by officials as being "manageable," although the cuts required freezes in hiring and supply purchases.

However, the university is worried about future cuts from the law. The automatic cuts scheduled for Oct. 1 could require additional cuts of up to 5 percent in various university programs, many of which were not substantially affected by the March 1 cuts.

Whatever happens, officials agreed that the effects of the Gramm-Rudman-Hollings law will be felt by students and university departments for many years to come.

Mary B. Haldane, director of Student Financial Aides, said the biggest cutback for students will occur in the federally-funded Pell Grant program.

The program is designed to help needy undergraduate students afford a college education. The maximum award per student is $2,100.

The first round of Gramm-Rudman-Hollings cuts decreased funds for this program by 4.3 percent. Total funding for the university after the cuts will be $11.7 million, a loss of more than $325,000 from last year.

Further cuts in Pell Grant awards will occur because of a shortfall in funding this year. Combined with the Gramm-Rudman-Hollings cut, total cuts in Pell Grant funding will be 9.7 percent.

For students, this 9.7 percent cut means a loss of almost $1.2 million in university Pell Grant funds.

Any reductions will be "linear," so that the neediest students will receive all of their current awards. A report prepared by the Office of Student Financial Aides estimates that students who currently receive $1,550 to $2,100 from the Pell Grant program will not experience any decrease in their award money.

Students who are of "median" need will experience some cuts in their awards. Those who currently receive between $850 to $1,850 will have their aid cut from $37 to $712.

Students who receive less than $850 will be eliminated from the program, according to estimates in the report.

Haldane said she hopes additional funds will come from the state or from the university general fund, which provides financial help for needy students. However, she warned that a large increase in aid from the university fund would affect available funding for other programs.

Joseph F. Stranges, director of financial aids counselors for minority affairs, said the Ohio Instructional Grant program will increase its maximum award to students from $1,038 to $1,096.

However, in the face of Pell Grant cuts of up to $850 per student, this $58 increase in state aid would not have much impact, he said.

The impact of federal cutbacks in the Guaranteed Student Loan program were minimal under the automatic cuts March 1.

Funding for the program was cut by only 1 percent. Half of this decrease was financed by increasing the original fee students pay when they receive the loan.

For undergraduates, this increase was $12.50 for a total fee of $137.50 on the maximum $2,500 loan. For graduate students, the fee for a maximum $5,000 loan increased $25 for a total of $275.

The other half of the decrease was being financed by reducing the special allowance paid to lenders.

The fee and decrease in allowance were only in effect for the March 1 cuts. The program will be cut like other federal programs in the face of future cuts.

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automatic cuts.

Supplemental Educational Opportunity Grants, which are awarded based on need and academic performance, were also cut under the budget-balancing law.

Total funding for students under the program will decrease by more than $29,000. The average award per student will decrease from $740 to $709.

However, work-study students will not be affected by the cuts. The state and university are guaranteed a certain amount of money for the program from the federal government under a 1972 law.

Minority students involved in Trio programs will also feel the crunch, Stranges said. These programs, which include preparing freshmen for college and tutoring high school students, are designed to motivate and help low-income and disadvantaged students get into college.

"They felt the 4.3 percent cut," Stranges said. The programs have not been able to keep up with inflation due to level funding over the past four years.

Stranges said future 'cuts will mean minority students will be limited on their choice of college and access to alternative colleges.

He was also concerned about other effects on minority students.

"The threat of cutbacks is more negative to the minority student who has just built up his desire to go to college" than the actual cuts, Stranges said. This threat will keep many students from trying to get a college education because of the fear of not being able to afford it.

Haldane said the second round of automatic cuts mandated by the law, scheduled for Oct. 1, could reduce federal funding of student aid by 25 to 35 percent.

"I'm optimistic it won't go to the automatic cuts, though," she said. The current Senate budget bill boosts a $144 billion deficit target by raising taxes and cutting more from defense spending than the president proposed.

President Reagan has often said he is opposed to new taxes and cuts in defense spending.

Warren L. King, director of the office for disability services, said cutbacks will not affect his program, which is supported by the university general fund. He warned, however, that cutbacks will affect disabled students who rely on rehabilitation services funded by the government.

These services get up to 80 percent of their funds, subject to the automatic cuts, from the federal government.

Disabled students who are involved in vocational training programs can expect a cut of more than 4 percent for the next six months. Deeper cuts could occur after Oct. 1.

Besides students, many university departments will also feel the crunch of current and future budget cuts. Many university officials believe the effects will be felt mostly in research funding.

Jack M. Hollander, vice president for research and graduate studies, said the March 1 cuts did not affect research programs for the university.

"We can weather this," he said. "The state is doing a lot for us."

He said the state has been developing programs to support research at Ohio colleges. The Research Challenge Program will provide $21 million for research for two years. Ohio State's share will be $12.6 million.

Hollander said this will help counteract cuts in federal money even though the federal government currently provides more than 80 percent of research funds.

He said other colleges also have research programs for their faculty. Such programs help universities attract the best faculty.

"There is a lot of competition out there," he said. The increases in state funding represent the state's
desire for its universities to remain competitive with those in other states, he said.

Future cuts under Gramm-Rudman-Hollings could hurt research, though. "It is very difficult to cut $60 billion from the federal budget," Hollander said. He agreed with Haldane that the government will need to raise taxes to meet its deficit target.

Aside from raising taxes, Congress will probably seek to cut many research programs, including those funded by the National Science Foundation and the Department of Human Services. Defense and NASA research would probably be spared from big cuts, Hollander said.

Frederick E. Hutchinson, acting vice president of agriculture, said his college receives about $5 million for research from the federal government. The $150,000 decrease in these funds under the March 1 cutback was manageable, he said.

Hutchinson said future cuts would mean the college would have to buy less equipment and supplies and restrict travel, but existing research projects would be protected.

The Cooperative Extension Service is an agricultural program designed as an information and help service for farmers. Joseph M. Sprott, the Service's director at Ohio State, said federal cuts will hurt the agency.

Because of an initial cut in October, the agency's budget has decreased almost 5 percent this year after the Gramm-Rudman-Hollings cuts. The agency was forced to freeze hiring and equipment purchases due to this $500,000 loss in funds.

The state office of the extension agency gets about 36 percent of its budget from the federal government. Sprott said the president wants the states to contribute more to the agency, so in his proposed budget to Congress, he cut 58 percent from the funds given to the states.

Sprott said he is "guardedly optimistic" that Congress will not give the president such a large cut. He said Congress will probably only cut the program by the same "fair share" cut all programs will receive.

Hutchinson said the federal government should not stop funding the extension program or agricultural research.

"I am concerned about the loss of partnership between the state and federal governments," he said. The federal government has been involved in state agriculture programs for more than 100 years.

Michael E. Whitcomb, assistant vice president for Health Services, said the recent 4.3 percent cut was not a problem for medical research, but future cuts will hurt medical programs.

"Research programs bear the full brunt of the Gramm-Rudman-Hollings cuts," he said.

The federal government provides about 80 percent of the funds needed for medical research. Whitcomb said a 25 percent cut in these funds would have "significant impact" on research at the medical college.

"However, the consensus in Congress is that bio-medical research should continue," he said, and Reegan seems to agree with Congress. The cut in his proposed budget for medical research was less than the 25 percent automatic cuts mandated by Gramm-Rudman-Hollings.

Whitcomb said medical students will feel the effects of the balanced-budget law in their student loans.

"Most medical students are $25,000 in debt when they graduate," he said. Future cuts in the student loan program will mean the hospital may have to use some of its own money to help students.

Fortunately, revenues for University Hospitals will not decrease much under the balanced-budget law, Whitcomb said.

Medicaid, which makes up about 5 to 10 percent of total hospital revenues, was exempt from automatic cuts mandated by the law.
OSU budget would

By Ruth Hanley
Dispatch OSU Reporter

Faculty and staff members at Ohio State University could get raises of up to 6 percent in the 1986-87 academic year, but tuition is not expected to increase.

OSU President Edward H. Jennings made the budget recommendations to the board of trustees yesterday. The board met shortly before Gov. Richard F. Celeste named a new trustee, developer and OSU alumnus John W. Kessler.

Leslie H. Wexner, founder of The Limited, will deliver the spring commencement address to about 5,700 graduates on June 13, Jennings announced. Trustees voted to award Wexner an honorary degree at the commencement.

The final decisions on salaries, tuition and other allocations for the fiscal year beginning July 1 will be made when trustees approve a budget of close to $300 million next month. The current budget is $827 million.

An undergraduate student who is an Ohio resident pays $588 per quarter in instructional and general fees. An out-of-state undergraduate student pays $1,472 per quarter.

OSU's faculty compensation and benefits committee had recommended a 9 percent salary increase for the 1986-87 year. That included 3.6 percent across the board, 5.4 percent for merit.

Jennings recommended across-the-board increases of 3 percent, with an additional 3 percent for merit raises.

The average salary of an OSU faculty member with a nine- or 10-month contract in 1985-86 is $40,073. For a 12-month faculty member, the average is $49,823.

Jennings also recommended holding the average increase in all rates and charges to less than 4 percent. A proposed 3 percent increase in room and board rates would raise the standard charge from $933 to $961 per quarter.

Other recommendations include allocation of $1.8 million to support undergraduate programs and $6.8 million for library holdings, equipment and renovations.

Before bidding farewell to John F. Havens, trustees appointed him to a three-year term on the University Hospital board. Havens' nine-year term on the OSU board expires May 13.

He will be replaced by Kessler, owner of the real estate development, consulting, financing and investing firm bearing his name.

Kessler, a 1958 OSU graduate, is chairman of Marsh & McLennan Real Estate Advisors and a trustee for the Capitol South Community Urban Redevelopment Corp., Columbus Area Chamber of Commerce, Columbus Foundation and Columbus Museum of Art.

Wexner, a 1959 graduate of OSU, will receive an honorary doctor of humanities degree. Last fall, he donated $10 million for construction of the Wexner Center for the Visual Arts on the campus.

In other action, trustees:

• Renamed the first Ohio Union building, at 154 W. 12th Ave., after OSU's ninth president, Harold L. Enarson. Now the Student Services Building, Enarson Hall will house offices of the University College, now on the West Campus.

• Learned the OSU Campaign is close to one-third of the way to its five-year, $350 million fund-raising goal. Pledges and contributions stand at $114.4 million. The campaign began last year.

• Changed the name of the College of Administrative Science to the College of Business.

• Appointed Donald Shackelford, chairman of State Savings Bank, and Susan Ensley, vice chairman for corporate planning and development at Honda USA, to the University Hospital board.

raise salaries, not tuition
Jennings' budget calls for

Editor's note: On May 1 at the Board of Trustees meeting, President Jennings suggested guidelines for the 1986-87 fiscal year operating budget. He discussed faculty and staff salary increases, tuition levels and designating funds for equipment purchases. In June, Jennings will submit a final budget for the trustees to approve.

The following is a complete text of Jennings' recommendations:

It is with great optimism that I bring before you today budget guidelines for the 1986-87 fiscal year that, I believe, permit us to continue to enhance excellence at this University and, at the same time, continue to challenge us to effectively manage our resources.

In keeping with the planned budget cycle, I offer these guidelines for discussion today. Final approval of the operating budget is scheduled at the June Board meeting, for the fiscal year beginning July 1, 1986.

We are on a course toward establishing our position as one of the nation’s premier educational institutions, and this year we have gained momentum toward reaching that goal. The 1985-86 fiscal year has seen a number of initiatives implemented by the state of Ohio and by the University that are significantly — and favorably — affecting Ohio State. Let me mention some of these efforts as exemplary of the climate of excellence that we are developing throughout our campuses today.

We are very fortunate that the state of Ohio has taken national leadership in the ambitious selective excellence programs. In addition to contributing basic support through the instructional subsidy, the state has invested in Ohio’s economic redevelopment and its future by committing public funds to the Research Challenge, Program Excellence, Academic Challenge, and Productivity Improvement Challenge grants. Through these programs, Ohio State will realize more than $18 million during the 1985-87 biennium.

Academic excellence in Ohio is further enhanced by the Eminent Scholars Awards Program of the Ohio Board of Regents. This program improves our ability to attract additional internationally recognized scholars to our faculty. Three such scholars already have been brought to Ohio State under this program, with two additional searches in progress.

These state efforts enable this University to extend initiatives already begun in the last biennium with our own University resources. Beginning with three departments designated as Centers of Excellence in 1984-85, we now have a total of 14 Columbus campus programs sharing special funds from University resources, and the $4.2 million Academic Challenge Grant through 1986-87. In addition, the four regional campuses and the Agricultural Technical Institute have received state entitlements to enhance selected programs on their campuses.

We also are, as you well know, in the midst of an enormous campaign to increase the level of support for the University from private and corporate gifts. This week, we kicked off that portion of the campaign involving our faculty, staff and students. The progress already made toward our ambitious $350 million goal is very encouraging.

Correspondingly, our faculty continue to build upon their abilities to further increase the amounts of sponsored research dollars from governmental, as well as private sectors. Enhancing their efforts is the $12.9 million Research Challenge Grant from the state and our own resources that we hope will stimulate additional external research funds.

However, there is still more that we can do. Continuing efforts are being made within the University to assure the effective use of all resources to support teaching, research and related service activities. The guidelines I am recommending today are consistent with these efforts. They have been developed after consultation with the Fiscal Committee and the Faculty Compensation and Benefits Committee of the University Senate.

In the current biennium, the process of selective internal re-allocations is being continued. Each dean and vice president is again being asked to redirect 2.5 percent of their resources by reducing and eliminating expenditures on low priority, inefficient or duplicative activities. This has provided $8.1 million in redirected resources which will be used to support our emphasis on excellence, as well as new and emerging needs throughout the University. Re-allocations, and continuing cost containment efforts, enable Ohio State to maintain its forward momentum while allowing us to maintain accessibility by avoiding tuition increases.

As I pledged last year, if the state maintained the funding level being
considered in the budget proposals, Ohio State would not increase student tuition in the second year of the biennium. The state has done its part. Therefore, we will meet our commitment to accessibility by recommending no student tuition increases for 1986-87.

In light of tuition increases nationally that are averaging more than 7 percent, Ohio State's zero increase will significantly enhance accessibility. Even more important, holding the line on tuition will directly assist students who face uncertainties in federal student financial aid.

In addition, I am recommending that the average increase in all University rates and charges not exceed 4 percent. It is my intent that even with this guideline, the actual average increase will be significantly less than 4 percent, as a result of the success of cost containment efforts within our earning units.

One indication of this is the 3 percent rate increase request submitted by our residence and dining halls. This is significantly below the national average increase in residence hall fees of 5 percent. Accompanying this rate increase is my recommendation that Ohio State again provide funds to maintain the purchasing power of University-funded financial aid.

A major factor in building excellence is maintaining and improving our competitive position on salaries with other major universities. On salary and wage increases, I am today recommending guidelines of 3 percent for faculty and staff and providing an additional 3 percent in salary budgets for merit increases. Additionally, central funds of up to .5 percent of salary budgets are recommended for promotions and equity and excellence adjustments. Staff members who are part of an exclusive bargaining unit shall receive salary increases as specified in the appropriate labor agreement.

In support of the faculty and staff and of our comprehensive programs, I am further recommending an increase of 5.5 percent for equipment and supplies. This continues our emphasis on keeping these necessary support budgets at reasonable levels.

As I told the University Senate last fall, no University has ever become great, or maintained its greatness, without continued attention to the needs of its central academic core in the libraries. Our libraries must keep pace with the demands of the faculty, and the needs of our students, by continually updating their collection and improving the scope of their resources. This same philosophy holds for the equipment we use to instruct our students and to perform research, and for the facilities in which these activities are conducted.

To this end, I am recommending one-time funds of $5.8 million beyond normal budgets for the acquisition of new library holding, equipment and needed renovations. These University funds — plus the instructional equipment and computing funding of $9.5 million which was included in the recently approved capital appropriations bill — will help us continue to modernize the equipment and computers used in instruction and research. This is a vital investment in the future that will assure that our faculty and students have the most modern equipment and facilities available to support their academic efforts.

Our over-riding goal — that we maintain an ever higher standard of excellence in instruction — becomes even more imperative with the continuing improvement in the quality of our undergraduate students. This process has begun as a result of our move to conditional admissions, and will intensify under selective admissions. Our students are better prepared for us, and our challenge is to be fully prepared for them and the new demands they will present. I am, therefore, recommending that from monies re-allocated from the various offices that serve the academic mission, a total of $1.8 million be committed to support excellence in undergraduate instruction.

In sum, as part of our self-help commitment through internal re-allocations — along with the new selective excellence funding — these recommendations for the 1986-87 budget include a total of $38.5 million for enhancements to excellence. This level of excellence funding will provide us with a unique opportunity to initiate new directions which will influence the future of Ohio State in the next century.

Further, the academic excellence funding from the state, along with our internal re-allocations, provide a basis for strength as we approach potential donors nationwide to participate in our private fund-raising campaign.
May 8, 1986/OSU onCampus/9

As I said last fall, "We are fortunate at Ohio State that our institutional funds are available to be spent flexibly, as priorities change and new needs arise...Our financial flexibility allows us to manage our own destiny. Throughout the University, it is goals and priorities — not artificial and arbitrary categories — that must guide our spending decisions."

While I have faith that the decisions made throughout this University will result in these resources being effectively used to further improve the quality of instruction, research and related service, we must continue to challenge ourselves to also make maximum use of the fiscal flexibility available to us.

Increased efforts are being put in place throughout this University to strengthen our management of resources at all levels, and to ensure that the most effective use is made of all available resources. During the next several months, we will be setting into motion initiatives that will further enhance cost containment activities throughout the University. Excellence in the management of the University resources must be enhanced, along with our efforts to achieve excellence in instruction, research and related service.

The 1986-87 University budget we will present for your approval in June will be in accordance with these guidelines. It will reflect our commitment to emphasizing the twin goals of excellence and accessibility — while maintaining the comprehensive diversity of a great University for which we are continuing to work together to make even better for the future.
University to revise budget allocations

By Chris Hanschmidt
Lantern staff writer

The university is looking at the individual colleges' budget allocations for the 1986-87 school year from a different perspective than in the past.

Before this year, the university did not take into account the financial resources of the colleges when assessing the yearly allocations. Allocations were based on budget requests. Financial resources include endowments and alumni donations.

Now, instead of basing the allocations solely on the budget requests for General Fund monies, the university is starting a program that examines each college's total financial resources to determine the amount allocated to each college dean, said Francille Firebaugh, acting provost.

Firebaugh said enrollment in the colleges will still be analyzed in addition to resources to determine allocations.

Most of the allocations were sent to the deans Friday, and the remainder were sent Tuesday, Firebaugh said.

Isaac Mowoe, associate dean of the College of Humanities, said this idea of total resource management is sound because it is the logical way to examine a college's survival and growth.

He said the college received its allocation Friday, but is still breaking the budget down to see what it means for the departments in the college.

Firebaugh said freshmen and sophomore classes in all the colleges need the most attention, in terms of budget allocations, for the next few years.

"Clearly there's been an increase (in enrollment) in these beginning classes. (The increase) had to do with a lot of things, like the unconditional admissions, but now we expect that to decline. It's a legitimate concern," she said.

"(The budget process) isn't an enrollment-driven model, but that's one of the factors," said Firebaugh.

Morris Beja, chairman of the English Department, said the idea appeals to him because it implies flexibility.

"(But) I won't deny that (resource management) is kind of scary, because with flexibility comes responsibility," he said.

Mowoe said although both colleges and their departments get money from gift earnings, college funds are frequently for donor-specified purposes and not for allocation.

"Within the (budget) limits we had, we tried to be fair," Firebaugh said.

"Whichever department has the greatest resources will be able to cushion (a financial) blow," said Mowoe.

"If there are really major concerns (in the colleges), then we'll take another look," Firebaugh said.
Trustees pass $885 million budget

By Steve Sterrett

The Board of Trustees on June 11 approved an annual operating budget for Ohio State totaling $885,140,000 for the 1986-87 fiscal year.

President Jennings told the trustees that, as a result of the instructional subsidy levels provided by the Ohio General Assembly and the cost containment activities throughout the University, there will be no increase in tuition at Ohio State for the second year of the biennium (1986-87).

An undergraduate student who is an Ohio resident, for example, will continue to pay $568 per quarter on the Columbus campus.

As part of the budget, the trustees approved a number of increases in University charges, but the average was held to only 2.4 percent.

Residence hall fees for room and board for an undergraduate will increase 3.0 percent from $933 per quarter to $961.

The parking fees will rise 3.5 percent with faculty "A" decals going from $116 per year to $120, staff "B" decals from $58 to $60, and student "C" decals from $29 to $30.

Rate increases at University Hospitals were held to an average of 5 percent.

Ticket prices for football and basketball games will not increase for 1986-87. Football tickets per game will remain $17 for the general public, $11.50 for faculty and staff, and $7.50 for students. Basketball tickets per game will remain at $8 for the general public, $4.25 for faculty and staff, and $3.25 for students.
Gov. Celeste proposes a lean budget

By David Tull

Gov. Richard F. Celeste has released a proposed state budget totaling $22 billion for the 1988-89 biennium.

The budget contains the lowest annual increases in 24 years, according to the governor’s office. Overall, spending is increased only 1.2 percent for fiscal year 1988 and 5.8 percent for 1989.

The budget lists “world class education” as one of five budget priorities for the coming two years, a theme reflected in the governor’s “State of the State” address of Jan. 27.

But the reality of the suggested budget poses real problems for higher education, many educators note. Currently, Ohio ranks 43rd among the 50 states in higher education spending per full-time student, according to information in the governor’s proposal.

The actual amount spent on higher education would decrease during the next fiscal year. It would increase only slightly in the second year of the biennium. Instructional subsidies for 1987-88 would not be increased.

Among other Ohio State concerns, the Ohio Agricultural Research and Development Center (OARDC) in Wooster, would receive no increases during the next biennium.

The Cooperative Extension Service, operated by Ohio State through all 88 counties, would face a 10 percent cut next year, going from $11 million to $9.9 million. These funds would be increased to $10.3 million in 1988-89.

The governor’s budget includes a $4.1 million allocation over two years for the proposed Ohio Supercomputer Center to be located at Ohio State. The Board of Regents originally requested $10 million.

Continued on page 4.
Celeste proposes lean budget...

Continued from page 1.

"We hope the General Assembly will be able to improve upon the governor's budget for higher education," says Herb Asher, special assistant to President Jennings for state relations. "The level of funding recommended by the governor would undoubtedly result in substantial tuition increases."

The University honored the state's 4 percent tuition cap, raising tuition 3.8 percent for 1985-86 and not raising tuition this year.

Educators are discussing the budget proposals with legislators, Asher says.

The governor's proposals for higher education are significantly below the amounts requested by the Ohio Board of Regents.

In September, the regents submitted a two-year budget recommendation totaling $3 billion for higher education, without inclusion of $400 million for debt service payments.

The governor, however, proposes spending about $2.9 billion on higher education during the two-year period, out of which the debt service payments would be made. The Celeste proposal calls for about $1.39 billion in 1987-88 and $1.49 billion for 1988-89.

Debt service pays off money the state has borrowed in previous years through sale of bonds. The payments are fixed and must be paid on schedule in order to protect the state's credit rating.

Higher education appropriations for the current biennium total $2.64 billion, including about $330 million for debt service. The current year's budget allocated $1.38 billion.

Consequently, excluding debt service, the governor's proposed allocations for 1987-88 actually are slightly less than last year.

The regents' proposal for the biennium included $2.5 billion for instructional subsidies, $176 million in access funds (primarily student financial aid), $175 million for academic excellence, research and public service, and $152 million for health manpower.

The governor's proposal for the biennium lists just more than $2 billion for instructional subsidies. It includes $161.5 million for access, $134.8 million for academic excellence, research and public service, and $129.8 million for health manpower.

It would freeze instructional subsidies at $992 million for 1987-88, the same as this year. In 1988-89, instructional subsidies would be just more than $1 billion.

"The instructional subsidy pays for the heart of higher education," says Asher.

The budget assumes no increase in income tax, sales tax or corporate franchise tax. However, it calls for a five-cents-per-pack increase in cigarette tax, expected to generate an additional $100 million over two years. The present 14-cent tax on cigarettes has remained unchanged since 1981.

In addition, the governor proposes repeal of several tax exemptions, including an exemption for interstate telephone charges, which could generate $147 million in two years.

Ohio's austere budget is a result of a number of factors, Asher points out.

"First, even though the Ohio economy improved, many people have returned to work at lower paying jobs that don't generate as much in taxes.

"Second, a number of tax cuts adopted in the last two years have lessened state revenues. Finally, the state of Ohio is spending at a level that eats up most of the increases in revenues that would be expected from this year to next year.

"Almost everything in the new budget in pretty tight," he says.

The Ohio House is working in committee on the budget. It likely will be June before a state budget is completed.

4/onCampus/February 12, 1987
Jennings says more state funding is vital

By Steve Sterrett

President Jennings is calling for additional state support for higher education to prevent a reduction in academic quality and a major increase in tuition next fall.

Actions by the governor and the legislature as of last week regarding state support for higher education had been less than adequate, Jennings told the Board of Trustees. Jennings spoke on the need for additional support while presenting tentative guidelines for the University budget for 1987-88 at the board meeting May 8.

The Ohio General Assembly still is considering the state's biennial budget, which is to take effect July 1.

Earlier this week Republican leaders in the senate indicated a further increase is likely for the higher education budget.

Jennings praised the progress that had been made in the last four years by the governor and the legislature "in reducing the average share of a student's educational costs paid for through tuition from a high of 47 percent in 1982 to 36 percent today."

That progress is being threatened, he warned. "The executive budget (for 1987-89) would increase the share of the cost of education paid by tuition from 36 percent to 42 percent, and would require average tuition increases of 31 percent for the next academic year."

Jennings pledged, however, to apply $24 million achieved through cost containment savings next year toward reducing the size of the tuition increase. In addition, the House of Representatives last month added $7.7 million in instructional subsidy for Ohio State to the state budget bill.

As a result, Jennings said, if there are no further changes in state support, "I expect to reluctantly recommend tuition increases, effective autumn quarter for the 1987-88 academic year, that will average 14 percent."

He is hopeful that the senate will make further improvements to the higher education budget. "I am today committing Ohio State to reduce our proposed tuition increase of 14 percent in proportion to the General Assembly's further additions to the instructional subsidy," he said.

"Our target is to reduce the necessary tuition increases to no more than inflationary levels, some 5 percent per year. This could be achieved with an additional state appropriation of $143 million for higher education as a whole."

In addressing the University budget, Jennings said that all charges by the University other than tuition would be held to an average of 5 percent next year. He also expects to recommend salary increases for faculty and staff, except employees covered by collective bargaining agreements, of 2 percent across-the-board and 3 percent for merit. Equipment and supplies budgets of colleges and offices would increase 3 percent.

Jennings expects to bring the University budget to the Board of Trustees for action at its June 5 meeting. Any increase in tuition or raise in salaries would be approved at that time.
President outlines plan for the 1987-88 budget

Editor's note: President Jennings presented a report on the proposed 1987-88 University budget to the Board of Trustees at its May 8 meeting. The following is the text of his statement.

In keeping with the normal budget cycle for the University, it is my responsibility to report to you our budget plans for next year at this meeting, so that a resolution on budget guidelines can be brought before this board in June for the fiscal year that begins July 1, 1987. Because the General Assembly is still deliberating on the state budget for higher education, the institutional budget and tuition guidelines I am outlining must be considered tentative.

One thing of which we are certain, however, is that the budget actions to date regarding state support for higher education are less than adequate. The proposals we have seen thus far from the state will not allow us to continue to enhance excellence in the context of the important land-grant principle of accessibility.

Let me briefly place the current budget proposals in historical perspective. With the bi-partisan support of the governor and the General Assembly, higher education has made substantial strides in the previous and the current biennium.

In particular, major progress has been made in reducing the average share of a student's educational costs paid for through tuition, from a high of 47 percent in 1982 to 36 percent today. There was, indeed, a consensus in state government that every effort should be made to achieve a student share at the national average of 33 percent in the future. Although we had not yet reached that goal, our progress has made quality higher education more affordable for Ohioans.

Now, unfortunately, the progress that we have made in recent years is being threatened by inadequate budgetary recommendations for higher education for the next biennium. The (state) Executive Budget would increase the share of the cost of education paid by tuition from 36 percent to 42 percent, and would require average tuition increases of 31 percent for the next academic year.

Such an increase would place a heavy burden on students and their families. But just as importantly, it would begin to move public higher education away from the land-grant principle of accessibility.

Broad access is critical to our mission at Ohio State. And it is a shared responsibility of this University and of all the citizens of Ohio.

Let me outline the problem in other terms. Under the executive budget, Ohio State was presented with a budget deficit — which we are expected to make up.

through a 31 percent tuition increase — of $61 million. I would point out that $61 million is an extremely large shortfall. It is enormously difficult to recoup dollars on that scale internally without reductions in quality.

This University has continually recognized its obligations to reduce costs and accept fiscal responsibility for efficient and effective operations. This has been re-emphasized in our new institutional efforts on cost containment tied to the budget process. With this activity, we had hoped to generate several million dollars in new internal funds to further enhance academic and support service programs at Ohio State. But now it appears that, in order to keep tuition as low as possible, the cost containment dollars must be used to make up shortages in the state budget.

The University has continually recognized its obligations to reduce costs and accept fiscal responsibility for efficient and effective operations.

I do want to note that the Ohio House of Representatives improved upon the executive budget recommendations for the instructional subsidy. We appreciate this effort in the house. The action enables us to further reduce our tuition increase.

With the $24 million we will generate internally through cost containment, and the $7.7 million enhancement to the instructional subsidy by the house, we are able to reduce Ohio State's tuition increase to less than half of the 31 percent assumed in the executive budget. If no further changes are made to the higher education budget by the senate and the Conference Committee, I expect to reluctantly recommend tuition increases, effective autumn quarter for the 1987-88 academic year, that will average 14 percent.

This is, of course, still far too high an increase for a land-grant University committed to the principle of broad accessibility. The state budget currently before the Ohio Senate, and I am very pleased to report that the senate leadership has stated publicly that higher education will be its top priority in the next biennium — just as it was in the current biennium. We are now looking to the senate for further improvements in the higher education budget.

As we await their forthcoming recommendations, I want to reiterate the fundamental importance of the principle of accessibility at Ohio State. Therefore, I am asking for aid to the Ohio State to reduce our proposed tuition increase of 14 percent in proportion to the General Assembly's further additions to the instructional subsidy. Our target is to reduce the necessary tuition increases to no more than inflationary levels, some 5 percent per year. This could be achieved with an additional state appropriation of $143 million for higher education as a whole.

In line with our policy of considering all costs for students, it is my further intention that the increases in all other charges of the institution will average 5 percent per year. This includes residence and dining halls, parking, special event tickets, bookstore rates, hospitals rates and all other fees assessed by the University.

There is one additional issue that needs to be addressed in the context of this University's budget expectations from the state of Ohio. We all recognize that the state faces a tight budget situation for the coming biennium. But I believe it is inappropriate to put such an enormous share of the burden of the state's revenue shortfall on our students and all of Ohio's institutions of higher education.

We have done more than our share in earlier times during true economic stringency, and we have had to cut our costs year after year at Ohio State. Our operating costs already are well below the average for universities across the nation. This has been achieved even as our quality continues to grow. But without a continued commitment from the state to our excellence, the prospects for maintaining our enviable record grow dimmer.

My role in the state of Ohio budget process is to articulate the needs of Ohio State, as part of the Ohio higher education community. When I express those needs — such as the $143 million figure that I have mentioned today — I also am often asked, and reasonably so, just where this additional funding for higher education might be found.

Clearly, the choices facing our elected state officials are not easy, as they seek ways to meet all of the state of Ohio's budgetary needs. But to maintain the progress on economic redevelopment that we have made in recent years, and to guarantee the citizens of Ohio excellence and accessibility in higher education, some difficult choices must be made.

It is indeed troubling that, in times of relative economic prosperity, Ohio is faced with revenue shortfalls. When we consider what a dwindling resource base could mean in even a minor recession in future years, the implications are clearly ominous. Yet the state is currently experiencing serious reductions in its resource base under the return of the federal tax reform "windfall."

If we are to maintain fiscal stability and renew the state's potential to generate economic growth over the long-term, and at the same time retain the current income tax rates — which, I should point out, are lower today than they were in 1982 — this windfall return is clearly less than was and, indeed, is simply not affordable for Ohio at the present time.

It is my hope that the governor and the General Assembly will take the strong bi-partisan leadership position that the state needs to make provisions for Ohio's long-term needs. A fair share of an adequate state budget needs to be committed to excellence and accessibility in higher education — the fundamental resource for Ohio's future prosperity.
Senate budget slashes tuition hike

Autumn tuition expected to increase $45

By Judy Wiseman
Lantern staff writer

Ohio State students who are Ohio residents can expect to pay $613—a $45 increase—for autumn quarter tuition.

Sen. Eugene Watts, R-Columbus, chairman of the Senate Education Finance Committee, announced the increase Tuesday, at a meeting unveiling the Senate's version of the state biennial budget plan.

The 7.8 percent increase compares to the House's original estimate of a 14 percent tuition increase.

The Senate Finance Committee added $92.4 million to the instructional subsidy, slashing the possible 14 percent tuition increase to a possible 7.9 percent.

"The 3.1 percent proposed increase from the Executive budget was intolerable, the House version brought it down to 14 percent," Watts said. "Now, through the Senate majority leadership, Ohio State University students will have less than an eight percent increase."

Herb Asher, special assistant for state relations to President Edward H. Jennings, is pleased with the Senate action.

"Senator Watts deserves the credit," he said, explaining that Watts is a 'forceful advocate for higher education.'

Asher said, "If the Senate figure is preserved in conference committee hearings, the increase will hold at 7.9 percent."

The proposed Senate budget will be voted on Thursday, then both the House, Senate and Executive versions will be jointly considered by a conference committee.

Sen. Stanley J. Aronoff, D-Cincinnati, prior to unveiling the Senate version, said, "It will be clear that our major changes and top priorities are primary, secondary, and higher education."

"We have squeezed every dollar we could find to improve education," Aronoff said. "Education is our number one budget priority because quality education plays a vital role in a strong Ohio economy and the creation and retention of good jobs for Ohioans."

In order to balance the budget, the Senate's fiscal plan includes a 3.5 percent cut from the House budget version.

Exceptions to the cut include: higher education; departments of mental health, mental retardation, rehabilitation and corrections; veterans and veteran's children's homes; the Rehabilitation Services Commission; and the Department of Agriculture.

Chancellor of the Board of Regents William B. Coulter, said, "The funds (proposed) by the Senate are a very important step in allowing our state-assisted colleges and universities to hold down student fee increases."

In addition to keeping tuition down, the Senate has recommended an additional $4 million to fund the Super Computer Center. An amount, Asher said, that will make the facility first-rate.

"We asked for $10 million, we will be pleased with $9 million," he said. "The House gave us $4 million and we believe the Senate will give us $5 million more."

Mindful of Ohio's fragile economy, the Senate took additional steps to help retain, create, and attract jobs for Ohioans.

The Senate version included additional money for industrial training programs, minority development funds, and agricultural research.

Asher said he is pleased the Senate Finance Committee budgeted more funding for two agricultural programs.

See Page 2, BUDGET

Continued from Page One

The Cooperative Extension Service and the Agricultural Research and Development Center were given a combined $3.5 million over the House budget.

The Cancer Control Consortium of Ohio received $3.4 million from the Senate Finance Committee. Neither the Executive nor House budget had allocated any funds for the cancer consortium.

"This will benefit, not only Ohio State, but research across Ohio," Asher said.

The committee also announced it has re-worked the long-distance telephone tax proposal, so that high-tech companies and residents in rural Ohio would not be penalized for living and working in Ohio.

The Senate budget also includes substantial funding increases for the Department of Mental Health and the Department of Corrections.

Watts, rewriting a phrase from a Rolling Stones song, said, "You can't always get what you want, but sometimes you get what you need." He said he would have liked to put more dollars into the budget for education, but was satisfied with the final product.
Budget passes in Senate

By Judy Wiseman
Lantern staff writer

The Ohio Senate passed its version of
the biennial budget Thursday, giving
enough money to higher education to
hold tuition increases to 7.9 percent.

Now, after passing both the House and
the Senate, the next hurdle the budget
faces is the conference committee.

Three members are selected from both
the House and the Senate to review and
negotiate the two budgets.

Initially, the budget passed in the
House of Representatives April 8 by a
vote of 69-27, making it the House
Budget Committee's responsibility to
rework the changes the Senate proposed.

Earlier this week, Herb Asher, special
assistant to President Edward H. Jen-
nings, warned that the $45 tuition
increase would remain firm only if the
Senate's education budget was not cut
by the joint committee.

Sen. Eugene Watts, R-Columbus, said
the joint committee will deliberate for a
several weeks. "It is an honest effort to
come together, cooperate and try to find
some common ground," he said.

The state budget goes into effect July
1.

The Executive budget's higher educa-
tion allotment, as proposed by Gov.
Richard F. Celeste, would have raised
tuition by 31 percent. However, the
House version reduced the figure to 14
percent and the Senate budget cut it to
7.9 percent.

In addition to slashing tuition in-
creases the Senate budget added an
additional $5 million to fund the Super
Computer Center.

Asher said the university had re-
quested $10 million, but was happy with
$9 million. The House had also contri-
buted $4 million.

The money will make a minimal
facility into a first-rate facility, he said.

Higher education received $3 billion of
the total $22 billion Senate budget.

The 15 Senate minority Democrats did
not agree with the cuts the 18 Senate
majority Republicans made to arrive at
that figure.

For 6 hours Thursday, before the final
vote, the Senate Democrats proposed
over 30 budget amendments. With the
exception of a few proposals, the re-
mainning Senate Republicans voted down
the amendments.

The Senate budget cut funding pro-
vided by the House budget to most state
departments by 3.5 percent.

Exceptions to the cuts are: primary,
secondary, and higher education; mental
health, mental retardation, rehabilita-
tion and corrections; veterans' and veterans'
children's homes; the Rehabilitation Ser-
dices Commission; and the Department
of Agriculture.
Budget process advances, awaits final state action

By Steve Sterrett

Actions by the Ohio House and Senate indicate that the University can carry out proposed salary increases for most employees.

In remarks to the Board of Trustees at its June 5 meeting, President Jennings said that he plans to bring the University guidelines that Jennings presented to the trustees in May.

At that time, Jennings recommended salary increases for faculty and staff, except employees covered by collective bargaining agreements, of 2 percent across-the-board and 3 percent for merit.

Equipment and supplies budgets of colleges and offices would increase 3 percent.

The legislative actions and the University's own cost containment efforts also may hold a tuition increase for undergraduate students from Ohio to only 7.9 percent for next autumn quarter, Jennings told the trustees.

The current tuition levels for undergraduate students who are Ohio residents is $568 per quarter and for undergraduate students who are from out-of-state is $1,472 per quarter. Ohio State did not increase tuition last year.

For the full text of President Jennings' budget remarks, see page 12.
President's budget plan is tied to Senate figures

Editor's note: President Jennings reported to the Board of Trustees June 5 on the status of the University budget proposal he had outlined in May. See page 1 for a story about his report. The following is the full text of Jennings' statement:

The uncertainties of action by the General Assembly preclude us bringing a budget for approval to the trustees today, as would be our normal schedule. While I will not be able to bring a 1987-88 budget until our July 10 meeting, we do need to give our students some indication of what tuition rates will be for next autumn quarter.

As you may recall, the executive budget would have required a tuition increase of 31 percent. Today, as a result of additions by the House and Senate and our own cost containment efforts, that 31 percent increase for Ohio undergraduate students can be reduced to 7.9 percent, provided the Conference Committee holds to what the Senate passed last week.

We very much appreciate the support of the Ohio House and the Senate. But I should remind you that more than half of this reduction from 31 percent to 7.9 percent is due to our own internal cost containment activities.

If the Senate dollar figures and budget language are retained by the conference committee, it is my intention to bring to this board in July a balanced budget which contains a tuition increase of 7.9 percent for Ohio undergraduate resident students. However, the tuition increases for non-resident students will exceed that level, as we begin to bring various non-resident tuition levels more in line with established norms.

Non-resident tuition is typically three times that of resident students. Over the past several years, relative levels of non-resident tuition for undergraduate, graduate, and law students have not kept pace. We are initiating a multi-year approach to returning them to the average three-to-one ratio. We will recommend that the total tuition increase for non-resident students be approximately 11.5 percent. (This percentage applies only to non-resident tuition for undergraduate, graduate and law students; elsewhere, non-resident tuition will increase 8 percent.)

In addition, we will bring to the board a budget that is in accordance with the other planning guidelines I presented at our May meeting.

However, the University requires appropriate spending authority the first day of the new fiscal year on July 1 until this board meets again on July 10. I am therefore recommending that this board consider and pass the enclosed resolution, which will provide spending authority for those days at a level not to exceed that of the level of state support provided by the Senate appropriations recommendation. At the July meeting, we will bring to you for your approval the complete University budget.
Board adopts $938 million annual budget

By Ruth Gerstner

The Board of Trustees on July 10 adopted an annual operating budget for Ohio State totaling $938,450,000 for the 1987-88 fiscal year.

The University has been operating since the fiscal year began July 1 under a provisional budget based on guidelines recommended by President Jennings at the June board meeting.

Under the new budget, undergraduate tuition for Ohio residents will increase by $62 per quarter on the Columbus campus. The tuition will rise from $568 to $630 for full-time students, beginning in autumn quarter.

The increase follows passage of the 1987-89 state budget by the Ohio General Assembly, in which higher education appropriations were not sufficient to allow Ohio State to meet its previously stated goal of holding tuition increases to under $50 per quarter.

Jennings told the trustees that the University's internal cost containment program, initiated this year with a target of reducing annual costs Universitywide by $12 million, allows Ohio State to keep tuition increases for Ohio residents to less than half of the $125 per quarter that would have been required by the assumptions in the final state budget.

"We have come a long way from the tuition increase that would have been required under the Executive Budget (for
Continued from page 1.

the state). Our own cost containment activities and the contributions of the General Assembly have enabled us to hold down the resident undergraduate tuition increase,” he said.

“While these recommendations are higher than we had hoped, I do want to point out Ohio State’s fine record on keeping tuition as low as possible. Our two-year average increase is still well below increases at our sister institutions around the state. Even at $630 per quarter, Ohio State’s tuition is still among the lowest in Ohio. Our ranking of 10th among Ohio’s 13 state-assisted four-year institutions is, indeed, appropriate to our land grant mission of maintaining broad accessibility to the state’s major comprehensive university.

“This is a credit to the Universitywide efforts of our staff and faculty members to minimize the ongoing cost of current activities. Cost containment continues to assist our efforts to keep student tuition down and maintain our capacity to respond to new opportunities for enhancing academic excellence,” Jennings added.

It has been two years since Ohio State increased tuition. Instructional subsidy levels provided by the legislature in the previous biennium allowed the University to avoid increasing tuition last year.

The newly adopted University budget includes a tuition increase of $53 per quarter for students at the four regional campuses and the Agricultural Technical Institute. The lower rate of increase was made possible by higher levels of state funding for the lower division undergraduate and technical courses offered at these campuses.

Ohio residents enrolled in Ohio State’s Graduate School will pay $827 per quarter for tuition and fees this year, up from $746 in 1986-87.

Out-of-state undergraduates will have their tuition raised by an average of $188 per quarter, bringing all non-resident costs to approximately three times that paid by Ohio residents.

Weldon Ihrig, vice president for finance, told the trustees the University’s planned expenditures in 1987-88 would support the following budget planning guidelines:

- A 2 percent across-the-board increase in faculty, administrative and professional and classified staff salaries, with an additional 3 percent for merit increases and $3 million for equity and excellence adjustments.

- Salary increases for negotiated wage settlements.

- Maintenance of the purchasing power of University-funded student financial aid, plus $5.5 million to address critical needs that include providing adequate instructional staffs and support for continuing efforts to enhance excellence and quality. In addition, the state has provided $2.47 million in Academic Challenge funds to further enhance nationally recognized academic programs at Ohio State and $4.98 million in Research Challenge resources.

- Ability to meet mandatory General Fund cost increases, such as utilities and employee benefits.

Overall, increases in University fees were held to approximately 4.3 percent. University Hospitals continue to emphasize cost containment and will not increase rates in 1987-88.

Residence and Dining Halls fees will increase an average of 5 percent, bringing the typical cost of room and board for one quarter from $561 to $1009.

Parking fees have been raised from $120 to $124 for a faculty “A” decal, from $60 to $63 for a staff “B” decal, and from $30 to $33 for a student “C” decal.

There will be no increase in football ticket prices for the public, which will remain $17 per game. Faculty and staff members will pay $12.50, a $1 increase, and student tickets will remain $7.50.

Basketball ticket prices have been raised. Individual game tickets for men’s basketball in the coming season will be $9 for the public, up $1; $5.25 for faculty and staff, up $1; and $3.50 for students, up 25 cents. There is a 50-cent across-the-board increase in ticket prices for women’s basketball, with the new single game prices set at $3 for the public, $2.50 for faculty and staff, and $2 for students.

In adopting the University budget for the 1987-88 fiscal year, the trustees also approved a pay increase of $9,740 for Jennings, raising his salary to $129,000 annually.

Edmund C. Redman, chairman of the Board of Trustees, reported that the board’s personnel committee recommended the raise after a review of Jennings’ performance.

“On this occasion it is noted that President Jennings will begin his seventh year with Ohio State on Sept. 1, having developed a consistently constructive record over the past six years. We appreciate President Jennings’ vision and leadership effort on behalf of the University. It should be noted that the shared spirit of cooperation between this board and the president is not only pleasant but it also is indeed essential to the continuing vitality of Ohio State.

“With these things in mind, the board has determined to raise President Jennings’ salary to $129,000 for the 1987-88 academic year. This increase was calculated keeping in mind the context of salaries of presidents of other comparable educational institutions, in addition to the performance appraisal.”
Jennings recommends salary, tuition increases

By Ruth Gerstner

In budget guidelines presented May 5 to the Board of Trustees, President Jennings suggested total increases in salary and benefits of 6.8 percent for employees.

He also asked for an 8 percent increase in tuition for Ohio residents and increases of 11.5 and 13 percent for out-of-state graduate and undergraduate students.

For the complete text of President Jennings' recommendations, see page 6.

Salary guideline proposals, Jennings said, maintain competitive compensation for faculty and staff through 1.5 percent across-the-board salary increases, 2.5 percent merit increases, and a 1 percent central pool for market equity and excellence increases.

The University also will continue the current employee medical benefits program despite a 40 percent increase in its cost, which is estimated to account for about 1.8 percent of the payroll. Therefore, total increase in salary and benefits would be 6.8 percent.

The president annually reports budget plans at the May trustees meeting so that a resolution on the budget can be adopted at the June meeting for the coming fiscal year.

Under the proposed guidelines, undergraduate tuition for Ohioans would rise from $630 to $680 per quarter and Ohio graduate students' tuition would rise from $827 to $893 per quarter. Out-of-state students would pay $1,876 per quarter on the undergraduate level and $2,256 per quarter on the graduate level, increases from $1,660 and $2,024 respectively.

A higher rate of increase in tuition for non-residents is necessary to bring their share of costs more in line with that assumed by Ohioans through their tuition plus the state subsidy that applies only to residents, Jennings said.

He stressed that the University, through internal reallocation, will provide financial aid to those who become newly eligible for aid because of the higher tuition and also will work to maintain the purchasing power of current aid packages.

In other budget guidelines, Jennings recommended:

• Keeping the overall average of increases in auxiliary services such as residence halls, bookstores and parking to no more than 8 percent.

• Increases of 3 percent for equipment and supplies in the colleges and offices.

• Returning to a program of internal budget reallocation to create a pool of $12 million to selectively enhance excellence. The reallocations will not be implemented across the board, either Universitywide or in the individual units.

• Looking inward in seeking candidates for job openings. As programs, projects or services become obsolete, the people working in those areas need to be given opportunities to direct their skills to other areas of the University.
Jennings outlines fiscal plans for 1988-89

With these salary guidelines and the substantial increases in medical benefit rates paid by the institution, we will have an increase in salary and benefit costs of 6.8 percent. At this level, we are able to maintain our competitive position among the nation’s best comprehensive research-oriented universities.

For equipment and supplies, however, expenditures in the colleges and administrative offices, I will recommend budget increases of 3 percent, with options for each area to request additional funds for special priority needs.

In proposing these recommendations, I have not for one moment considered moving away from continuing our progress in identifying and enhancing excellence, as well as maintaining competitive levels of compensation for faculty and staff.

Furthermore, no area, large or small, will have its budget approved if its own budget approach is seen to be simplistic across-the-board percentage reallocations. This principle has been in effect for the last four years, too many of which we have had to look to across-the-board budget reductions to meet goals. As we return to reallocation, such across-the-board approaches will be unacceptable.

Admittedly, setting and funding priorities calls for difficult decisions. But we must recognize that there are needs and, indeed, differing achievements in prior years that have left some areas truly lean and efficient, while others cling to out-dated procedures and programs of dubious value to our fundamental priorities. Those differentiations must be made as part of the budget process, in the context of anticipating a substantial reallocation each spring.

Our understanding of total resource management also must be extended to include human resources. Vice president Weldon Irving and Madison Scott have been evaluating last year’s cost containment effort and talking to faculty, staff, and students across the institution to hear their comments and suggestions. We need, as a community, to develop its broader goals and most useful characteristics, in articulating a revised program that focuses on quality enhancement first and foremost.

As we focus on reassessment of all that we do with firm commitment to quality, I have confidence that cost savings will be realized as a part of our success, rather than as the primary goal. And, while opportunities for bonuses as well as other recognitions for accomplishments will be considered, they will accrue directly to the individuals or groups involved, based upon the results achieved.

Part of total resource management is looking to ourselves for staffing the growth areas of the University. While the faculty are basically specialized, by and large our entire staff suffers no such limits. As programs, projects, or services become obsolete, the people who made those efforts work and instill the pride and skills and their loyalty to Ohio State into new areas and to match their professional growth to the priority directions of the institution.

For the coming year, new hiring to stuff growth areas in the institution will be focused on internal redistribution and finding new opportunities for our most valuable quality asset, Ohio State’s human resources.

The 1988-89 University budget will present for your approval in June will be in accordance with these guidelines, which work to make the best possible use of our substantial advantages of size, diversity, and institutional flexibility.

We have the capacity and the commitment to continue the pursuit of recognized pre-eminence, without losing sight of our fundamental land-grant mission. Working together, our faculty, staff, and students, will continue to further Ohio State’s unique identity as an outstanding example of comprehensive excellence.
Trustees adopt $990 million operating budget

By Ruth Gerstner

The Board of Trustees at its June 3 meeting adopted an annual operating budget for the University of $990,160,000 for the 1988-89 fiscal year, which begins July 1.

In this second year of the biennial state budget, the level of state support in the form of instructional subsidies increased by 3.6 percent and the legislature recommended an 8 percent increase in student tuition.

“...has been a goal of the University to hold tuition increases below the rates of increases recommended by the General Assembly,” Weldon Ihrig, vice president for finance, told the trustees. “This year, with continued modest increases in state support, our ability to achieve this goal has been exhausted.”

He told trustees the University’s planned expenditures in 1988-89 in other areas would support the following budget planning guidelines:

- A 1.5 percent increase in faculty, administrative, and professional classifications; staff salaries, with an additional 2.5 percent for merit increases and a 1 percent pool available for equity, excellence, and market adjustments.

- Increases for negotiated wage settlements.
- Increases of 3 percent in budgets for supplies, equipment, and general expenses.
- Funding to maintain the purchasing power of University-funded student financial aid and to cover new students who may qualify for aid because of the increased tuition.
- Internal reallocations of $12 million across all campuses and units.
- Provision of resources to meet mandatory cost increases, such as utilities and employee benefits. Extraordinary cost increases in these categories include the mandated removal of PCB transformers and an unusually high increase of some 40 percent in the cost of providing medical benefits.

- Overall, increases in University fees— including residence halls, hospitals, parking, etc.— will be held to just under 6 percent.
- The cost of room and board in undergraduate residence halls will increase by an average of 7.9 percent. A typical room and meal plan will cost $1,089 per quarter, up from $1,009.
- Parking fees have been raised from $124 to $128 for a faculty “A” decal, from $63 to $65 for a staff “B” decal, and from $33 to $35 for a student “C” decal.

Undergraduate tuition for Ohio residents will increase by $50 per quarter on the Columbus campus. The tuition will rise from $630 to $680 per quarter for full-time students, beginning in autumn quarter.

Full-time undergraduate students at four regional campuses and the Agricultural Technical Institute will pay $654 per quarter, also a $50 increase.

Ohio residents enrolled in the Graduate School will pay $893 per quarter for tuition and fees in the coming year, up from $827 this year.

Out-of-state undergraduates will have their tuition raised to $1,876 per quarter, up from $1,660. This will bring the amount they pay to a level equal to that contributed by Ohio residents through the combination of tuition and the state subsidy provided for resident students.

Non-resident Graduate School tuition was raised to $2,256 per quarter, up from $2,024.

Similar increases were made in tuition in the professional schools: dentistry, law, medicine, optometry, pharmacy and veterinary medicine. Full-time tuition for Ohio residents in these programs ranges from $1,030 to $1,727 per quarter.

“While the rate of tuition increases for Ohio residents matches that recommended by the General Assembly, we continue to hope for significant improvements in future biennia that will return Ohio undergraduates’ share of their cost of higher education to the 33 percent level from the current 41 percent,” Ihrig said.

In adopting the University budget for the 1988-89 fiscal year, the trustees also approved an 8 percent pay increase for President Jennings, raising his salary from $129,000 to $139,320 annually.

Leonard J. Immke Jr., chairman of the board, reported that the board’s personnel committee recommended the raise after a review of Jennings’ performance.

“The board continues to appreciate the leadership effort on behalf of the University by President Jennings,” Immke said. “His devoted service combined with his energetic commitment has been admirable.”

Immke also noted, “The salary increase was determined based upon relevant market consideration and salaries of presidents of other major land-grant research institutions.”
OSU must have help, Jennings says

By Scott Powers
Dispatch Staff Reporter

If Gov. Richard F. Celeste and the Ohio General Assembly want the Ohio State University to keep tuition down, they are going to have to provide more state money for the school, OSU President Edward H. Jennings said yesterday.

The state is sending contradictory messages, Jennings said, by urging schools to hold down tuition while refusing to increase state higher education spending by more than 1 or 2 percent a year.

Jennings suggested a statewide income tax increase as a possible solution, but he stopped short of calling for one.

His comments came at a press briefing addressing the Sept. 16 Board of Regents budget proposal. That proposal asks the General Assembly to increase state spending for higher education from $2.58 billion for the current two-year period to $3.34 billion for the biennium beginning July 1, 1989.

Jennings said Ohio State has a $34 million deficit in a $990 million annual budget. The school would need $60 million more a year to stay even over the next two years without increasing tuition.

Jennings said it would take a $700 increase in annual tuition, to about $2,600 a year, for the university to make up that money otherwise.

"Sixty million dollars is a lot of money and I suspect the other institutions have cases to be made, too. I do think we need to hear from them (the General Assembly) about what they really mean about funding higher education and tuition," Jennings said.

"Because right now they are being contradictory."

The amount of the school's budget provided by tuition has increased to 41 percent currently from 36 percent in 1985, he said.

If the legislature continues to under-finance Ohio State and requires a tuition cap, the result will be cutbacks at the institution, Jennings said.

Small state spending increases, Jennings said, "haven't affected Ohio State negatively yet. Our salaries are very competitive with virtually everyone in the world. ... That's not because of higher appropriations though, it's because of cost containment."

Jennings said there is room for a state income tax increase.

"There's no question in my mind if we had a recession we would have a financial crisis in this state. There is no question in my mind that we are lean on tax rates."
Proposal would alter the priority of education

By Malcolm Berowy

President Jennings has challenged the low priority given to the state's flagship university in Gov. Richard F. Celeste's recently proposed biennial budget.

In a speech to the University Senate Jan. 26 Jennings cited the indication of "a policy shift away from higher education" and a "failure to recognize the important functions [of higher education] of the State."

The president questioned the funding levels proposed for Ohio State in both the regular executive budget and an alternative budget based upon a possible tax increase.

He also expressed concern about the loss of institutional autonomy for all state universities as a result of the creation of an additional governing body as recommended by the governor in his tax increase proposal.

The governor's current funds budget, as applied to Ohio State, assumes a huge increase in undergraduate tuition.

It is $77 million underfunded for higher education based solely upon historical percentage allocations, and $200 million short of maintaining the statewide student share of instructional costs at 48 percent, Jennings explained.

It also is oriented away from research. The proposed budget cuts line items to the statewide Research Challenge program, and eliminates the Seed Grant program.

The governor has his own Research Hospital and Research Institute. It gives no increase to the first year to the Ohio Agricultural Research and Development Center, Cooperative Extension or clinical programs in dentistry and veterinary medicine.

The tax increase budget proposal, which would approximate about $900 million in new tax revenues, also gives the University short shrift.

It assumes a tuition increase of 23 percent for Ohio State, and would allocate only about a 15 percent share of these higher education funding increases, versus a historical 22 percent share — a loss of more than $20 million. It reflects little to no further increases in the line items specific to the University, and nothing extra for medicine.

Citing a litany of Ohio needs in health care delivery and research, and in scientific fields that benefit the state economy, Jennings said, "It is difficult to understand how one justifies the fact that virtually none of the tax increase dollars are allocated to agriculture, medicine and the health sciences."

He also questioned why there were no special affirmative action programs in the tuition increase budget.

Overall, Jennings said, "the institution that has remained committed to low tuition and access is penalized for these actions. The institution that has undertaken rigorous cost containment receives no recognition for these efforts. The institution that has not just articulated, but exemplified, the principles of public education is penalized in the budget recommendations."

Jennings education experts, he added, gives Ohio State a lower priority, and Ohio State appears to be a lower priority within the higher education budget.

Jennings reminded the audience that, in the wake of the University's speech, "last autumn, he had noted that the current average tuition would be $725 higher per year if it had been raised to the levels recommended in recent state budgets."

He questioned why a tax increase "being sold on the basis of low tuition would call for an increase of 23 percent" and said that there is "no doubt in his mind that if there is no tax increase and no change in the current funds budget priorities "a tuition increase of 40 percent is not only possible but probable" next fall.

He also questioned the "clear policy shift" in the tax increase proposal toward "a system approach to education" that would create "another layer of state bureaucratic oversight" and reduce the autonomy of the institution. He has expressed his belief that this would be "so valuable to the state of Ohio through the years."

Jennings ended the speech by telling his audience of faculty, staff and student Senate members that the University now is making its case to the General Assembly in the hope that it will "improve upon these current recommendations, understand the important and fundamental values upon which this leading public University is based."

Budget plan may hide pitfalls for Ohio State

By David Tall

Although the budget presented by Gov. Richard F. Celeste contains an "educational excellence" plan calling for voter approval of a new 1 percent income and corporate franchise tax, the concept may contain some pitfalls for Ohio State.

Even if the tax is approved, the result might be a 23 percent increase in undergraduate tuition. Also, higher for the 1990 fiscal year, President Jennings has told the University Senate. Without the tax, tuition might increase by 40 percent.

Cost increases for Ohio State students could result from two factors, according to Paul Marshall, associate director of University budget planning. First, a smaller portion of the money budgeted for education will go to higher education. The executive budget without new taxes proposes increases for higher education's instructional subsidies of 2.8 percent the first year of the biennium and 3.5 percent the second.

This compares with 7 percent the first year and 4.6 percent for the second for state and secondary education, Marshall points out. "When you consider that expenses (inflation and so forth) are going down, the per-pupil increase for elementary and secondary education would be higher."

Instructional subsidies for higher education this year are $1.08 billion. Celeste has asked for $1.11 billion for 1989-90 and $1.15 billion for 1990-91. If the tax increase is approved, instructional subsidies would be $1.24 billion for the first year and $1.38 billion for the second. Marshall estimates education's money from new taxes would be shared differently. Because of a changed distribution model, community and other two-year colleges would receive a larger portion of instructional subsidies, he says.

Historically, Ohio State has received about 22 percent of the state's instructional subsidy total. From new money raised by the proposed tax, the University would receive about 16 percent, he calculates.

"That would reduce our overall percentage to about 21 percent," Marshall says. Based on proposed totals that's a loss of over $20 million for the two-year period.

The existing distribution model tags the undergraduate student share (fee assumption) at the same level regardless if the student is a freshman taking basic English or a senior taking advanced physics. Marshall explains. Because of this distribution model, lower level students often pay a larger share of the actual cost of teaching them than upper level students.

If the tax is approved, the executive budget proposes a new model for how state money is distributed, based on the assumption that each student will pay the same percentage of his or her course costs.

At present, the model assumes that each student pays the same dollar amount. But the size and function of their individual lab courses, for example, cost more to teach than entry level courses in a lecture classroom. Therefore, the state picks up a greater share of upper level course costs.

The new model, if a tax is approved, would use a varied scale of students' fee assumptions related to the actual cost of teaching. Thus, state aid would be about the same share of the actual costs for all undergraduate students.

This is not a sliding tuition scale, but the effect would be to increase the dollars available for students taking the lower level courses. It thus would shift money away from universities such as Ohio State which provide more upper level courses to community colleges with more entry level courses.

The executive budget also levels out some funding areas of significance to Ohio State. Although the "educational excellence" plan calls for a major objective, the Research Challenge program, for example, would receive no increase the first year if the tax is approved and a decrease without the tax. "Because we are a major research institution, we usually get about 40 percent of that money," Marshall points out.

The Ohio Agricultural Research and Development Center would receive no increase the first year and a modest increase the second, whether or not the tax is approved.

With or without a tax increase, proposed funds for the Ohio State University program under "health manpower" would receive only slight increases each year. The same is true for clinical-dental and veterinary medicine.

Higher education programs would share new tax revenue

Just where would the money be spent at this University and other education organizations throughout the state if a new tax was enacted?

Most would go to primary and secondary education.

In higher education, little new money would be used for research, health care or public service.

More than $350 million would be added to the instructional subsidy for the state's colleges and universities.

Approximately $120 million would fund a budget area titled "access," which includes new programs for single parents, war orphans and minorities; retention incentives and early intervention programs, and the Student Choice and Ohio Institutional Grant programs.

Selective Excellence would increase less than $50 million. About $9 million is set aside that in the Academic Challenge Program.

Research and public service would increase less than $7 million, from about $79 million in the current researches budget to less than $86 million.

Health manpower, which all medical schools, would General Assembly the least of all, less than half a million dollars from the current revenues proposed budget for 1989-90 of about $41 million.
Jennings outlines budget proposal inequities

The following speech was made by Pres- ident Jennings to the Ohio University Senate at its Jan. 28 meeting. His remarks were in response to the governor’s proposed state budget.

Y
ev have had a long morning, and I do not intend to talk any longer than necessary, but I seek your indulgence for a few more minutes in order to discuss some of the issues that are involved with the proposals now being made for the 1989-91 biennial op- erating budget.

Three weeks ago in the governor’s State of the State address, he outlined his plan to deal with the budget difficulties we are having in primary, secondary and higher education. The core ingredient of his recommendation was a proposal to terminate Constitutional amendment on the ballot that would establish an educational trust fund supported by personal income tax and corporate franchise tax increase of one percentage point.

Two-thirds of those funds would be dis- tributed to primary and secondary educa- tion and one-third to higher education. This distribution, he said, would provide adequate legislation that would also establish a new and additional governing board, appointed jointly by the governor and the Ohio Senate. These, the Ohio Board of Regents and the State Board of Education.

This board would have responsibility not only for the funds themselves but also for monitoring the use of all public funds used for public education at all levels.

The governor was careful to point out, in a clear policy shift toward a system approach to education, adding another layer of state program to school districts, as well as remis- sing of the tradition of institutional independ- ence that has been so valuable to the state of Ohio during these years. It should be clear that recent proposals concern govern- ance as well as budget and tax issue.

Regarding taxes, I remind you that al- most six years ago, a tax increase was approved which had as major objectives the enhancement of state aid to excellel- lence in higher education. Those objectives were well on their way to accomplishment until the legislature, by action, removed much of that today, the effective income tax rates are lower than they were in 1982.

The reduction in the income taxes which were ratified by the people is the root of our current budget problem.

Nevertheless, the governor and the General Assembly have been very supportive of higher education during the last several years. They have encouraged excellence in education, enhanced diverse educational opportunities, and provided financial sup- port for these processes.

However, I am concerned about several elements of the proposed budget and of the possible tax increase that affect higher education. First of all, the governor’s under- score some aspects of this budget that indicate a policy shift away from higher education that is prima facie illogical, that would undermine the important fundamental imperatives of The Ohio State University.

The share of the state budget allocated to higher education, historically has been about 16 percent. The governor’s executive budget recommendations include in- creased spending of about $2 billion — without the proposed personal income and corporate franchise tax increases.

Before I ask you to fund part of that share, we would expect to see new funds for higher educa- tion to approximate $325 million. How- ever, the governor’s budget includes an increase of only $248 million for higher education. This loss of $77 million seems to result in a policy shift toward lower prior- ity for higher education.

In fact this does not even take into account a significant increase in the stu- dent share of cost at 41 percent — already too high. Even stable funding requires $200 million more than the governor’s recom- mended budget.

Unfortunately, we are not only seeing an across the board reduction in higher education but also a plan that severely penalizes those institutions that have contained costs and kept tuition low by state standards.

In this budget, the new tax for higher education, one would expect Ohio State to receive approximately 22 percent of the additional budget in a share budget allocates one-quarter less, repre- senting a reduction of more than $25 mil- lion in our share of the new taxes. Higher education appears to be a lower priority, and Ohio State appears to be a lower priority within the higher education budget.

Ohio’s land-grant institution clearly is shortchanged by the recommended dis- distribution of new taxes.

To institutions that have remained committed to low tuition and ac- cess is penalized for these actions.

The institution that has underlined rig- or in education, that has received no recog- nition for those efforts.

The institution that has not just articu- lated, but exemplified, the principles of public education is penalized in the budget recommendations.

The Ohio State University has been fol- lowing a policy over the last several years in which we work as a partner with the state and our students, not only to keep tuitions at accessible levels, but also to keep costs as low as possible while moving for- ward. That is the Ohio State/University’s quest to improve its excellence.

Every dean and department head will confirm that if there is a new project or pro- posal is requested, the first and most im- portant questions are: What will the department provide in the way of financing? What will the college provide, and what will the University on its own provide?

Ohio State has been pursuing a great many avenues to make that extra funding available without state assistance: private fund raising; increases in sponsored re- search grants; and, most significantly, re- location and cost containment.

During the past seven years, reallocation and cost containment have produced approximately $50 million worth of new proj- ects, new programs, changes in operation, changes in curriculum and many more initiatives. Most of you in this room would conclude that I have been successful, and I can assure you that the state’s University has not.

I am deeply concerned that Ohio State, being a land-grant institution with its own, is not being recognized for these efforts in the proposed allocation of scarce resources.

In terms of cost containment and reallocation, neither should we be punished. The state has not only neglected the climate of cost containment but suggest that having been fiscally responsi- ble and having contained costs was wrong. In addition to cost containment and real- location, Ohio State also has been following a policy of increasing the state sig- nificantly less than that assumed by the appropriation formulas in the state budget.

I pointed out this fall, if we had raised tuition over the years as much as was assumed in the appropriation formulas, Ohio’s current general fund cost would be $725 per year higher. We would have an additional $34 million per year to sup- port increased programs.

We have been following this policy of low and lower-than-state standard tuition under the expectation that we were to do that and act accordingly. Instead, the governor has done our part and accomplished much. Ohio State’s tuition is today among the lowest in the state by a wide margin and moderate by the standards of Big Ten universities, even though Ohio is a high-tuition state.

But in this budget, there is no recognition for these facts. As it applies to Ohio State, this budget assumes a 40 percent increase in undergraduate tuitions without a tax increase, and a 23 percent increase in under- graduate tuitions without a tax increase.

The point, of course, is that while the budget and tax increases are being rec- ognized on the state level, the keeping of tuition costs low throughout the state, the proposals do not recognize or give credit to the institu- tions that have worked jointly with govern- ment to maintain accessibility. It does not acknowledge that Ohio State has done its share to keep tuition low.

There is no doubt in my mind that because of the failure to recognize Ohio State’s commitments to cost and access control that without a tax increase, a tuition increase of 40 percent is not only possible but probable. Moreover, it is difficult for me to understand why a tax increase being sold on the basis of low tuition would call for an increase of 23 percent in Ohio State’s tuitions if such a tax were to be lowered.

There are other indications of changing priorities in the budget recommendations, priorities at odds with this great University and, I believe, with what is best for Ohio and Ohioans.

Ohio’s land-grant institution clearly is shortchanged by the recommended dis- distribution of new taxes.

There are other indications of changing priorities in the (proposed) budget recommenda- tions, priorities at odds with this great University and, I believe, with what is best for Ohio and Ohioans.

It is clear from the recommendations that the priorities of the state are shifting toward higher education and the tax increase budget calls for a 66 percent in- crease in funding for the student choice grants — which are private school grants — from $30 million for this biennium to $50 million for the next biennium.

Moreover, at a time when biotechnology and agricultural research and existing capacity in Ohio’s economy in the 21st century; when the horrors of cancer, AIDS and heart disease are the topic of much of our country, when these dis- eases and the problems of health care de- livery and cost containment in the health care industry are so much a part of our daily lives, it is difficult to understand how one justifies at this time for increases of just 6 percent in increased dollars are allocated to agricul- ture, medicine and the other health sciences.

Ohio’s land-grant institution has been recommended for affirmative action in the budget proposal with a tax increase in monies have been recom- mended for affirmative action in the budget proposal with a tax increase.

If there is no tax increase. I appreciate the state’s revenue dilemma; but, again, clearly Ohio State’s affirmative action in the budget proposal seems to out of step. We are surely disappointed that the priority on affirmative action in the budget proposals and activities only if taxes are increased.

I am particularly concerned with these proposals since the options for our University are rather limited. As mentioned, the ability to increase our funding through cost containment and real-location is extremely limited.

We have done much toward controlling our costs and reallocating enormous amounts of state funds. But we have used our maximum effort to insist on efficiency and excellence, re- duced waste and increased quality. But we have not capitalized the bulge of these opportunities.

There may be other options. We could become a less comprehensive university. But in access and opportunity for public higher, I do not believe that this state wishes to have a less comprehensive institution. In fact, we arethriving, and competitive to be valued as we move into a world of changing social values, changing technol- ogy and emerging policy. And these are growingly important interdisciplinary approaches to the problems of society.

We must become a more efficient institution so that we do not believe that the state expects a reduction in the size of higher education, particularly as we look at the demographics of the mid-1990s, when the children of the baby boom begin to arrive on campus. The option of reducing size is not realistic with the con- tinuing demand for admission to Ohio State’s nationally and internationally re- garded programs.

Tuition appears to be the solution as dictated by the proposals submitted to the Governor’s office. And the assumption is that the tuition increas would probably place Ohio State third or fourth among the state in- stitutions as well as third or fourth in the Big Ten public institutions.

We would remain a moderate tuition institution; but it is disappointing to note that a state which has worked to improve accessibility now reduces accessibility to our students. By increasing the instructional fees lower than the rates as- sumed in the state’s subsidy models.

And, of course, I did not indicate that we were “at crossroads in Ohio” in support for higher education. I realize that there are directions to choose the direction” this state will go. We are still at that crossroads. But we have been given some of the signals we might take, and I am, quite frankly, con- cerned by some of what I see. There are very difficult decisions ahead.

These decisions will be difficult because they challenge the core values and priori- ties of this institution. I maintain my belief in access and opportunity for public higher education for all capable Ohioans. I main- tain my belief in the highest standards of education our students at this great University, and I remain confident that the state of Ohio shares these beliefs.

The State of Ohio is working together very hard to maintain the strength of The Ohio State University. Perhaps, as we look for creative options for higher education, we can all develop better alternatives than those that face us today. Perhaps new revenue will help the state balance its budget and also today lies with the governance proposals and the apparent policy shifts away from higher education.

We are now making our case to the legislature and, I hope, as in the recent past improve upon these recommendations, and will recognize the important and funda- mental work that Ohio State has done towards making the public University is based.
BUDGET GUIDELINES PRESENTED

COLUMBUS -- The Ohio State University Board of Trustees Friday (6/2) authorized university officials to make expenditures, including payment of faculty and staff salaries, between July 1 and the next meeting of the board on July 7.

The interim authorization is necessary because the board has not yet adopted a budget for the 1989-90 fiscal year which begins July 1, pending passage of the state budget bill by the Ohio General Assembly.

President Edward H. Jennings presented budget guidelines to the trustees. The guidelines include an across-the-board $480 salary increase for each faculty and staff member. Each college and office will also receive an additional 2 percent for selective merit increases. The university will continue its practice of making a pool of $1.3 million available for equity, excellence and market adjustments.

Tuition figures for the coming year cannot be determined until the state appropriation level is finalized, he told the trustees.

The full text of Jennings' remarks follows.
Remarks by Edward H. Jennings
Budget Guidelines for 1989-90
Board of Trustees
June 2, 1989

It now appears likely that state appropriations for the 1989-91 biennium for higher education will not be approved until mid to late June at the earliest. As a consequence, full approval of the University's 1989-90 budget must be deferred until our July meeting. The timing of the state budget process adds a great deal of uncertainty to our fiscal planning this year but, nevertheless, we must proceed in this climate of uncertainty since our 1988-89 fiscal year will close June 30.

It is clear that whatever the final outcome, the 1989-90 University budget will be exceedingly tight. The most recent actions of the House and the Senate have substantially improved on the Executive proposals, and for that we are very grateful. While the increases to the instructional subsidy recommended by the House and Senate are significant, the recommendations now under consideration, nevertheless, fall considerably short of what is needed to maintain our operations at existing levels.

Last January, as we began the legislative process, it was noted that to account for inflation, and keep the student share of cost at an already too high 41 percent, an additional state appropriation of $200 million for higher education beyond the Governor's recommendation would be required. The House and Senate figures -- while a great improvement -- fall $64 million short. Furthermore, it also was noted that to continue the progress made by higher education in Ohio, particularly early in this decade, required another $200 million. In essence the current proposals are $264 million short of the modest higher education goals of quality and access. The state higher education community faces some difficult decisions.

As I told the House Finance-Appropriations Committee last February and the Senate Finance Education Appropriations Subcommittee last month, I am extremely proud of the accomplishments of our distinguished faculty members, our dedicated staff members, and our talented students. Ohio State's achievements have been made possible in partnership with the state, through consistent efforts by all decision makers across the University to contain costs and allocate resources wisely. Ohio State has attracted external funds to a greater extent than ever before through the successful fund-raising campaign and through external research support. We have done our share -- and will continue to do so.

Now, recognizing that there are many competing demands for limited state revenues, we are in a most difficult budget period. As we consider the 1989-90 budget, the priorities that are guiding our planning are to continue to keep costs down, to
sustain the momentum as well as meet prior commitments, and to continue to enhance quality while being mindful of our unique mission as Ohio's land-grant research University. To continue to meet these objectives will test our creativity and will demand a high level of commitment to the University on the part of all members of our Ohio State community.

Within the context of these priorities, we must move forward with our planning as we enter the new fiscal year. Today, I am prepared to present for your consideration the expense guidelines for what will be an exceptionally tight budget, regardless of the final outcome of the legislative deliberations.

As in the past, the University Senate's Fiscal Committee and the Faculty Compensation and Benefits Committee have been consulted in the budget planning process. In particular, the Faculty Compensation and Benefits Committee placed before us recommendations to keep our faculty salaries competitive with peer institutions. However, we are not able to fund these recommendations.

Rather, circumstances dictate a different approach. In this period of scarce resources, I believe that it is imperative that we give strong consideration to our junior faculty and staff colleagues at the lower end of the pay ranges. For this reason, I am recommending an increase for all of our faculty and staff members at the full-time rate of $480 across-the-board. We also will provide each college and office an additional 2 percent for selective merit increases. We will continue our practice of making a pool of $1.3 million available for equity, excellence, and market adjustments. Further, I do not anticipate providing any central funding to adjust equipment and supplies budgets for the coming year. The colleges and offices will have to accommodate cost increases for supplies and equipment through internal reallocations.

Due to the uncertainty of the outcome of the continuing deliberations in the General Assembly, I am not presenting revenue guidelines today. We must defer our decision on student tuitions until July. We enter this process with a demonstrated historical and continuing commitment to keeping the tuitions for our students as low as we responsibly can. I indicated earlier this year that with insufficient state support for the instructional subsidy, and with the apparent lack of state recognition for keeping tuitions low, we would have little choice but to increase tuitions. The extent of these increases is as yet unknown, however.

It is instructive to note that the latest proposal recommends a tuition increase cap of 7 percent on undergraduate instructional fees and yet funds Ohio State as though its tuitions were at the higher levels assumed in the Senate
recommendations. In fact, this University has kept its tuitions significantly below these assumed levels -- 30 percent below the currently proposed assumptions. It is clear that the budget now under consideration penalizes institutions which have demonstrated their commitment to access through lower tuitions. Ohio State's budget is tight because of the $22 million annual shortfall that results from the lack of recognition of our low tuitions in the proposed state budget.

Suggesting guidelines to you for the 1989-90 budget before having a full picture of the institution's available resources contains risk, but a risk that can be dealt with in several ways. First, I remain optimistic that the General Assembly will produce a higher education budget that restores higher education to a top priority of state government. We have seen that the House and Senate each has substantially improved on the Executive budget. I share with my colleagues around the state our hope for adequate appropriations and am confident that the General Assembly will make every effort to improve our current situation.

To ensure that we maintain the momentum we have worked so hard to achieve, we must continue to look to ourselves. We must continue to control costs and effectively reallocate resources, mindful of the fundamental mission of this institution. We must focus our attention on the academic core of our great University, being certain that quality is not compromised. This will mean considerable sacrifice and difficult decisions in all areas, particularly those not directly related to our primary educational mission. I am asking each of the vice presidents to identify those activities and programs receiving general funds which are in support of, but not central to, our fundamental academic mission. These budgets will be reviewed carefully and general funds may be reallocated in support of the academic core.

In addition, each college and office will begin immediately to define expenditures equal to 1 percent of their total budget to be reallocated. While their reallocated funds will remain in each college or office, the deans and vice presidents will have to demonstrate how they have used these reallocated resources to meet their highest priority needs as identified during their budget hearings.

To deal with scarce resources in the coming year, we must limit our costs; however, we will not limit our energies in the pursuit of excellence. I am proud of all that is being accomplished at this University, and I remain confident that together we can take the steps needed to continue our achievements.
Budget fears crimp OSU faculty, staff raises

By Tim Doulin
Dispatch Staff Reporter

Faced with the prospect of a tight budget, trustees of The Ohio State University yesterday gave full-time faculty and staff members pay raises of only $480 for the next fiscal year.

The increase was part of a budget proposal from OSU President Edward H. Jennings. The raises will be effective July 1 but will not be ratified until the board's July 7 meeting when the 1989-90 budget is expected to be adopted.

In addition to the across-the-board increase, the board approved merit raises of up to 2 percent, to be awarded at the discretion of individual colleges and departments.

An additional pool of $1.3 million will be available to adjust salaries of faculty and staff members to keep up with competitive markets and to maintain the quality of programs.

The salary package was considerably less than the 7 percent increase recommended in March by the Faculty Compensation and Benefits Committee.

The committee recommended a 3 percent across-the-board increase, a 3 percent merit increase and a 1 percent increase in the pool for equity, excellence and market adjustments.

"The Faculty Compensation and Benefits Committee placed before us recommendations to keep our faculty salaries competitive with peer institutions," Jennings told the board. "However, we are not able to fund these recommendations."

OSU has the third-highest faculty salaries among Big Ten schools, according to a report by the committee. The University of Michigan and Northwestern University pay higher salaries.

This year, the average salary for a full professor was $46,800, the committee said. Annual averages were $44,000 for an associate professor and $36,800 for an assistant professor, the committee said.

The recommended salary increase for faculty and staff members is less than what unionized employees will get in the coming year. Service employees and skilled-trade and maintenance workers will receive a 4.75 percent raise for the 1989 contract year under the terms of a three-year agreement signed in April 1988.

Deborah Costo was the only trustee to vote against the salary package. She said she opposed the raise at a time when the budget is tight and tuition will be increased.

Normally, the trustees approve the new fiscal budget and tuition increases at their June meeting, but OSU is waiting to see how much money it will receive from the state.

A higher-education budget is expected to be approved by the legislature later this month, but the university doesn't expect much help in relieving budget strains.

OSU will be penalized by the state for having a tuition that is about 30 percent less than that of the average state-supported university in Ohio, Jennings said.

"That (state) appropriation is based on tuition that is 30 percent higher than ours. That amounts to a $22 million-year shortfall at Ohio State," he said.

A tuition increase at OSU is a "certainty" and will be announced at the July board meeting, Jennings said.

The board also:
- Appointed Frederick E. Hutchinsen acting vice president for academic affairs and provost. The university is seeking a replacement for Myles Brand, who will become president of the University of Oregon in July.
- Named James Meeks to be Jennings' special assistant for legal affairs. Meeks had been serving on an acting basis after Larry Thompson went to the Rock 'n' Roll Hall of Fame in Cleveland.
- Approved an honorary degree for Labor Secretary Elizabeth H. Dole, who will address graduates next Friday.
OSU departments will be losing

By Matt Wagner
Lantern staff writer

OSU departments will have to get along without $7 million in the 1990-91 fiscal year.

The reallocation of funds amounts to one percent of the $700 million Ohio State takes in each year, said Wheldon Ihrig, OSU vice president of finance.

Each department at Ohio State needs to work out what programs do not provide teaching, research or a service environment for the state of Ohio, Jennings said.

“We have to continue to mind our costs and control our costs, and it’s pretty clear that the general assembly is not providing sufficient resources consistent with our ambitions,” Jennings said.

Ihrig said, $7 million is a lot of money to reallocate, and for some smaller departments, one percent is going to have big effects.

Ihrig said he intends to make cuts in requests for computer data reports.

“The university is constantly changing, and we have to make adjustments to flow with these changes,” Ihrig said.

The responsibility for the reallocation is with each department and must be approved by the vice president.

Fred Hutchinson, vice president of academic affairs and provost, said each college will have to show him the reallocation changes they want to make.

“One percent is not a major figure,” Hutchinson said. “It’s nothing more than we should be doing anyway.”

Hutchinson said that he hasn’t set a date in which the colleges will have to show their budget changes.

“There’s not a heck of a lot you can cut out of an area like this,” said Madison Scott, vice president of personnel services.

Scott said he would have to move people around because more people are needed in the employee relations department. The work load has continued to grow in the office, so certain employees may have to take on larger work loads.

“We’re not receiving any more state money, so we would have to make reallocations even if President Jennings didn’t ask for them,” said Manuel Tzagournis, vice president of health services.

“We don’t have any programs that we can discontinue right now.”

Tzagournis said there is necessary equipment for programs in his department, such as a molecular genetics laboratory and a magnetic resonance spectroscope.

$7 million starting 1990
TRUSTEES ADOPT BUDGET, SET FEES FOR COMING YEAR

COLUMBUS -- The Board of Trustees on Friday (7/7) adopted an annual operating budget for The Ohio State University totaling $1,080,290,000 for the 1989-90 fiscal year.

The university has been operating since the fiscal year began July 1 under a provisional budget based on expenditure guidelines recommended by President Edward H. Jennings at the June board meeting.

Under the new budget, undergraduate tuition for Ohio residents will increase by $50 per quarter. The cost will rise from $680 to $730 per quarter for full-time students, beginning in autumn quarter.

The increase follows passage of the 1989-91 state budget by the Ohio General Assembly, which limited instructional fee increases at state universities to $120 per year. Ohio State raised the instructional fee by this amount and increased the general fee by $30 per year.

Jennings expressed regret at raising the student fees but said it was necessary because of lack of growth in the purchasing power of the state subsidies throughout the 1980s.

"Ohio State is not willing to compromise on excellence," he
said. "Yet, over the past decade, major progress toward enhanced excellence and national recognition, annual internal reallocations to support new and expanded initiatives, and student tuitions that are well below the state-assumed levels have taken their toll.

"While we will continue to hold down costs, we can no longer advance within the current levels of state funding without moving tuitions closer to the state-assumed levels. Such action is taken reluctantly, with grave concern for the impact on our students. However, the faculty and staff are also sacrificing through lower levels of salary adjustments as well as paying part of the costs of their health insurance premiums."

The newly adopted budget includes a tuition increase of $48 per quarter at Ohio State's four regional campuses and the Agricultural Technical Institute. The quarterly tuition there will be $702, up from $654.

Ohio residents enrolled in Ohio State's Graduate School will pay $1,025 per quarter for tuition this year, up from $893 in 1988-89.

Out-of-state undergraduates will have their tuition raised by $217 per quarter, from $1,876 to $2,093.

Fees in the graduate professional programs -- dentistry, law, medicine, optometry and veterinary medicine -- will rise between 13 and 15 percent.

Weldon Ihrig, vice president for finance, told the trustees the university's planned expenditures in 1989-90 would support the following budget planning guidelines:

-more-
• faculty and staff pay increases of $480 per year across the board, with an additional 2 percent for merit increases and a pool of $1.3 million available on a competitive basis for equity, merit and market adjustments.

• salary increases for negotiated wage settlements.

• maintenance of the purchasing power of university-funded student financial aid.

• ability to meet mandatory cost increases such as utilities and employee benefits.

• provide $1.5 million for library book acquisitions.

• fund previous commitments such as the Young Scholars Program, curriculum enhancement and the Wexner Center operations.

In addition, each college and office is requested to define 1 percent of their 1989-90 budgets for reallocation. This action is taken to lower costs and eliminate low priority activities and services. The funds will remain within the units and be used for high priority needs.

Overall, the average increase in all university rates and charges will be just under 7 percent.

Residence and dining hall fees will rise about 6.2 percent, bringing the typical cost of room and board for one quarter to $1,159. The Office of Residence and Dining Halls offers 16 housing and meals options, ranging in cost from $580 to $1,284 per quarter.

Parking fees have been raised from $128 to $135 for a faculty "A" decal, from $65 to $69 for a staff "B" decal, and from $35 to $37 for a student "C" decal.

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In adopting the university budget for the 1989-90 fiscal year, the trustees also approved a 5 percent pay increase for President Edward H. Jennings, raising his salary from $139,320 to $146,286 annually.

John Berry, chairman of the Board of Trustees, reported that the board's personnel committee recommended the raise after a review of Jennings' performance.

"The president has continued to carry out his responsibilities in a manner consistent with the high expectations and ideals of the university," Berry said. "The role of a CEO is not an easy one, particularly in a major public educational institution. To manage and balance the many diverse interests, and to minimize the inherent conflicts necessarily associated with the university is a splendid achievement."

Contact: Weldon Ihrig, (614) 292-9232. (Trustees 51)
Ihrig gives perspective to University's budget

Editor's note: The following remarks regarding the budgets of the University and the state of Ohio were made by William Ihrig, vice president for finance, to the Board of Trustees at its July 7 meeting.

Today we are presenting Ohio State's first billion dollar current funds budget for your approval. This budget of $1.08 billion, while sounding very big in total dollars, in reality represents a tight budget throughout the University.

This new biennium is what I call a "foundation building" biennium for Ohio State. This means a period to continue the progress toward enhancing excellence by consolidating the outstanding gains achieved over the past two biennia, or four years.

Let me try to explain this graphically. After the disastrous period of the early 1980s when state support was flat, with periods of cutbacks and inflation in double digits, the instructional subsidies have grown at a fairly steady rate (see Chart 1). For this support, Ohio State is most grateful to the Ohio General Assembly.

However, to understand the real impact of State support on Ohio State's Columbus campus, we need to look at the instructional subsidy in constant dollars, i.e. adjusted for inflation (see Chart 2). This chart shows the instructional subsidy adjusted for inflation.

You can see that the high inflation of the early 1980s took its toll, with real recovery beginning in the 1985-87 biennium. Even so, we didn't return to the purchasing power of 1979-80 until 1986-87. However, the 1985-87 biennium was our signal that Ohio was willing to fund both excellence and access for higher education.

Once the momentum was created, the 1987-89 biennium arrived with no growth and some decline, but Ohio State considered this to be a temporary fall. The University decided to sustain the momentum through expanded cost containment and reallocations that continued to fund new and expanded expectations while keeping tuitions as low as possible.

However, as you can see, the 1989-91 biennium continues this flat support in constant dollars when we project a 6 percent rate of increase in operating costs, as did the Board of Regents. What this means is that since Ohio State can no longer continue its past levels of internal reallocations, we must temper, not expect our expectations, but the rate of support for those levels of services to keep within our levels of available funding.

Let us also look at the increases in tuition over the same period (see Chart 3). You can see how Ohio State has been addressing access by holding tuitions below the state levels assumed in the Ohio Board of Regents (OBOR) subsidy models.

For 1989-90, even with the recommended increases, Ohio State would still have to increase undergraduate instructional fees another 19 percent to reach the regents' fee assumptions, 68 percent to reach the graduate and 45 percent-69 percent to reach the professional tuition assumptions.

These represent significant losses of potential revenue that this University does not have available with the tuition cap on instructional fees imposed by the General Assembly. Our plan was to utilize this and the next biennium to close the tuition gap and help continue the rates of progress; however, for the undergraduate instructional fee, that option is not now available. Other universities in Ohio appear to have made the correct decision when they kept their tuition increases at the state assumed levels.

This level of state support combined with comparable rates of tuition increases would have presented an excellent budget for a university satisfied with the status quo. Ohio State's problem is that the status quo is unacceptable; therefore, our challenge is to find ways over this biennium to continue the enhancement of excellence with reasonable tuitions and limited resources.

Total budgeted resources are $1,080,290,000 of which $1,018,800,000 is for the Columbus campus (94 percent), while budgeted uses are $1,079,950,000 in total, $1,018,800,000 on the Columbus campus.

The state support increases to $305 million for Columbus and tuitions generate an additional $159 million. However, with investment income projections being down, the net effect is a general fund increase of $314 million. This is the component of the budget which supports the colleges, libraries and related support and administrative services—which for Columbus is $452.39 million or 44.4 percent of the total.

The Columbus campus general fund's increase of $314 million over 1988-89 is budgeted to be expended as follows (see Chart 4): salaries and benefits, $199.9 million; utilities and new facilities, $3.6 million; student aid, $3.4 million; library acquisitions, $1.5 million; new academic challenge, $2.3 million; and, research support $0.7 million; Total — $314.4 million.

It is interesting to note the trend changes in this year's budget over last year—we are experiencing a trend toward restricted funds being a greater portion of the budget with relative drops in the shares of general funds and earnings operations. Also, as you would expect, the support for the general funds budget has shifted, with the share of state subsidy dropping 0.4 percent and tuition revenues increasing 0.7 percent.

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[Charts and graphs not transcribed, but refer to specific data and illustrations]
Trustees adopt $1 billion budget for 1989-90

By Ruth Gerstner

The Board of Trustees July 7 adopted an annual operating budget totaling $1,080,290,000 for the 1989-90 fiscal year.

Weldon Ihrig, vice president for finance, told the trustees planned expenditures in 1989-90 would support the following budget planning guidelines:

- Faculty and staff pay increases of $480 per year across the board, with an additional 2 percent for merit increases and a pool of $1.3 million available on a competitive basis for equity, merit and market adjustments.
- Salary increases for negotiated wage settlements.
- Maintenance of the purchasing power of University-funded student financial aid.
- Ability to meet mandatory cost increases such as utilities and employee benefits.
- Provide $1.5 million for library book acquisitions.
- Fund previous commitments such as the Young Scholars Program, curriculum enhancement and the Wexner Center operations.

In addition, each college and office is requested to define 1 percent of its 1989-90 budget for reallocation. This action is taken to lower costs and eliminate low priority activities and services. The funds will remain within the units and be used for high priority needs.

Overall, the average increase in all University rates and charges will be just under 7 percent.

Parking fees have been raised from $128 to $135 for a faculty "A" decal, from $65 to $69 for a staff "B" decal, and from $35 to $37 for a student "C" decal.

Under the new budget, undergraduate tuition for Ohio residents will increase by $50 per quarter. The cost will rise from $680 to $730 per quarter for full-time students, beginning in autumn quarter.

The increase follows passage of the 1989-90 state budget by the Ohio General Assembly, which limited instructional fee increases at state universities to $120 per year. Ohio State raised the instructional fee by this amount and increased the general fee by $30 per year.

President Jennings expressed regret at raising the student fees but said it was necessary because of lack of growth in the purchasing power of the state subsidies throughout the 1980s.

"Ohio State is not willing to continue on page 2.

Residence and dining hall fees will rise about 6.2 percent, bringing the typical cost of room and board for one quarter to $1,159. The Office of Residence and Dining Halls offers 16 housing and meals options, ranging in cost from $580 to $1,284 per quarter.

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John Berry, chairman of the board, reported that the board's personnel committee recommended the raise after a review of Jennings' performance.

"The president has continued to carry out his responsibilities in a manner consistent with the high expectations and ideals of the University," Berry said. "The role of a CEO is not an easy one, particularly in a major public educational institution. To manage and balance the many diverse interests, and to minimize the inherent conflicts necessarily associated with the University is a splendid achievement."

Continued from page 1.

promise on excellence," he said. "Yet, over the past decade, major progress toward enhanced excellence and national recognition, annual internal reallocations to support new and expanded initiatives, and student tuitions that are well below the state-assumed levels have taken their toll."

"While we will continue to hold down costs, we can no longer advance within the current levels of state funding without moving tuitions closer to the state-assumed levels. Such action is taken reluctantly, with grave concern for the impact on our students. However, the faculty and staff are also sacrificing through lower levels of salary adjustments as well as paying part of the costs of their health insurance premiums."

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Fees in the graduate professional programs — dentistry, law, medicine, optometry and veterinary medicine — will rise between 13 percent and 15 percent.
State higher education budget still tight

By Tom Spring

The Ohio General Assembly last month passed a $26.8 billion two-year state budget, which includes $3.5 billion for higher education.

The final bill provides an increase of $177 million in instructional subsidies for higher education beyond Gov. Richard F. Celeste’s proposed budget. In addition, lawmakers set a tuition cap of 6 percent or $120, whichever is greater.

University presidents had asked for $200 million in additional subsidies to maintain student shares at 41 percent of the cost of instruction. The new budget means public universities will have to absorb the difference internally.

“We very much appreciate the bipartisan support for higher education demonstrated by the Ohio General Assembly,” says Herb Asher, special assistant to the president. “At each stage in the legislative process—House, Senate and conference committee—the legislators added funds to the instructional subsidy.

“Despite this unprecedented action, however, the budget remains tight because of the low base from which we started in the executive recommendation.”

A statement from William B. Coulter, chancellor of the Ohio Board of Regents, read in part: “We were able to end the budgetary process about where we are this biennium in terms of student share (of tuition costs). With record and near-record instructional subsidy additions ... we will be able to retain the existing student share of instructional costs at 41 percent during the next biennium.”

Final instructional subsidies for Ohio State are $271,150,746 in fiscal 1990 and $286,057,767 in fiscal 1991. The 1989 funding was $252,120,528.

The Ohio Agricultural Research and Development Center will get $44.8 million and the Ohio Cooperative Extension Service will receive $29.5 million.

“We’ve got $12.2 million (more) from the state” than in the previous biennium, says Frederick Hutchinson, acting vice president for academic affairs and provost. “That’s a very significant increase in funding for those two programs. Both of those programs have become primarily state funded.”

The conference committee stipulated that OARDC be exempt from University budget reallocations and said $500,000 of the Extension money is to be used in a cooperative venture with Southern State Community College to develop alternatives to raising tobacco and other marginal crops.

The conference committee restored $3.3 million over the biennium for the Labor Education and Research Service, up $800,000 from the previous budget. The Senate had eliminated funding.

Legislators directed the Board of Regents to set aside $400,000 each year to create the Center for Labor Research to be administered by Ohio State. Lawmakers established a five-member committee, to be appointed by the State Federation of Labor, to advise the center.

Also funded were:

- Ohio Supercomputer Center, housed at the University, $4.5 million each year, same as last year.
- Clinical work in the College of Medicine, $14 million and $14.47 million, up from $13.6 million last year.
- Clinical work in the colleges of Dentistry and Veterinary Medicine, $981,500 and $1.01 million. Last year’s appropriation was $981,500.
- James Cancer Hospital and Research Institute, $1.5 million and $2.5 million, up from $1 million last year.
- Sea Grant, $200,000 annually, up from $199,500 last year.

For the statewide Selective Excellence programs, $4.5 million for Eminent Scholars and $3 million for Program Excellence for the biennium.

The Board of Regents’ budget includes $11.4 million the first year and $11.74 million the second for Academic Challenge Grants, $11.7 million annually for Research Challenge Grants, and $2.2 million annually for Productivity Challenge Grants.
OSU says it should get star treatment

By Tim Doulin
Dispatch Staff Reporter

If The Ohio State University is the flagship public university in Ohio, it wants to be rewarded as such.

That means more money from the General Assembly for its operating budget.

"I think the state should recognize that this is the flagship institution, and to this point it has not," said Edward H. Jennings, OSU president.

"I think there is recognition that this institution competes with many major institutions around this country, whether it is in the Big Ten or the Pac 10. But in a relative sense, our funding on a per-capita basis is way down."

OSU received about $339.64 million from the state for its 1989-90 budget. The state contribution provides about 31 percent of the university's total budget of $1.08 billion. The state needs to contribute a larger percentage to OSU's budget, OSU trustee Hamilton Joel Teaford said.

"We'd better face the fact that we are in Ohio and Ohio's government has said a premier educational institution that does all things may not be what Ohio wants," Teaford said.

OSU has the respect of the state Legislature, said Sen. Eugene Watts, R-Galloway. But there are other considerations, such as ensuring that other state universities receive their share of the money and that higher education remains affordable.

"We have to look at the whole picture," Watts said.

OSU can expect a 5.4 percent increase in funding from the state for its next budget, which will go into effect July 1. The university received a 6.7 percent increase from the state for the current budget.

"We are actually looking at a lower rate of increase this year. And that has a direct trade-off in the area of tuition," said Weldon E. Ihrig, OSU's vice president of finance.

The General Assembly has capped tuition increases at $120 a year for in-state undergraduate students at state-supported schools. That could mean graduate, professional and non-resident students will have to shoulder more of the tuition burden.

An OSU undergraduate student from Ohio pays $739 a quarter. The cap means that may not go above $850 in the next budget year.

Non-resident undergraduates now pay $2,093 a quarter. Graduate students from Ohio pay $1,025 a quarter, and non-resident graduate students pay $2,590 a quarter.

In the last six years, OSU's undergraduate tuition has increased an average of 5.9 percent a year, compared with the Big Ten average of 7.9 percent.

OSU has not received credit from the state for its efforts in previous years to keep tuition low, Ihrig said.

Not only has OSU not received credit for keeping tuition down, it has been penalized by a funding formula based solely on full-time enrollment, said Rep. Michael Stinziano, D-Columbus.

"While there is a certain amount of equity for doing that, the formula makes no recognition for needs that a flagship institution like Ohio State has," he said.

"The message from the state is loud and clear, Teaford said.

"They are telling us that we can only raise tuition 120 bucks and they are not giving this university any more allocation than they are Central State or Bowling Green or Youngstown State," Teaford said.

"I think you have got a very clear signal from Downtown (the Legislature) that we cannot have the budget that we need for this university. And we can't load it on the graduate students, and we can't load it on the dormitory students. We are fooling ourselves if we do."
PRESIDENT PRESENTS BUDGET GUIDELINES TO TRUSTEES

COLUMBUS -- Ohio State University President Edward H. Jennings has recommended that student tuition be increased for the 1990-91 academic year.

In budget guidelines presented Thursday (5/3) to the university's Board of Trustees, Jennings asked for a 7 percent increase in tuition for Ohio resident undergraduates and an 8 percent increase for Ohio resident graduate and professional students. He asked for a 12.5 percent increase in the surcharge for out-of-state students.

As part of the university's normal budget cycle, the president annually reports budget plans at the May trustees meeting so that a resolution on the budget can be adopted at the June meeting for the coming fiscal year, which begins July 1.

"The level of state support for this biennium requires that the university make some difficult fiscal decisions about tuitions effective autumn 1990," Jennings said.

"Last year, the state of Ohio capped tuitions, and we will follow legislated caps. But, the state did not live up to its obligations and seriously underfunded The Ohio State University, an institution with a long tradition of low tuitions in this state. If the state had funded Ohio State at the level of (its) own tuition assumptions, this university would have another $22 million annually to address critical needs.

"The legislated cap on increases in the undergraduate instructional fee of $120 per year defines our increase for 1990-91. That, along with a $33 increase in the general fee, results in a total undergraduate tuition increase of 7 percent, or $153 over three quarters."

Under the proposed guidelines, undergraduate tuition for Ohioans would rise from $730 to $781 per quarter and Ohio graduate students' tuition would rise from $1,025 to $1,107 per quarter. Out-of-state students would pay $2,314 per quarter on the undergraduate level and $2,868 per quarter on the graduate level, increases from $2,093 and $2,590 respectively.

Jennings also noted that he has requested that the
university's earnings units keep costs and rate increases low, with a target of less than 6 percent average increase university-wide. Residence and dining halls increases have been recommended at 4.6 percent for undergraduates and 3.4 percent for graduate students, with graduates' room-only contracts rising only 2.3 percent.

"Our projections indicate that revenues from state support and from the suggested tuition levels will provide a composite increase in general fund revenues of 6.1 percent," Jennings said.

"As a result, the university must continue to control costs and reallocate funds. A high priority, of course, will be adding proportionate percentage increases in student financial aid support to cover the recommended tuition increases, as well as continuing our efforts to improve the process of awarding this support."

In other budget guidelines, Jennings recommended:

-- Maintaining competitive compensation for faculty and staff through 2 percent across-the-board salary increases, 4 percent merit increases and a 0.5 percent central pool for market, equity and excellence increases.

-- Returning graduate assistants to the regular budget cycle by an across-the-board salary increase of 2.5 percent, effective July 1, to be added to the 6.5 percent boost they received this past January. This combined 9 percent increase will be in effect until July 1, 1991, when the graduate assistants will have their salaries reviewed along with faculty and staff.

-- Continuing to increase the share of health benefits costs borne by faculty and staff members. Last year, employees began paying 15 percent of the cost of health care premiums. This year, the percentage will rise to 18 percent, but the amount paid by faculty and staff members will increase only about $5 per month for family coverage. This is significantly below the projections of a year ago, Jennings said, and reflects individual efforts by faculty and staff to hold costs down.

In recognition of these efforts, Jennings announced that he will request a "health care premium holiday" in the month of September. Neither individuals nor the university will pay health care premiums that month. The university's savings of approximately $1.2 million will be distributed to colleges and offices to address priority needs, such as supplies and equipment.

-- No increase in budget allocations for supplies and equipment.

-- A repeat of this year's 1 percent internal reallocation of all general funds and earnings areas in order to support high priority needs within those areas.

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Contact: Weldon Ihrig, vice president for finance, (614) 292-9232.
OSU budget boosts tuition along with employees’ pay

By Tim Doulin
Dispatch Higher Education Reporter

An operating budget of nearly $1.168 billion at The Ohio State University will include a $51-a-quarter tuition increase for resident undergraduates and pay raises for faculty and staff members.

OSU trustees adopted the 1990-91 budget at a meeting yesterday. It takes effect July 1.

The current budget was about $1.081 billion — the first at OSU to top $1 billion.

“It is a tight budget, but it is a good budget,” President Edward H. Jennings said. “It will allow us to keep going.”

The budget follows many of the recommendations Jennings made to the board last month.

Here are tuition and fee increases that are effective this fall:

• In-state undergraduate students will pay $781 a quarter, up from $730.
• Out-of-state undergraduate students will pay $2,314 a quarter, up from $2,099.
• In-state graduate students will pay $1,107 a quarter, up from $1,025.
• Out-of-state graduate students will pay $2,868, up from $2,590. The budget also includes a 2 percent across-the-board salary increase for faculty, administrative and professional employees. In addition, they will be eligible for merit increases that will average about 4 percent.

Staff members will receive a 5 percent salary increase. They will be eligible for merit increases that will average about 1 percent.

The budget was made more difficult to put together because OSU received a smaller percentage increase in the instructional subsidy provided by the state, said Weldon E. Ihrig, vice president of finance.

The subsidy is the money from the state that goes toward classroom instruction.

The new budget will include an instructional subsidy of $284.28 million, an increase of about 5.4 percent over the current year. Last year, the increase was 6.7 percent.

“This situation will continue to challenge the university to find increasingly creative ways to utilize available resources,” Ihrig said.

In other action, trustees:
• Established the Wexner Center Foundation. The non-profit foundation will raise money and accept gifts to support the Wexner Center for Visual Arts at OSU.
• Announced that a new building on campus will be named after the speaker of the Ohio House of Representatives. The nine-floor Vernal G. Riffe Jr. Building will house the colleges of Biological Sciences and Pharmacy. The building will be next to the Biological Sciences Building, 484 W. 12th Ave. Construction is expected to begin in July 1991.

Trustees waived a bylaw that says buildings and structures can’t be named for people who are currently officers or employees of the university or state.

• Appointed Howard L. Gauthier acting vice provost for international affairs, effective July 1. Gauthier, an associate provost, replaces Charles F. Hermann, who was reappointed director of the Mershon Center at OSU. Hermann had been serving as acting vice provost since 1988 when Francelle Firebaugh left OSU to become a dean at Cornell University.

Ihrig was named vice president emeritus, effective Sept. 1. Ihrig will be leaving OSU this summer to become vice chancellor for finance and administration of the Oregon State System of Higher Education.
Ohio State operates on $1.1 billion

By Ruth Gerstner

The Board of Trustees on June 1 adopted an annual operating budget of $1,167,630,000 for the 1990-91 fiscal year, which begins July 1.

Weldon Ihrig, vice president for finance, told the trustees, "The highest spending priorities for this budget are to maintain faculty and staff salaries at competitive levels and to add enough dollars to student financial aid to cover the recommended tuition increase and continue our efforts to improve the process by which this aid is awarded."

Planned expenditures in the 1990-91 budget will support the following:

* A 2 percent across-the-board increase in faculty, administrative and professional salaries, with an additional 4 percent for merit increases; a 5 percent wage increase for classified staff, with 1 percent available for merit increases; a 0.5 percent pool for equity, excellence and market adjustments; a 2.5 percent increase in graduate stipends in addition to the 6.5 percent awarded in January.
* Increases for negotiated wage settlements.
* No increases in continuing budgets for supplies, equipment and general expenses. However, one-time funds from a one-month health premium holiday designated for September 1990 will be made available to colleges and offices to fund their highest priorities.
* Maintenance of the purchasing power of University-funded student financial aid and coverage of new students who may qualify for aid with the increases in tuition.
* Resources to meet mandatory cost increases, such as utilities, employee benefits and graduate fee authorizations.

* A $2 million pool of continuing resources, plus $4 million in cash to fund special needs, such as the new general education curriculum.

In addition, the state will provide $4.9 million in Research Challenge funds, and the 1990-92 state capital improvements bill is expected to provide approximately $9.5 million for acquisition of instructional and computer equipment.

The budget includes tuition increases of 7 percent for Ohio resident undergraduates and 8 percent for Ohio resident graduate and professional students. There is a 12.5 percent increase in the surcharge for out-of-state students.

Tuition and fees for Ohio resident undergraduates will rise from $730 to $781 per quarter on the Columbus campus, effective autumn quarter. Out-of-state undergraduates will pay $5,234, up from $2,093. The new tuition and fees for Ohio graduate students will be $1,107 per quarter, compared to $1,025 this year. Non-resident graduate students will pay $2,868 per quarter, an increase from $2,590.

Tuition and fees at the four regional campuses and the Agricultural Technical Institute will rise from $702 to $751 per quarter for full-time Ohio undergraduates.

"The instructional subsidy support from the state in this second year of the biennium increased just 5.4 percent, significantly below what continues to be needed to support our goals of improved access and continued excellence," Ihrig noted.

"In addition, the state of Ohio has limited through legislation, the amount of income we may achieve through tuition. The combination of modest increases in state support and caps on tuition has placed severe limits on the resources available to this University."

He continued: "However, this University cannot afford to let resource constraints reverse the momentum that has been established. Ohio State must continue to strive to enhance excellence by making maximum use of available resources."

Overall, increases in fees — including residence and dining halls, athletic tickets, bookstores, parking, hospitals, etc. — will average 5.3 percent.

Parking fees have been raised from $135 to $144 for faculty "A" decals, from $69 to $72 for staff "B" decals, and from $37 to $40 for student "C" decals.
Shutdown will hurt Ohio State

By Robert Bunge
Lantern staff writer

Student financial aid, research funding and University Hospitals will be hit hardest if a federal government shutdown is allowed to continue.

Ohio State receives nearly 10 percent of its total annual operating budget — $118 million from the federal government, said William J. Shikurti, acting vice-president for finance.

Stafford loans, Pell grants, National Science Foundation funding, Medicaid and Medicare dollars would be the largest areas impacted if the government shuts down.

"Most of our funding comes from the state and tuition, but some units will be hit harder than others," Shikurti said.

By late Monday, no stop-gap spending bill — which would allow the federal government to operate until a final budget is approved — had been approved.

Without a temporary spending bill, most federal offices, which had been closed for the Columbus Day weekend, would remain closed indefinitely.

The House passed a budget proposal and temporary spending bill early Monday morning and sent it to the Senate for approval. The president’s signature is required on the temporary spending measure.

If the bill is not approved soon, the university could start to feel the pinch within a week or two. "There is no rainy day fund for expenses like this," Shikurti said.

The university does not have a master plan in place in case the government is closed for a long period, but instead is relying on dean’s and provost’s plans to monitor the situation, he said.

"The most helpful thing we can do is to allow the unit managers to be flexible. We hope that this is only a temporary problem," he said.

Because the university receives about $10 million a month from the federal government, he said the longer the government is shut down, the more it will hurt the university.

Shikurti said the Student Financial Aid and Research Funding, University Hospitals and the Agriculture Technical Institute in Wooster are the largest users of federal funding.

Roger Meyer, acting associate director of financial aid, said he did not know what effect a government shutdown would have on student aid.

He said the two most impacted programs likely would be the Stafford Loan program and Pell grants. Funds for Stafford loans are directed to students through the university in the form of quarterly checks.

Specific figures on the number of students who receive loans were not immediately available.

Meyer said most students have received their autumn quarter checks, but some checks have not been received depending on when the student applied for aid.

Funds for Pell grants are received by the university on a continuing basis and credited to each student’s account. "I don’t know the status of these funds at the moment," he said.

Another group that could be affected would be students who receive aid from the Veterans Administration. Most of those checks are processed by the VA and sent directly to students, he said.

The National Science Foundation has announced that if a budget agreement is not reached, it will be forced to reduce all current research grants by 50 percent. Ohio State currently holds $14 million in NSF grants.

Because federal research funding is received by the University Research Foundation on a day-to-day basis depending on each grant, a shutdown in place for an extended period could affect researchers and graduate students.

The office of research is relying on department heads to pinpoint possible problems, said Thomas Sweeney, vice president for research and graduate studies.

Problem areas include things like research projects that cannot be turned off without loss of data.

Most federal money received by University Hospitals is in the form of Medicaid and Medicare claims, said Barbara Eley, director of patient finance services.

About 85 percent of the hospital’s Medicare claims are handled automatically through computer records and most likely will not be impacted. But cases requiring special handling will be held up, she said.

The University receives Medicare claims in lump-sum payments every two weeks, Eley said.

"Medicare closed its local office. We have to contact Cleveland or Cincinnati now. They also stopped their toll-free services, so we have to call long distance," she said.

The hospital has not heard from Medicaid about any possible problems, and has had to file individual claims for Medicaid, so it could also be affected by a shutdown, she said.
State deficit may mean education budget cuts

By David Tull

The state of Ohio is facing a projected budget deficit of $262.4 million in the fiscal year that ends June 30.

Gov. Richard F. Celeste, announcing the estimated shortfall on Nov. 8, ordered immediate cuts of $71.1 million affecting most state agencies. Even with some additional fund transfers, the budget is expected to be nearly $189 million short.

That’s the amount the governor is asking state legislators to find through sweeping cuts across the spectrum. Subsidies to higher education are likely to be among many targets for the budget axe.

“It’s important to keep this in perspective,” says William J. Shkurti, acting vice president for finance. “It certainly is no time to be complacent. By the same token, it’s not a time to withdraw into a cave.”

The University has an annual budget of about $1.2 billion, Shkurti points out. Of that, about $350 million — 30 percent of the total — comes from the state. “For the other 70 percent, there’s no reason to expect that to be affected.”

Based on initial suggestions from the state, cut-backs this fiscal year could be as high as 4 percent, Shkurti says. “Even a 1 percent cut costs the University $3.6 million. But that is in a budget of $1.2 billion,” he adds.

“We don’t want to overreact. We will do what is necessary to protect the financial health of the University, but also protect the future of the University.”

“We must still continue to make forward progress. It may take more effort and more energy.”

When the exact measure of possible budget cuts is known, University administrators will consult with deans and faculty to formulate a policy for dealing with any cutbacks. Then the policy will be implemented by the offices of Finance, Business and Administration, and Academic Affairs.

At this point, it’s too early to say how cuts might affect the campuses. At least two-thirds of the University budget goes into salaries. Shkurti points out.

“But we hope to avoid layoffs. We also have to take into account what this all might mean for the next biennium.”

He also notes that the University has gone through this kind of experience before. “In 1982-83, there were horrible cuts, some as big as 10 percent. There’s no indication at this point that (the current cuts) will be as severe.”

The shortfall stems from what Shkurti calls “a double whammy.” Personal and corporate taxes have declined. At the same time the demand for state services — such as unemployment and welfare — have increased.

The state of Ohio is not alone. “What’s happening in Ohio is mild compared with states like New York and Massachusetts, where some of the cuts are in double digits,” Shkurti says.
Ohio State braces for looming cutbacks with hiring curbs

By Tim Doulin
Dispatch Higher Education Reporter

The Ohio State University is bracing for a possible reduction in state money by restricting hiring for non-teaching jobs.

William J. Shkurti, acting vice president for finance, told the OSU Board of Trustees yesterday that it is time to enact "selective hiring controls."

"It is important that we don't be overly complacent in a time of fiscal stress," Shkurti said. "At the same time, it is important that we not overreact."

Shkurti issued a memorandum to deans and vice presidents saying temporary, vacant or new administrative, professional and classified civil service positions must be approved by the Office of Personnel Services.

It is uncertain how many jobs would be affected or how much money would be saved.

Faculty positions are not affected. Public safety personnel, patient care workers at University Hospitals and positions fully funded by outside research grants also are exempt.

The steps come in the wake of Gov. Richard F. Celeste's request to the legislature for cost-saving measures to help cover a projected $263 million shortfall.

Appropriations to higher education could be cut. About $357.4 million of OSU's $1.167 billion budget for 1990-91 comes from state appropriations. About $182.5 million comes from student fees.

OSU would lose about $3 million for each 1 percent reduction in higher education appropriations by the state, the university said.

"I think the best way to look at it is that we are trying to take a prudent stance," said James L. Nichols, OSU's business official for business and administration.

In other board matters:
- Victor J. Mora was named director of minority graduate students development and Hispanic affairs in the Office of Minority Affairs. Mora has been serving as acting director since joining OSU in May.
- Mora was named over the objections of two members of the search committee, who said he was not the most qualified candidate.
- John E. King was named an associate professor and assistant dean emeritus of the College of Optometry.
BUDGET CONTINGENCY GUIDELINES OUTLINED TO TRUSTEES

COLUMBUS -- The Ohio State University is preparing for a possible reduction in state appropriations during this fiscal year by enacting selective hiring controls, the university's Board of Trustees was told Thursday (12/6).

William J. Shkurti, acting vice president for finance, told trustees that, as announced by Gov. Richard F. Celeste last month, the current state budget is projected to fall $263 million short this fiscal year. The governor has called on the Legislature to enact a number of cost-saving measures, including a possible reduction in the appropriations to higher education.

"Although it is not possible at this time to know exactly what the Legislature might do, it is important to begin to prepare now," Shkurti said, noting that Ohio State will lose approximately $3 million for each one percent reduction in higher education appropriations by the state.

Ohio State's 1990-91 fiscal year budget is $1.167 billion, of which $357.4 million comes from state appropriations. Another $182.5 million is generated by student fees. The remainder comes from a combination of sources, including: research contracts from the federal government, private industry and other organizations; revenue from income-producing units such as residence and dining

-more-
halls; interest earned by the endowment; private gifts; and a variety of others.

At the direction of President E. Gordon Gee, beginning immediately, no new or vacant non-instructional positions will be filled unless they are required to provide essential services. Exempted are regular and auxiliary faculty positions, patient care staff in University Hospitals, individuals fully funded by externally sponsored research grants, public safety personnel, persons performing functions specifically required by law, and personnel who provide direct services to revenue-producing units.

"In addition, we are asking each dean and vice president to carefully monitor expenditures for all other discretionary items," Shkurti said. "Only expenditures considered as highest priority should be made at this time."

He went on to say that while the specific hiring guidelines apply only to the current fiscal year, there is considerable uncertainty about the impact of the state budget shortfall on the university's funding for the next biennium.

"There is a continuing need for the university to reallocate and reevaluate resources to meet changing needs," he said.

Shkurti and James L. Nichols, acting vice president for business and administration, will work with heads of the university's academic and administrative units to develop options for cost savings in the next fiscal year. Deans and vice presidents have been asked to begin identifying alternatives for permanent cost reductions.

Shkurti concluded his remarks by noting that it may be necessary to further modify the hiring and budget commitments yet this fiscal year. "We will continue to monitor the situation carefully and will be providing updates on further developments as they evolve."

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Contact: William J. Shkurti, (614) 292-9232.
MEMORANDUM

SUBJECT: Selective Hiring Control

DATE: December 10, 1990

FROM: William J. Studer, Director of Libraries

TO: Library Faculty and Staff

I am distributing the attached memo from the Acting Vice President for Finance and Acting Vice President for Business & Administration. As you will read, it announces and describes a hiring control program for the balance of this fiscal year which in essence precludes our filling any vacant A&P or Civil Service position for which an offer had not been extended by December 6. Faculty positions are not affected.

At the moment we have 19 positions vacant and we can surely expect more by June 30. It is clear to me that few exception requests are expected and few will be granted. The Libraries will seek exceptions only in the most serious of circumstances. We will have to be very flexible and creative in maintaining our services during this period and your cooperation and understanding are essential.

If you have questions, please direct them to Sharon Sullivan, the Assistant Directors, or myself.

3204m
SUBJECT: Guidelines for Implementation of Budget Contingency Plans

DATE: December 6, 1990

FROM: William J. Shkurti
James L. Nichols

TO: Deans and Vice Presidents

The purpose of this memo is to communicate the University's response to the projected state budget deficit. On November 7th Governor Celeste announced that the state of Ohio faced an estimated budget shortfall of $263 million for the period ending June 30, 1991. He reduced the budgets for departments under his control by 4%. In addition, he proposed a series of actions to the legislature which included a possible reduction in state support to higher education. If the legislature chooses to reduce appropriations, The Ohio State University will lose approximately $3.0 million in revenues for each one percent reduction in the current fiscal year.

Although it is not possible at this time to know exactly what the legislature might do, it is important to begin to prepare now. Consequently, the President has directed us to implement selective hiring controls, effective immediately. These controls apply to all new and vacant non-instructional positions as outlined below. They will remain in effect until the University knows for certain what state funding will be for the remainder of this fiscal year.

The following guidelines will be used to implement the hiring controls:

Instructional positions - Because of the critical role of teaching and research to the mission of this university, regular and auxiliary faculty positions are not affected by the hiring controls at this time.
Non-instructional positions - All postings for temporary, vacant, or new Administrative and Professional and Classified Civil Service positions, as well as offers made after the date of this letter, must be approved by the Office of Personnel Services. Only positions which are required to provide essential University services should be submitted. Each position will be reviewed on an individual basis by the Office of Personnel Services upon receipt of a written request from the appropriate Vice President. Specific exemptions are granted for the following staff positions:

- Patient care personnel at University Hospitals.
- Individuals fully funded on externally sponsored research grants.
- Public safety personnel and personnel performing functions specifically required by law.
- Personnel who provide direct services for revenue producing units.

It should be noted that use of temporary personnel or contract services is not an acceptable alternative to filling vacant positions.

In addition to the personnel actions identified above, we are asking each Dean and Vice President to carefully monitor expenditures for all other discretionary items. Only expenditures considered as highest priority should be made at this time.

While these specific guidelines currently apply only to fiscal year 1990-91, there is considerable uncertainty as to the impact of the current state budget shortfall on funding for the next biennium. More importantly, there is a continuing need for the University to reallocate and reevaluate resources to meet changing needs. Therefore, the President has instructed us to work with you to develop options for some form of reallocation for fiscal year 1991-92. This means it is important that you begin identifying alternatives for permanent cost reductions. This will also provide you with the flexibility to manage additional fiscal constraints should the state budget picture continue to deteriorate.

If you have questions about the details of the hiring controls, please contact the Office of Personnel Services at 292-8993. For questions about other aspects of this memorandum, please contact your analyst in the Office of Financial Management at 292-8981.
Given the uncertainty of the state and national economic conditions, it may be necessary to further modify hiring and budget commitments during this fiscal year. We recognize the difficulties this uncertainty presents in managing your programs. We will continue to monitor the situation carefully and will be providing updates on further developments as they evolve. Thank you for your assistance in implementing these guidelines.

C:  E. Gordon Gee  
    President's Council  
    University Senate Fiscal Committee
Uncertain state budget brings hiring controls

Although the budget corrections bill just enacted by the Ohio General Assembly did not cut funds for higher education, the state's financial picture remains uncertain.

As a result, Ohio State's selective hiring controls enacted late last year remain in effect, according to William J. Shkurti, acting vice president for finance.

At its Dec. 6 meeting, Shkurti told the Board of Trustees that, as Gov. Richard F. Celeste announced in November, the current state budget is projected to fall $263 million short this fiscal year. The governor called on the Legislature to enact a number of cost-saving measures, including a possible reduction in the appropriations to higher education.

Consequently, President Gee directed that no new or vacant non-instructional positions be filled unless they are required to provide essential services.

Exempted are regular and auxiliary faculty, patient care staff in University Hospitals, individuals fully funded by externally sponsored research grants, public safety personnel, persons performing functions specifically required by law, and personnel who provide direct services to revenue-producing units.

"In addition, we are asking each dean and vice president to carefully monitor expenditures for all other discretionary items," Shkurti said Dec. 7. "Only expenditures considered as highest priority should be made at this time."

He went on to say that while the specific hiring guidelines apply only to the current fiscal year, there is considerable uncertainty about the impact of the state budget shortfall on Ohio State's funding for the next biennium.

"The governor and the Legislature have put together a bill that, so far, does not cut higher education," Shkurti says. "It's not clear what the new governor will do, nor is it clear what lies ahead for the economy. So, for the time being, the hiring controls remain in effect."

Newly elected governor George V. Voinovich takes office Jan. 14. It likely will be several months before his direction for state appropriations will be known. "We will look at our budgets after (the new governor's impact) becomes clear — probably later in the winter or in early spring," Shkurti says.

He told the trustees that Ohio State could lose approximately $3.6 million for each 1 percent reduction in higher education appropriations by the state.

Ohio State's 1990-91 fiscal year budget is $1.167 billion, of which $357.4 million comes from state appropriations. Another $182.5 million is generated by student fees. The remainder comes from a combination of sources, including: research contracts from the federal government, private indus-

January 10, 1991/onCampus/7

try and other organizations; revenue from income-producing units such as residence and dining halls; interest earned by the endowment; private gifts; and a variety of other sources.

"There is a continuing need for the University to reallocate and reevaluate resources to meet changing needs," he says.

Shkurti and James L. Nichols, acting vice president for business and administration, will work with heads of the academic and administrative units to develop options for cost savings in the next fiscal year. Deans and vice presidents have been asked to begin identifying alternatives for permanent cost reductions.

Shkurti adds that it may be necessary to modify further the hiring and budget commitments this fiscal year. "We will continue to monitor the situation carefully and will be providing updates on further developments as they evolve."

Continued on page 7.
Ohio State reacts to unpredictable economic future

Gee responds to recession, limits hiring

By Matt Emery
Lantern Staff Writer

In response to an unpredictable state and national economy, selective hiring controls and increased spending limitations have been placed into effect at Ohio State by President E. Gordon Gee.

The precautionary measures were enacted to offset possible cutbacks into higher education funding.

The Ohio General Assembly, faced with a projected state budget deficit of $783 million for the current fiscal year, enacted House Bill 656 on Dec. 31 to cover the deficit.

Although the bill did not reduce state appropriations for higher education, there is still uncertainty concerning the state funding of higher education, said William J. Shikurti, acting vice president for finance.

There is great concern on how a new governor and a new state budget will affect state funding for higher education, said Steve Stofel, associate vice president for personnel services.

"If the state budget worsens, cutting higher education certainly wouldn't affect the governor," said Jim Cundiff, financial analyst for the Ohio House of Representatives.

Governor-elect George Voinovich wants to reduce spending in areas other than education, Cundiff said.

Ohio could lose from an estimated $5-51.5 billion, said James Nichols, acting vice president for business and administration.

"The economy gets worse... it will undoubtedly ripple through the state and to state aid," Shikurti said.

"There is also uncertainty on how the shortfall will impact the next biennium." Shikurti said.

If the state legislature reduces funding for higher education, Ohio State will lose approximately $38 million in funding for the current fiscal year, Shikurti said.

The university, however, is taking precautionary measures to prepare for possible cuts in higher education.

The selective hiring controls, which went into effect Dec. 19, apply to all new and vacant non-instructional positions. Shikurti said.

"Every area of the university would be affected by the hiring controls in one way or another, but there are exceptions that would be less affected," Stofel said.

Regular and auxiliary faculty positions are not affected by the current hiring controls, Stofel said.

See RECEPTION page 2

"Protecting the academic program is the highest priority," Gee said.

Also exempt from the hiring controls are patient care personnel at the University Hospitals, individually funded by externally sponsored grants, and public safety personnel, who perform functions required by law, Stofel said.

Departments that are revenue producing, including residence and dining halls, should not be affected, Stofel said.

If a job position is vacated and does not qualify under one of the exemptions, there must be a critical need before the position is filled, Stofel said.

"If there were 10 faculty members and one secretary, and the secretary would leave, somebody would have to do that work," Stofel said. "These types of critical needs would be exceptions.

Administrative departments will be the first area to feel the effects of the hiring controls, Shikurti said.

"The greatest strain will be on administrative units that process paper," Shikurti said. "We'll be asking people to do more. There will be a lot more pressure on managers in administrative units to use their people effectively.

The hiring controls have had minor problems, because currently there are few job vacancies, said Russell J. Spilman, vice president of student affairs.

The effect of hiring controls will be reviewed in March or April, Nichols said.

Shikurti foresees the hiring controls continuing for a few months, but said there will be a greater effort to continue cutting red tape.
STATEMENT BY E. GORDON GEE
PRESIDENT, THE OHIO STATE UNIVERSITY

The governor's recent announcement of budget cuts in this current biennium will mean a reduction of approximately $12 million for The Ohio State University. Cuts of this magnitude obviously pose a problem for the university. We are currently developing a process to make these cuts while we try not to hurt the core of this great university. I am sympathetic to the new governor facing an unbalanced budget after less than a month in office. I recognize the absolute necessity of sound fiscal management for the state of Ohio, for The Ohio State University, and indeed for all state agencies and programs.

We will accommodate these reductions as best we can. However, I am concerned about the next biennium. I firmly believe that the investments that the state makes in its human capital, and especially in higher education, are the most important investments that can be made. I look forward to working with the political leadership of Ohio to insure that higher education is a top priority in the next biennial budget.

OSU budget loses $12 million

Academics, research face possible budget cutbacks

By John Seewer
Lantern staff writer

Ohio State is expected to lose $12 million in state funds, as a result of Gov. George V. Voinovich's 3 percent reduction in higher education funding.

Ohio State receives about $340 million in state funds annually, but because of the cuts, academic departments and research programs could face financial cutbacks, said William J. Shkurti, acting vice president for finance.

Academic areas and administrative units could suffer financial restraints, but OSU President E. Gordon Gee has stressed the importance of preserving the academic core, Shkurti said.

Shkurti also expects state-funded university programs to be cut back. The Ohio Agricultural Research and Development Center and the Labor Education and Research Service are programs most likely to suffer cutbacks.

"We don't know if we have a problem concerning cutbacks at this point," said Ron Racer, acting chair of labor and education research.

The Ohio Supercomputer Center, Stone Laboratory in Put-in-Bay, health finances, and University Hospitals could also face slight cutbacks, Shkurti said.

"These programs won't be closing down, but some are more dependent than others on state funding," he said.

In a prepared statement, Gee said the $12 million loss will set the university back temporarily, but will not create long-term problems if higher education funding is emphasized in the next biennial budget.

Voinovich will propose plans for higher education funding for the next biennium in mid-March, said Herbert B. Asher, special assistant to the president. The biennium budget, which begins July 1, will include the amount of state funding available for higher education during the next two years.

"We understand the governor has a budget problem, but we hope that he reflects in the budget that higher education is a top priority," Asher said.

University officials are studying various options to offset the cutbacks, Asher said. A tuition increase for spring quarter is not an option, he said.

University-wide hiring controls, enacted by Gee on Dec. 6, were established in anticipation of cuts in higher education funding, said Steve Stoffel, associate vice president of personnel services.

"I don't anticipate massive layoffs because of the cutbacks," Stoffel said.
Postal increase will affect OSU budget

By Maho Kawachi
Lantern staff writer

Ohio State spent about $4.2 million for its postage last fiscal year. This year, the university is expecting mailing costs to rise because of the increase in postage rates enacted last Sunday.

According to The Chronicle of Higher Education, Jan. 16 issue, colleges and universities can expect mailing costs to increase by 25 percent in February.

The OSU Budget Planning office doesn't have specific figures on how much the postage increase will affect the university budget.

Assistant Director John Lowe said some departments will suffer from the postage hike because of interdepartmental mailing budgets.

The outgoing mail from the campus is sent through the Campus Mail Service.

"On December, we sent out 1.3 million pieces in mail," said David Boucher, assistant manager of the mail service.

The university frequently uses third-class bulk postage which raised 16.2 to 23.3 cents per piece.

The postage rate has not increased in three years. The increase to 29 cents on a basic letter becomes the 14th-ranked among the major nations of the world, according to the document published by the U.S. Postal Service office.

The federal postal office on campus geared up for the change. "We have enough business window at this stage, but we will see the line going to be long for a while," said Max C. Fulston, manager of branch operations of University Station.

Four persons are working for the office. "Unfortunately, we do not get extra personnel with this," he said.

He also expects a number of letters to arrive with only a 25-cent stamp. At the office, they are selling the four-cent "make-up" stamp, until official 29-cent stamps are ready. The stamps will be circulated in six to eight weeks, Fulston said.
Gee warns campus of $12 million loss

Editor's note: The following is a letter President Gee sent Feb. 5 to vice presidents, deans and department chairpersons, in which he discussed how the University will respond to an estimated $12 million cut in state support.

Dear Colleague:

The last six months have been a time of change and challenge for all of us. One of those challenges has been to continue to improve in the face of eroding resources.

Last December, Gov. Richard Celeste and the legislative leaders agreed to a series of spending cuts and revenue transfers to deal with a $263 million problem in the state budget for the year ending June 30, 1991. Fortunately, higher education appropriations were not reduced as a result of this agreement.

Although I expressed to the governor and legislative leaders our appreciation for the priority given higher education, I felt it would be prudent for the University to be prepared if additional reductions were to come in early 1991.

On Dec. 6, all deans and vice presidents received a memo establishing special hiring controls and other measures to protect the University in the event of a midyear loss of state support.

On Feb. 1, Gov. George Voinovich announced a package of spending reductions totaling $127 million to deal with revenue losses due to a continued deterioration in the state's economy. Forty-five million dollars, or almost 35 percent of the total, came from reductions in previous appropriations to higher education.

This marks the first time in eight years that higher education in Ohio has received a midyear budget reduction. Our Office of Finance estimates that Ohio State's share of these budget cuts is about $12 million.

While we are disappointed Ohio's public universities are expected to bear such a high proportion of these budget cuts, The Ohio State University can and will respond in a constructive way.

To help us address this problem, I have asked William J. Shkurti, acting vice president for finance, to work on a collaborative basis with the Office of Academic Affairs (including the deans), the University Senate Fiscal Committee, and other members of the University community to re-examine the Dec. 6 memo.

They will fashion a response which deals with this $12 million revenue loss by preserving the University's financial integrity and protecting its academic core.

I have asked Professor Shkurti to have this plan to me no later than mid-February.

While dealing with this immediate problem, it is important we not lose sight of our longer-range goal: moving this University forward. I have asked the Office of

Continued from page 1.

Academic Affairs to continue with its efforts to develop an academic planning process.

Over the next few months, I will be devoting a great deal of my time indicating to our elected officials the importance of continuing the momentum established in the mid-1980s in support of Ohio's colleges and universities.

This $12 million loss to Ohio State in this budget year will set us back temporarily, but need not do lasting harm, provided that the biennial budget commencing on July 1, 1991, reflects a renewed commitment to Ohio's future.

My staff and I will be working hard to carry this message to Ohio's elected officials, but we cannot do it alone. We will expect your support and the support of other institutions of higher education in using this time as an opportunity to secure a brighter future for all the state of Ohio.

Sincerely,

E. Gordon Gee

Continued on page 4.
OSU cuts may mean lines, dirtier halls

By Tim Deulin
Dispatch Higher Education Reporter

Bigger classes, longer lines and dirtier buildings are some of the consequences The Ohio State University faces as a result of having to trim $12 million from its budget.

The administration told deans and vice presidents yesterday how the university plans to make up the loss of $9 million in general funds and another $3 million in earmarked money from the state's annual contribution of $340 million to OSU.

The $12 million is OSU's share of the $44.9 million cut in the higher education budget ordered earlier this month by Gov. George V. Voinovich to help balance the state budget.

Heads of academic departments at OSU are being asked to reduce annual general budgets by 1 percent. Heads of academic support units must reduce budgets by 1.5 percent.

The plan is designed to cover $4 million of the $9 million loss in general funds. About $5 million in additional tuition and state support the university earned from higher-than-anticipated enrollments last fall will cover the rest.

"This university is so big that we prefer not to tell departments how to operate, so specifically how the cuts are implemented will vary from department to department," said William J. Shkurti, acting vice president for finance.

Research will feel the pinch, said Thomas L. Sweeney, acting vice president for research and graduate studies. OSU will support fewer new faculty members on seed grants and will have fewer resources to assist faculty members who find themselves between federal grants, he said.

"It will be a pressure on the research and scholarly establishment," Sweeney said.

"But it won't be disproportionately to the rest of the university, so we are all pulling in our belts a bit." OSU is not planning any layoffs to help get through the budget crunch, but departments probably will use fewer adjunct faculty members and graduate assistants to teach classes, some deans said. That means full-time faculty members will have more students in classes.

The university also will use less temporary help in administrative offices, meaning students will spend more time in lines to get paperwork processed, a university official said.

In anticipation of the governor's cuts, OSU implemented a soft hiring freeze in December. The move will pay off, but it may take a few months, one university official said.

The College of Education has a number of faculty vacancies, but many will remain unfilled thanks to the budget crunch, said Dean Donald P. Anderson.

"We do a lot of off-campus teaching where we offer service to schools, but we will have to pull back from that," Anderson said.

In addition, building maintenance may lapse. "Buildings may be a little bit dirtier and roofs we should have fixed earlier may develop bigger leaks," Shkurti said.

State-funded line items like the Agricultural Technical Institute, Arthur G. Jones Cancer Hospital and Research Institute and the Labor Education and Research Service have not been modified, the specific amounts they will have to pay toward the $3 million loss from the state's annual contribution of $340 million to OSU.
State shortfall sparks budget cuts

By David Tull

Academic and non-academic units throughout the University are being asked to tighten their belts $7 million worth over the coming four months.

Of this, $4 million will come from Columbus campus budgets and $3 million will come from extended campuses and other accounts that are funded by line items from the state budget.

The cuts result from a $263 million state budget shortfall announced by Gov. George Voinovich on Feb. 1. Ohio State's share of the statewide cutbacks amounts to $9 million for the central general funds and $3 million in specific line items, according to William Shkurti, acting vice president for finance.

More than half of the $9 million cutback — about $5 million — is offset by increased tuition revenue and state support resulting from larger-than-expected enrollments last fall. The remaining $4 million will come from budget cuts, Shkurti says.

On the Columbus campus, each academic unit must reduce cash outlays by 1 percent. Academic support units — principally, the non-teaching units — need to cut outlays by 1.5 percent.

Those parts of the University funded by line items in the state budget will reduce budgets in the same proportion as the state budget reductions — generally about 3 percent, but as much as 5.45 percent for a few programs.

Line item cuts affect extended cam-

Continued on page 5.

Continued from page 1.

puses, the Ohio Agricultural Research and Development Center, the Agricultural Technical Institute, the Ohio Sea Grant College Program, the Arthur G. James Cancer Hospital and Research Institute, the Cooperative Extension Service and a variety of other programs.

The procedure for developing budget cuts was spelled out in a memo to deans and vice presidents from Shkurti and David Boyne, associate provost. Each unit on the Columbus campus is asked to reduce general fund cash outlays by specific amounts by March 15. Those affected by line item cuts have until April 1 to draw up budget reduction plans.

Excluded from cuts are things such as earned income, endowments, research grants and other funds outside the general budget.

As a part of the budget reductions, the hiring controls initiated in December will continue through June 30, the end of the fiscal year.

"It's unlikely that there will be many layoffs," says Shkurti. "Layoffs should be a last resort only after all other alternatives are exhausted."

But the cuts come very late in the budget year, he notes. Departments may defer buying equipment or doing maintenance, he suggests. "It may take a little longer to have a roof fixed or a light bulb changed."

Meanwhile, University budget planners must prepare for the next fiscal year, which begins July 1. "The real issue is what happens next," Shkurti says. "If (state) budgets increase, this should only be a temporary problem."

But there is concern that state budgets for the coming biennium may not increase. With that in mind, a process has begun to build budgets for the next fiscal year that show reallocations totalling at least $4 million, Shkurti says. "Some of these (fiscal 1991) cuts can be restored; some might be cut more," he adds.

The process will include consultation with various University governing bodies, including the University Senate Fiscal Committee and the Deans Caucus. Reallocations will be announced before July 1.

"Nobody ever wants to do this (cut budgets) but when you must do it, you need to know far enough in advance," Shkurti says.

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Voinovich cuts university funding by $12 million

Departmental, budget cutbacks on agenda for upcoming year

By John Seewer
Lantern staff writer

University departments receiving state funds for higher education are facing a $7 million reduction in spending for the remaining fiscal year, ending July 1. Departments have been dealt a 1 percent to 5 percent reduction in their individual budgets, a result of cuts in state funding for higher education by Gov. George Voinovich. Ohio State will lose $12 million in state funds.

Colleges, academic units and line item programs are being asked to reduce spending to offset the losses, said William J. Shkurti, acting vice president of finance.

Higher than anticipated enrollment for last fall generated about $5 million in additional tuition and state funds, which will also be used to balance the deficit, Shkurti said.

College deans are being asked to cut spending by 1 percent, to save $2.4 million. Colleges and offices can use their general funds or wartime resources to meet the imposed cuts, he said.

Shkurti said the departments are not permitted to create a deficit or increase an existing deficit.

"The most immediate impact will be on the maintenance of buildings, those services are always the first cut," Shkurti said. Cuts in


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Cuts concern administrators; future layoffs not expected

By John Seewer
Lantern staff writer

Cuts in maintenance services, employee benefits, office and teaching equipment, and classes foreshadow the university's future.

Students, faculty, and staff soon will begin to notice the effects of reduced spending at Ohio State, said university administrators.

The cuts are in response to the $12 million loss of higher educational funding from the state by Gov. George Voinovich.

Funds supporting the Department of English and the Department of East Asian Languages and Literatures through the Academic Challenge Fund might be returned, said Michael Riley, dean of the College of Humanities.

There will not be layoffs in the immediate future, but vacated faculty positions will not likely be filled, Riley said.

"When you cut instructors, you have to cancel classes," he said.

Riley said the College of Humanities is under increased strain in its attempt to reduce a deficit produced by increased enrollment during the past five years.

"We should've been funded more over the past few years," he said.

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Schools spot silver lining in budget blueprint

By Mary Yost and Tim Doulin
Dispatch Staff Reporters

Despite an overall spending reduction in the coming year, public school officials found some good news for education in the proposed state budget outlined yesterday by Gov. George V. Voinovich.

Money for primary and secondary education is slated to shrink by 2.3 percent the first year.

School spending would drop from just over $3 billion to $2.96 billion in the first budget year, and increase to $3.15 billion the second year, a 6.2 percent increase.

Assistant State School Superintendent William L. Phillips, who was preparing to testify before the House Finance Committee today, said the overall reduction was expected because the state has been spending more than it receives.

"We are particularly pleased that basic aid wasn't cut" and that state funding was increased for programs such as Head Start and preschools for handicapped children, Phillips said.

Voinovich is teaming increases for early education programs such as Head Start with better health care, increased child-care assistance and more funds for child support collections in a program he calls his "Caring for Children."

Nearly two dozen line items are slated for elimination in the education budget, but the impact of that is still being analyzed, Phillips said.

Voinovich proposed eliminating the Commission on Education Improvement, which awarded state grants for programs such as Head Start, while continuing several of those programs.

The new Governor's Education Management Council, which Voinovich has said he would chair to reform school funding and structure, would receive $150,000 a year.

Higher education would see some increases both years, growing 0.4 percent, to $1.71 billion, the first year and 5.5 percent, to $1.81 billion, the second year.

In a news conference, the governor praised college presidents for greasing the tight budget with a "positive and constructive" attitude. Voinovich said he hopes others react as well.

The budget freezes instructional subsidies at $1.22 billion the first year and increases them 5 percent, to $1.28 billion, the second year.

Hazlewood

It also puts limits on tuition increases each year.

Elaine H. Hazlewood, chancellor of the Ohio Board of Regents, said public colleges and universities will have a difficult time accommodating growing enrollments.

"We must be careful not to put our institutions in the position of having to choose between greater access or maintaining academic quality," Hazlewood said. "It is especially important during times such as these that boards of trustees be given as much flexibility as possible to manage this delicate balance."

Students of private colleges face proposed cuts of about 50 percent in Ohio Student Choice grants, from about $20 million to about $10 million a year.

"We are clearly disappointed at what appears to be lack of sensitivity to the contributions of the independent colleges," said Larry H. Christman, president of the Association of Independent Colleges and Universities of Ohio.

He said the governor's proposal will take financial aid away from about 20,000 middle-income students at 45 private Ohio colleges.

William J. Shirkert, acting vice president for finance at the Ohio State University, said the university will have to cut or eliminate some programs and courses.

"You can only do so much more with less before it hurts the core of what you are trying to accomplish," he said.

OSU is most concerned with its share of the instructional subsidy, which figures to be about $260 million next year. That is about $7 million less than this fiscal year.

"Even though it was not the intent of the governor that schools get less, we will get less, given the formula the regents use to distribute the money. Obviously, that concerns us," Shirkert said.

OSU can live with the governor's decision to keep tuition increases at 7 percent or $225, whichever is larger, for fiscal year 1992, and at 4 percent or $145 in 1993, Shirkert said.

"We don't like to see a fee cap, but it is done in a way that doesn't penalize schools that have tried to keep tuition down in recent years," Shirkert said.

Voinovich's proposed budget means Ohio University probably will have to leave job openings unfilled, reduce travel by faculty members, and cut back equipment supplies, said Provost James L. Bruning.

"Our priority will be the students," he said. "We will do everything we can to maintain services to them, including keeping classroom sizes small."

The subsidy will not be enough to accommodate an anticipated 15 percent enrollment increase at Columbus State Community College, but the college will get by.

"It will hamper us in handling the growth," Harold M. Nestor, president at Columbus State, said. "But economic times are tough, and everybody has to share in this. We are going to do our part."
Budget cuts concern OSU

Gee aide says education to suffer under Voinovich's two-year plan

By Jeff Ortega
Lantern staff writer

The quality of education at Ohio State will suffer under Gov. George V. Voinovich's proposed two-year budget, according to Herb Asher, special assistant to OSU President E. Gordon Gee.

Under the governor's $28.6 billion budget proposal introduced on March 18, $3.5 billion would be appropriated for higher education, $1.7 billion for the first fiscal year and $1.8 billion for the second, Asher said.

The educational budget is being reviewed by the Education sub-committee of the House Finance and Appropriations Committee.

State Sen. Eugene J. Watts, R-Columbus, and chairman of the Senate, Education, Retirement and Aging Committee, said he would be working to obtain additional funding for higher education.

Watts believes the proposed state budget reflects the current economic climate of reduced tax revenues. Therefore, all state agencies and programs are going to have to tighten their budgets, he said.

Asher warned, although the higher education appropriation may seem larger under Voinovich's proposed budget, looks can be deceiving.

Instructional subsidies, which according to Asher fund much of the operating costs of the university, will increase by nearly 5 percent over the next two fiscal years; however, this rise will not be able to accommodate rising enrollments and inflation, he said.

Asher also said a greater share of the university's instructional subsidies will go to its four branch campuses because of changing enrollment patterns.

These, combined with tuition caps designed to restrict how much state-supported universities can increase tuition leave Ohio State with few avenues for additional revenue under Voinovich's proposed budget, he said.

Additionally affected will be certain programs at Ohio State which are funded directly by higher education appropriations, Asher said.

The Agriculture Research and Development Center and the Cooperative Extension Program will be cut back, and the Labor Education Service and OSU-Sea Grants programs will be eliminated under the proposed budget.

Asher said the proposed budget would force a reduction of services at Ohio State. Fewer and larger classes may be offered and hiring freezes may be instituted, Asher said.

"It does hurt the quality of education," he said.

Paolo DeMaria, assistant director of the Office of Budget and Management, said higher education is a priority of the Voinovich administration and every attempt was made to provide this, along with primary and secondary education, given the resources available.

Bill Shkurti, acting vice-president for finance at Ohio State, said the proposed budget would definitely force a reduction of services at the university. Ohio State and other state-supported universities plan to lobby the state legislature for more funding.
Gee takes his budget concerns to the House

By Tim Doulin
Dispatch Staff Reporter

OSU President Gordon Gee told legislators yesterday that it's against his nature to complain about funding from the state.

But, then, he's only been president of The Ohio State University for seven months.

"I do not believe in the 'tin cup' approach to budgeting, whereby a university president comes before the legislature with an outstretched hand begging for more and more dollars," Gee said.


Gee quickly admonished Troy: "No more tickets (to OSU sporting events) for you, Mr. Chairman."

The exchange drew laughs from the crowd but did little to resolve budget problems facing state-supported colleges and universities.

Gee and other higher education officials from around the state addressed concerns over Gov. George V. Voinovich's proposed $26.8 billion budget, which includes about $3.5 billion for higher education.

Under the proposal, funding for instructional subsidies next year will remain at its current level and increase by only 5 percent the following year.

Due to the enrollment-based system used to distribute subsidies to state-supported schools, OSU would actually receive about $9 million less next year than it received this year.

Gee pointed out that the allocation for instructional subsidy during the next two years "does not even keep up with inflation."

Public universities will find themselves financially hamstrung further by a proposed capping of tuition and general fee increases at 7 percent, or $225, whichever is greater, next year.

The cap in 1993 would be 4 percent, or $145.

"I'm not bullish on tuition," said Gee after testifying to the committee.

"At the same time, it seems to me that it is bad public policy to go around putting caps on tuition when you are trying to deal with a mix of budget issues."

Ohio University President Charles J. Ping told the subcommittee that students will pay the price for the lack of state support. He said the student's share of the cost of education could increase to 47 percent, up from 41 percent.

"We all agree this is a painful increase," Ping said.

Troy did not seem to favor lifting the tuition cap.

"I don't like the alternative of just lifting a cap on tuition, saying 'What we don't give you go out there and get from the students and parents in increased fees and tuition,'" Troy said.

Troy also didn't hold much hope that the state could get more money in the budget for higher education.

"It is not one of those years where there is somewhere to get it. The old argument that, 'Well, if you just shift the money around, you'll be able to find some dollars here,' just doesn't work," he said.
Ohio State to develop budget-cutting plans

By Tim DeLois
Dispatch Higher Education Reporter

Facing the prospect of lean support from the state, vice presidents and deans at The Ohio State University are being asked to develop plans to cut their budgets by 3 percent to 7 percent in the next fiscal year, which starts July 1.

That could mean elimination of some academic programs and, as a last resort, employee layoffs, said William J. Shicarti, acting vice president for finance at OSU.

"Everything is contingent on what the state legislature does with the budget," Shicarti said. "We are hoping for the best, but we are preparing for the worst."

Gov. George V. Voinovich's proposed $26.8 billion two-year budget includes about $3.5 billion for higher education. It calls for instructional subsidies next year to remain at their current levels and increase by only 5 percent the following year.

Due to the enrollment-based system used to distribute subsidies, OSU would receive about $13 million less next year than it received this year. State revenues are the largest single source of income for the university.

Public universities would find themselves further financially hamstrung by a proposed capping next year of tuition and general fee increases at 7 percent or at $225, whichever is greater. The cap in 1993 would be 4 percent or $145.

Because the state budget won't be approved until late June, deans and vice presidents are being asked to draw up budgets of 3 percent, 5 percent and 7 percent less than their current budgets.

The academic core — primarily the undergraduate program — is to be spared as much as possible, Shicarti said. In reducing services and programs, considering elimination of vacant positions and cutting the number of employees may become necessary, a memo from Shicarti to vice presidents and deans says.

The university hopes early retirement and other means of attrition will be sufficient, Shicarti said.

Widespread layoffs are unlikely "and would occur only as a last resort, but we can't assure people that there won't be any layoffs," he said.

The university also is tightening its hiring controls, first imposed in December, to include all regular faculty appointments and more non-instructional positions.

The university already is feeling the effects of absorbing a loss of $12 million in state support for the budget year ending June 30, Shicarti said.

"The number of closed and canceled classes are beginning to creep up," he said. "We want to minimize that because it makes it difficult for students who are trying to graduate."

Deans and vice presidents are to develop the budget-cutting plans by May 1. The university will determine which plans to use once it finds out how much money it will receive from the state.
OSU finance office calls for deans' plans to reduce budgets

By Samantha G. Haney
SclpLantern staff writer

Gov. George Voinovich's proposed budget means Ohio State may have to cut programs, services and personnel.

A memo from the Office of Finance stated deans and vice presidents must develop three plans that will reduce their budgets by 7 percent, 5 percent and 3 percent from current spending to prepare for the proposed state budget.

Nancy Zimpher, chairwoman of the University Senate fiscal committee, said programs and services will be cut "in this scenario, but the budget has yet to be discussed in legislative committees. Staffing reductions are a possibility but will probably be through attrition and not widespread cutbacks," she said.

Zimpher said Ohio State has reduced budgets previously for reallocation purposes, but this time colleges will have to "give up activities with little promise of reallocation."

The fiscal committee will review the reports, due from deans and vice presidents May 1, and will make several recommendations to University President E. Gordon Gee, she said. The memo offers guidelines to deans and vice presidents to help them prioritize important services and protect the "academic core."

There will be more than one recommendation covering possible budget scenarios such as cutting the budget, maintaining current spending and the "highly unlikely" case of an increase from the state," Zimpher said.

William Shkurti, acting vice president for the Office of Finance, said the Office of Academic Affairs has been helping departments in planning budgets. The May deadline should not be an obstacle, he said.

Cutbacks this year will not be across the board as were other changes in past years, Shkurti said. This year, cutbacks will be decided individually with respect to the budget reports from deans and vice presidents.

Shkurti said the proposed budget cuts force departments to prioritize their fundamental functions and services to the university.

President Gee said protecting the academic core, such as laboratories, libraries, research and dance studios, is the top priority. "That's what we're about," Gee said.

The memo included the possibility of staff cuts as well as expanded hiring controls. The hiring controls set in December expanded to include all regular faculty appointments and also more non-instructional positions.

Herb Asher, special assistant to the president, said Ohio State "hasn't just sat back and asked the state for money." He said Ohio State practices cost containment policies and tries to attract research grants and other outside contributions for alternative funding.

Gov. Voinovich's proposed $26.8 billion, two-year budget asks for instructional subsidies to remain the same for next year and increase by 5 percent the following year.

See BUDGET Page two
Bad budget news has OSU looking for places to trim

By Tim Doulin
Dispatch Higher Education Reporter

The College of the Arts at The Ohio State University is rethinking its future.

With the possibility of a 3 percent to 7 percent budget cut next fiscal year, the college is preparing for a situation in which it can't purchase new equipment, a reduction in the number of graduate teaching assistants and even the loss of faculty positions.

"We have exciting plans for the college, but a 7 percent budget cut would just decimate our program," said Donald Harris, dean of the college.

Deans and vice presidents at OSU were told earlier this week to start planning for smaller budgets beginning July 1. The university is pointing the finger at Gov. George V. Voinovich's proposed state budget.

Under the budget proposal, OSU expects to receive about $13 million less in instructional subsidy next year than it received this year. A statewide tuition cap also would limit a source of revenue to the university.

The university is hoping that the General Assembly will add money to the proposed $3.5 billion Voinovich has set aside for higher education. The state budget is expected to be approved in June.

Meanwhile, OSU is planning. Priority is being given to preserving academic core programs, and layoffs would occur only as a last resort.

"We consider everything we do to be important, but we need to define those programs that are important and those that are not as important," said William J. Shkurti, acting vice president for finance.

Shkurti said a 7 percent budget cut is a "worst-case scenario" but that cuts of some kind are necessary.

A deep budget cut could result in fewer elective courses being offered by the College of Business, said Joseph Alutto, dean of the college.

"A 7 percent reduction would not be easy for us. It would curtail our ability to offer some courses," Alutto said.

Research would not feel as much of a pinch as some areas because it does not rely as heavily on state money, said Thomas L. Sweeney, acting vice president for research and graduate studies.

"Much of the research money is brought in from external sources," Sweeney said.

"The principal reason we get outside funding is the drive of the faculty members. I don't look for that to diminish."

Sweeney said researchers might be hurt if they rely too much on funding from Ohio agencies.

"Those agencies may devote less money to research during a budget crunch," Sweeney said.

OSU might support fewer new faculty members on seed grants and may have fewer resources to help faculty members who find themselves between federal grants, Sweeney said.

Many colleges aren't sure yet where they will make cuts. The university lost about $12 million from the state in this year's budget when Voinovich balanced the state budget upon taking office after the first of the year.

The College of Law has a committee studying cuts for an already lean budget of $7.5 million, Dean Francis X. Beytagh said.

"I don't know where you start," Beytagh said.

"Staff positions. Travel. We have a summer research program that we have to take a look at. But there is not a lot of fat in our budget."

"We have exciting plans for the college, but a 7 percent budget cut would just decimate our program."

Donald Harris
Dean of the Arts College
Officials review need for funding

By Tom Spring

Despite massive fund-raising efforts and cost containment activities, Ohio State faces a budget problem of major magnitude, noted President Gee in testimony before an Ohio House subcommittee April 11.

"We now stand at the threshold of a position of national leadership in teaching and research, with the capacity to bring more well-paying jobs to Ohio, and to ensure a bright future for our youth," Gee told the education subcommittee of the Finance and Appropriations Committee. "It is this momentum, indeed this energy, this commitment to quality that make the budget problem we are facing today so frustrating."

The budget bill proposed by Gov. George Voinovich, has been receiving hearings in the House, which will make its own adjustments before sending it on to the Senate for consideration.

The two-year budget period will begin July 1.

While recognizing the state's budget constraints, Gee said, "Higher education in Ohio has already been doing more with less.... The universities have been containing costs, reallocating internally, and eliminating programs for years."

As examples, he cited Ohio State's reallotment of $41 million during the past four years, the elimination of the laundry operation, downsizing of other operations, and management of employee benefits.

In addition, he said, the University has adopted conservation measures that also allowed for the continued burning of Ohio coal.

Gee noted that the state strengthened its support of higher education during the 1980s. "Our national ranking is still only around 40th, depending on the indicators you examine."

Combining tuition and state support together shows that Ohio spends less than the national average on higher education."

Other testifying included Ohio University President Charles Ping, who chairs the Inter-University Council of state universities, and Elaine Hairston, chancellor of the University of Cincinnati.

Continued on page 5.

Ohio Board of Regents.

This noted that the proposed state budget doesn't provide for student growth, estimated at 6 percent, or about 15,900 additional students, over the next biennium. Instead, funding per student is expected to decline by about 3 percent next year.

Ohio State officials estimate that the University's instructional subsidy in 1991-92 will be $13 million less than the current one, which itself was cut $8 million a few months ago. Another $4 million was cut in line-item accounts.

Statewide funding reductions, Hairston said, come at a time when Ohio is becoming less attractive to firms seeking sophisticated workers. She said Ohio needs to keep its corporate headquarters and research centers by supplying the educated people they will want.

To make matters worse, Ping said, none of the reductions recommended would cover the inflationary costs of things such as electricity, transportation, books, and postage.

Ping and Hairston questioned the governor's proposed limits on university fee increases. The limits are the greater of 7 percent or $225 the first year of the biennium and the greater of 4 percent or $145 the second year. They said university trustees have the responsibility and are in the best position to balance affordable fee levels with the quality and adequacy of academic services.

"If the state is unable to support education adequately, then the only alternative to reductions ... is to increase the share of costs borne by the students to replace, at least in part, the withdrawal of state support," Ping said.

The bill has the potential effect of increasing the share of costs borne by the students from 41 percent to 47 percent, he added.
Colleges, units to anticipate cuts

In anticipation of reduced state support, the University is tightening its controls on hiring and is preparing budget cuts in 1991-92 of as much as 7 percent for colleges and offices.

In a memorandum to senior administrators last week, Frederick E. Hutchinson, senior vice president for academic affairs and provost, and William J. Shkurti, acting vice president for finance, outlined actions to plan for a possible $25 million reduction.

They asked each dean and vice president on the Columbus campus to "prepare a plan to protect the core functions of his or her area or college at various funding levels."

The plans are to include programs and services that are to be maintained and those which may be eliminated or reduced if funding levels for 1991-92 are only 93 percent, 95 percent and 97 percent of this year's annual rate.

"In reducing services and programs, it may become necessary to consider elimination of vacant positions and possible personnel reductions," they wrote.

"In all cases, reduction by attrition is to be preferred over layoff and/or job abolishment. Every effort must be made to protect existing personnel through reassignment, early retirement, retraining and other means. In no cases will student or temporary employees be used to replace bargaining unit employees."

"Layoffs may only be used as a last resort, only in accordance with established procedures and only after approval by the Office of Human Resources."

Hutchinson and Shkurti noted that the national recession that began last year has resulted in the most difficult state budget since the early 1980s.

Gov. George Voinovich in January ordered a reduction in the state's allocation to higher education, resulting in a loss of $12 million in state funds to Ohio State for the current budget year ending June 30.

"The state budget proposed by the governor for the two years beginning July 1, 1991, reflects a very gradual (economic) recovery," they wrote. No increase in state subsidies for higher education is proposed for the first year of the biennium, even though enrollments are expected to grow.

The Columbus campus has an enrollment ceiling, so state support for next year actually would decline under the governor's budget. Hutchinson and Shkurti estimate that Ohio State's instruc-

| Instructional subsidy allocation for the Columbus campus |
|----------------|--------------|
| Fiscal Year   | Amount       |
| 1988          | $235,350,488 |
| 1989          | 242,826,837  |
| 1990          | 256,862,120  |
| 1991          | 277,962,546  |
| 1992          | 269,575,064  |
| 1993          | 256,533,730  |

* Before cuts
** After cuts
*** Proposed by governor

Source: Office of Finance

Continued from page 1.

itional subsidy for 1991-92 would be $13 million less than the amount received this year after the $12 million cut.

The budget reduction plans from each dean and vice president are due May 1. The offices of Academic Affairs and Finance will review the plans during May to develop a University-wide contingency plan with alternate levels of state support.

"Reductions will be distributed differentially and will not be across the board in order to preserve core academic functions," they wrote.

"Final decisions will rest with the president who will recommend the fiscal year 1992 budget to the Board of Trustees."

The hiring controls issued last December have been expanded to require advance approval of faculty appointments by the Office of Academic Affairs. Postings for most temporary, vacant, or new staff appointments must be approved by the Office of Human Resources and must provide "essential University services."

The budget and hiring guidelines apply to the Columbus campus. The extended campuses will develop their own plans for the likely levels of state support.

Continued on page 5.
Senate discusses budget and future

By Gemma McLuckie

Administrators probably will not know the fate of the University’s biennial budget until the final moments of June, William Shkurti told the University Senate May 4.

“We face a period of uncertainty through mid- to late June,” added Herb Asher.

Shkurti, acting vice president for finance, and Asher, special assistant to the president, made their remarks in separate reports at the senate’s last meeting for 1990-91.

The state legislature is considering recommendations from Gov. George Voinovich, and has until July 1 to pass a budget bill for the 1991-93 biennium. Because of the way the Board of Regents divides funds among state institutions, Voinovich’s proposal could result in a $13 million reduction in state subsidies for Ohio State.

Shkurti told the senate, “If the governor’s recommendations are followed...it will be the first time constraints are put in place along with tuition caps.” In other lean times, he said, universities have met reductions in state support with increases in tuition.

He noted that at Ohio State, because of talks with deans and vice presidents, “it is extremely likely that cuts (in programs) will be selective, not across the board.”

Top college and support unit administrators were asked in April to prepare three scenarios based on reductions of up to 7 percent in college and department funding.

Core programs, those identified by colleges or support units as essential, “will not suffer any cuts,” Shkurti said. However, it is possible that the University might have to reduce its work force. “Layoffs are a last resort, but may be necessary,” he warned in a written statement distributed to the senate.

After his formal presentation, Shkurti told the senate — primarily made up of faculty — that the rate of faculty salary increases for 1991-92 is “still up in the air.”

Fred Hutchinson, senior vice president for academic affairs and provost, is working with deans to meet the challenge, Shkurti noted. Shkurti is meeting with his vice presidential colleagues.

If the budget process goes as predicted, President Gee will make final recommendations to the Board of Trustees for action in July.

The financial crisis does provide an opportunity for the University to “get its act together and master the art of shifting resources,” Shkurti said. “A good organization rises to challenges and works positively through them.”

“We are working to put together a most creative budget planning process,” Gee said during a question and answer period. “We are being forced into this earlier than we would have liked, even this year. But we must constantly look to the future and not have a cyclic (economic) collapse every eight years.”

In the early 1980s, the state’s poor financial picture forced the University to delay raises and take other saving measures.

To help reduce the need for such emergency measures in the future, Asher said the University needs to “build external coalitions” and to “do more promotion and development of relationships with the state legislature.”

At the meeting, the University Senate also heard a report on the state of academic computing from Charles Bender, director of academic computing. Bender outlined a plan to increase the ratios of computers to users by the year 2000 and to “provide a good, very competitive computing environment” for students, faculty and staff.

The senate will meet again in October.
House adds funds to governor's budget

By Tom Spring

State institutions of higher education could receive more in state money than earlier estimated. The new budget levels are part of a substitute state budget bill unveiled May 7 in the House Finance and Appropriations Committee.

The bill was scheduled for a House vote on May 15. At onCampus' press time, results were not known. After the vote, the budget bill will move on to the Ohio Senate for consideration. Its finance subcommittee on education was to hear budget testimony from the Ohio Board of Regents this week.

The House's new proposal provides $22.5 million more in instructional subsidies for higher education for each year of the biennium beginning July 1. The executive budget proposed $1.22 billion for instructional subsidies the first year and $1.28 billion the second.

"It is gratifying that Speaker (Vernal) Riffe, Chairman (Patrick) Sweeney and the members of the House Finance Committee heard the concerns of the higher education community and responded appropriately, especially during this difficult budget year," President Gee said in a prepared statement.

"Although the budget for Ohio State is still tight, we now are moving in the right direction."

Gee is hopeful that the Senate will provide additional support for higher education.

In all, $93.7 million was added in the House to the governor's $3.5 billion higher education budget.

The House gave Ohio State $4.3 million more in instructional subsidies for each year, boosting those funds to $275.5 million for fiscal 1992 and $286.6 million for fiscal 1993.

The new proposal adds $200,000 the first year and $210,000 the second for the Sea Grant program and $1 million per year for the Labor Education Service, programs that were zeroed out in Voinovich's budget.

More funding was earmarked for:

- The Ohio Cooperative Extension System, $1 million additional each year, bringing funding to a total of $14.9 million and $15.3 million.
- The Ohio Agricultural Research and Development Center, $600,000 increase each year, or $21.4 million and $22 million.
- The Arthur G. James Cancer Hospital and Research Institute, $237,200 increase each year; or $2.4 million.
- The Institute for Japanese Studies.

Improved funding was provided for the Area Health Education Center and for developmental education and preservice teacher training.

The substitute bill also allows colleges the flexibility to set tuition fees slightly higher than the bill submitted by Gov. George Voinovich. It also boosted Ohio Instructional Grants by $17.1 million.

The limits to tuition increases would rise to 9 percent the first year or $225, whichever is greater, and 7 percent or $175 the second. The original limits were 7 percent or $225, and 4 percent or $145.
OSU grad students fight proposed budget cuts

By Tim Doulin
Dispatch Higher Education Reporter

Some graduate students are afraid the quality of education at The Ohio State University will go squish under the weight of budget cuts proposed by Gov. George V. Voinovich.

About 25 graduate student members of SQUISH — Saving Quality Undergraduate Instruction, Stopping Hypocrisy — solicited signatures on the OSU Oval for a petition encouraging legislators to amend the governor's proposal by putting more money into the higher education budget.

In the face of Voinovich's proposed budget, the university has told departments to prepare contingency plans. In many cases, there would be a reduction in the number of graduate associates who share in teaching undergraduate courses, graduate students said.

"We are trying to get the word out to the undergraduate students that the cuts are really going to impact their education," said graduate student Nancy Whittier.

"It has sort of been a growing problem over the years that students get closed out of classes because their aren't enough teaching staff. It appears that situation is going to get much worse."

About two-thirds of OSU's 10,493 graduate students are teaching associates. Fewer teaching associates would mean bigger classes, less access to faculty members and limited course offerings, the students said.

"I'm a teaching assistant for an introductory course where there are already about 350 students in a class," said Eric Swank, a sociology graduate student from San Diego, Calif.

Professors will have less time to spend on research, said Regina Sewell, a graduate student from Lubbock, Texas. "Professors are pushed to publish or perish. And they can't publish if they are grading tests and doing all the work that we do."

Teaching associates receive a tuition waiver and a monthly stipend of between $750 to $950. Without the stipend, many graduate students say they would have to drop out of school.

Many graduate students would have to seek work off campus, where the job market is grim, they said. Foreign students who lose teaching jobs likely would have to return home because they are prohibited from working off campus.

Teaching associates spared by the budget cut would assume heavier teaching loads. That would mean less time for their own studies, students said.
Interim budget keeps University operating

With the Ohio Senate deliberating over the state budget, the Board of Trustees will vote tomorrow, June 7, on an interim spending measure to permit University operations to continue until the state budget is approved.

The current state and University budgets expire June 30. The board resolution authorizes Ohio State to make expenditures consistent with spending levels in the third quarter of the current fiscal year.

Decisions concerning salary levels, fees, and other expenditures will be deferred. Faculty and staff will continue to be paid at current levels.

The authorization also asks President Gee to present his administration's recommendation for the University budget within one week following passage of the state appropriations bill.
OSU braces for possible cuts

Schools await Sunday verdict about state aid

By Lulu Danan
Lantern staff writer

Ohio State will face elimination of administrative units within colleges, decreases in class offerings and the inability to fill vacant faculty positions if state legislators announce a decrease in the university's state aid when the current state budget expires Sunday.

Deans and vice presidents of academic units and academic support units have submitted plans to deal with the possible cuts.

The plans will serve as a basis for recommendations made to President E. Gordon Gee who will then make final determinations in the university budget before it goes before the Board of Trustees July 12.

Phyllis Newman, fiscal/personnel officer of the College of Humanities, total $23 million because of enrollment and salary increases. The college has seen a 40 percent enrollment increase in the past decade but no budget increase. Newman said. The college's allocation has been 8 percent of the total university budget for the last decade. According to Newman, there have been discussions about making standards higher by enrolling fewer, but more qualified students into programs and perhaps diminishing remedial level classes.

"Why should college be teaching high school level classes?" Newman asked. "I think the emphasis should be on college level programming. Remedial level programming is not what we hang our quality on. Students have to be better prepared when they come."

Associate Dean Judith Korosck of the College of the Arts said the elimination of the administrative unit in the Photography and Cinema Department "is likely to happen." Students already enrolled in the program can complete their degrees if the administrative unit is eliminated.

The college's top priority is students in degree programs, Korosck said.

In eliminating the Photography and Cinema Department, the college is considering where faculty would be transferred.

Photography will most likely be an area of specialization in an art area as it is in other universities, Korosck said.

"We expect to save money by pooling resources, downsizing some programs and developing new areas in an economical way," Korosck said.

Although there is the possibility that the Ohio House and Senate conference committee negotiators may not come to a decision by the June 30 deadline, Herb Asher, special assistant to the president, said: government relations, thinks the budget will be completed in a "timely fashion."

"There are still a number of issues important to us that haven't been resolved," Asher said. "I'm hopeful but I'm nervous."
OSU’s cuts on hold; state settles for interim budget

By Shannon Jackson
Lantern staff writer

The General Assembly’s failure to pass a two-year state budget by the June 30 deadline means Ohio State must wait to see how much it will have to cut its own budget. Instead of passing a permanent budget over the weekend, the House and Senate passed Ohio’s first interim budget since 1981. The Senate approved the measure unanimously and the House approved it by a vote of 6-3 before Gov. George Voinovich signed it.

The state will run on 97 percent of the current levels of state spending. Legislators have until July 31 to pass out a permanent $27-billion budget.

Both House Speaker Ron D. Nuss, R-Columbus, and Senate President Stanley Aronoff, R-Cincinnati, have pledged to try to pass a permanent budget within the week but neither is making any promises.

This interim budget could mean problems for Ohio State.

The Board of Trustees meets July 12, and the OSU budget was supposed to be presented then.

“We are going to have to be adaptable, flexible and prepared for a variety of situations now,” said George Voinovich, OSU’s acting vice president of finance, referring to the uncertainty of when a permanent budget will be passed.

Already OSU has been forced to cut $12 million for its fiscal 1991 budget, and it seems inevitable that further cuts will be necessary once a permanent fiscal 1992-3 budget is passed.

If Ohio State is not able to present a permanent budget to the trustees, Ohio State will have to cut $27 billion of its own, Shikurnit said. The Ohio State budget for this year expires July 12.

It is important to have a permanent budget as soon as possible, Shikurnit said. Tuition and fees, such as housing, will be up in the air until a final budget is passed.

The budget proposals, tuition could go up by as much as $225 per year. However, it also could be as low as a 7 percent increase. At Ohio State, a 7 percent increase would mean an approximate $155 more per year.

Department heads are anticipating cuts and have been told to draw up plans for 3, 6, or 7 percent cuts, Shikurnit said.

Shikurnit said OSU President E. Gordon Gee has pledged to protect the academic core. Gee’s priorities include library acquisitions, the Honors Program and scholarships, he said.

Shikurnit said if a permanent budget was not passed in time for the Board of Trustees meeting, it is possible the trustees would have to meet again to approve Ohio State’s budget.

After the July meeting, the trustees are not scheduled to meet again until September, he said.

It became apparent on June 27 that the budget conference committee was not ready to present a budget for a vote.

The legislators waited too long on the budget, Aronoff said. Even if an agreement had been reached, administrative problems, such as having the budget printed, meeting the June 30 deadline impossible, he said.

An interim budget was needed for the state to continue its spending authority. For example, welfare checks due today would be delayed if a permanent budget was not passed.

The six-member conference committee has been meeting for over a week to iron out differences between the House and Senate versions of the budget.

Both versions have appropriated the same amount for higher education—nearly $3 billion. But Voinovich’s version allocated approximately $90 million less.

This is the first time since the 1980s that Ohio State will take a cut from the state, Shikurnit said.

Ohio State receives nearly half its money for academic programs from the state. This year the university received $270 million from the state for instructional subsidies.

The best possible budget for OSU is the Senate version, Shikurnit said.

The Republican-controlled Senate has appropriated funds to colleges and universities so that these institutions will receive no less than they did last year. The House version appropriates money based on enrollment growth, and Ohio State would lose out since enrollment growth has flattened, Shikurnit said.

Legislators working with the state budget say there are four or five major points of debate that need to be resolved before a budget can be passed.

Privatization of Ohio’s liquor stores is one sticking point. Gov. George Voinovich wants to sell the state-run liquor stores. He says See BUDGET / Page two
Vote imminent on belated state budget

By Tom Spring

The House, in adding $22.5 million to the overall instructional subsi- dy, provided Ohio State with $201.8 million for fiscal 1992 and $277.4 million for fiscal 1993. "The University expressed appreciation for the House additions to the budget, but noted that Ohio State and six other universities would still be receiving substantially less money for fiscal 1992 than in the current year," says Herb Asher, special assistant to the president.

"The Senate version included a $15.3 million contingency fund to be allocated to those universities to bring them all back to a flat budget in fiscal 1992," Asher says. "Ohio State would receive the largest amount, approximately $7.5 million. Thus, the Senate version provided $260 million for fiscal 1992, about what Ohio State received last year, and kept the $272 million House figure for fiscal 1993."

Planning process may help future budget concerns

By David Sonderman

An academic plan, a mission statement and a planning process will give the University a better way of dealing with budget problems that may arise in the future, says Howard L. Gauthier.

While the new planning process was never intended to deal with the current budget crisis, it will be ready for the next budget year in 1993. "We will have it in advance of the next round of budget talks so that our academic priorities will determine allocations, rather than the way around," says Gauthier, associate provost of academic affairs.

"The current budget situation not only causes concern, but is forcing decision-making to be made prior to planning," he points out.

"Although we're hoping current (budgetary) decisions are being made on established priorities, there are no set of defined priorities to provide guidelines on what should or should not be cut," Gauthier says. "We are reacting to existing circumstances rather than planning for financial contingencies."

To change that approach in the future, Gauthier says a process for planning, not just a plan, is needed by the University. He has been working with President Gee to develop such a process for Ohio State. It began in March with a "Vision to Action" speech to the University Senate. Following by a series of town meetings. Recently, in the third stage of planning, focusing groups from colleges began examining the values and priorities of the University.

The short-term result will be the creation of an academic plan and mission statement. In the long term, the development of an ongoing planning strategy will ensure that future budget allocations are made according to an academic plan.

"Our expectation is to have a clearly defined plan," Gauthier says.

Lawmakers' action to determine finances

By Tom Spring

The House of Ohio State's 1991-92 budget could be decided later this week after a vote by legislators on a new state budget.

"Final legislative action will allow us to wrap up the University budget," says William J. Shkurti, acting vice president for finance.

The Ohio Legislature vote July 10 and 11 will decide the fate of a compromise spending measure worked out from proposals by Gov. George V. Voinovich, the Ohio House and the Ohio Senate. The state budget includes funding for public institutions of higher education, which is distributed by the Ohio Board of Regents.

"The state subsidy is our single largest source of income," Shkurti says.

Even the Senate's proposal for higher education — the most generous of the three — does not take into account all the University's expenses, he points out. For instance, its instructional subsidy figure for the Columbus campus makes no adjustment for inflation or additional costs for items such as utilities, health insurance and waste disposal.

The best we are likely to do will still only give us as much money as we get this year after the budget cuts of 3 percent in February," Shkurti says. "We're going to have to do some reallocations regardless of whether we get the House or Senate version."

How much the University budget cuts will be, we'll just have to wait and see.

If the state mandate passes, Ohio State employees and students must wait until the July 12 Board of Trustees meeting for word on program funding levels, pay increases and tuition hikes.

Because he does not have the actual figures, Shkurti says it is premature for him to discuss tuition, salaries and other items. However, earlier this year, he asked college and academic support unit administrators to prepare for cuts at three levels: 3 percent, 5 percent and 7 percent.

The Senate University this spring recommended at least a 7 percent raise for faculty. In a separate report, the Staff Advisory Committee recommended salary increases of up to 8.1 percent for non- bargaining unit staff. The administration takes into account the annual recommendations, which are not binding.

Last year, faculty and administrative and professional staff received up to 6 percent in across-the-board and merit raises. Classified staff received up to 6.5 percent more.

According to proposed state guidelines, it appears that Ohio State could adopt a tuition increase of up to $225 per year for undergraduate students who live in Ohio.

Shkurti says he is hopeful that allocation figures will be known early this week, in time for President Gee to submit University budget recommendations to the trustees.

"We're encouraged to see that the legislature is making progress so we can go on and adopt a budget and get on with the business of the University," he says.

The Board of Trustees last month established interim measures designed to keep the University operating. Ohio State is operating under the spending levels of the fiscal 1991 third quarter budget.

Once again, Ohio State expressed appreciation for the Senate's action," says Asher. "I am hoping that the monies added by both the House and Senate can be preserved in the conference committee."
University budget history repeats itself

By Gemma McLuckie

University officials this week are aware of state funding levels for the next two years after the Ohio Legislature failed to agree on a budget for the current biennium over the weekend.

Fill in the blanks, and these words — written on one campus in July 1979 — could apply in 1991. Much like last year, the late 1970s and early 1980s was a time of declining state revenues paired with pledges of no new taxes. Federal support also was on the decline as President Ronald Reagan’s policies took effect.

There was another overriding concern, raising costs. As President Harold L. Enarson told the University Senate, “One word sums up the real and difficult realities we face: inflation.” The entire country was battleship-dreadnought inflation.

What followed was a decade of turmoil which resulted in a cut in financial support of University resources. Led in large part by President Edward H. Jenkins, it had an emphasis on creative solutions, such as raising private dollar sources, and a focus on finding new paths to satisfying needs such as research funding and student scholarships. The road had been a rocky one.

In 1978-79 alone, the University faced three cutbacks — totaling 7 percent — in state support. And the trend continued into the decade as state revenue decreased, causing instructional subsidies to shrink. A total of 606 million was eliminated from the annual operating budget between 1979 and 1983.

“lt is the worst situation we have confronted since the Great Depression,” Enarson said at August 1981.

Jenkins had increased his off-campus lobbying in order to bring attention to the plight of higher education.

“Urgently needed is a new formula for calculating budget support for our state universities,” he told a group of Akron business people in 1983. The formula “must be geared less to numbers and enrollment...and more to the special costs that follow the special missions the state has assigned to each institution.”

But the efforts of Enarson and other education leaders came to naught. And within Ohio State, administrators warned faculty, staff and students of the possibility of a tight future.

Vote imminent...

Continued from page 1.

fiscal 1992 and 1993:

- Lima ($2.6 million) — $2.7 million and $2.8 million.
- Mansfield ($2.5 million) — $2.7 million and $2.8 million.
- Marion ($2.1 million) — $2.6 million and $2.1 million.
- Newark ($2.0 million) — $2.6 million and $2.6 million.
- Agricultural Technical Institute ($2.5 million) — $3.7 million and $3.9 million.

Among differences to be resolved in line item accounts were monies for the Labor Education and Sea Grant programs. The Senate followed Voinovich’s recommendation to eliminate funds for the Labor Education and Sea Grant programs. The House has Labor Education funded at $1.2 million each of the next two years and Sea Grant at $500,000 for the coming year and $210,000 for fiscal 1993.

For the Ohio Research and Development Center, the Senate provided $21.9 million and $23.5 million while the House offered $21.4 million and $22 million, an increase of $600,000 annually over the governor’s proposed last year’s budget was $21.9 million.

The Senate funded the Ohio Cooperative Extension Service at $3.4 million and $3.5 million while the House budgeted $3.4 million and $3.5 million.

Planning process...

Continued from page 1.

defined set of priorities, a clearly defined planning process and a structure for implementation.

Academic planning at Ohio State is nothing new, says Gauthier. What is new is the development of a process where academic planning is constantly updated to meet a constantly changing future.

“We did academic planning 20 years ago — we developed a vision for Ohio State. But it had little impact on the issues since no process was included to implement the changes and update the plan.”

In fact, Directions for the Future: The Report of the Centennial Commission on the Future of the Ohio State University, published in 1972 under President Nolive G. Fawcett, addressed many of the same issues that are being looked at today. And, to a certain extent, the commission examined the values and priorities of Ohio State. But it was a “one-shot deal,” with only recommendations and no provisions for implementation. Thus, the report got buried, Gauthier said.

The current planning process involves, among other things, a number of focusing groups that are examining the values and priorities for the University. Composed of individuals from every facet of the University and its community, the focusing groups’ findings will be used, in the context of Gee’s speech and town meetings, to develop an academic plan and mission statement for the University.

As important as those results will be, Gauthier says the ongoing process is more important than the creation of the academic plan and mission statement for the University.

The academic planning we are doing now is directly tied to a process allowing proposed changes for Ohio State to be put into action.”
Budget may make ROTC removal illegal

By Shannon Jackson
Lantern staff writer

Removing the ROTC program from Ohio State will be illegal if a budgetary measure makes its way into the final state budget.

The measure, included as a portion of the higher education budget, would prohibit any publicly-assisted college or university from removing the ROTC program from campus. The measure would also prohibit the barring of federal recruiters like the CIA or the FBI.

State Sen. and part-time OSU professor Eugene Watts, who introduced the measure in the Senate, said, "It's a bleak day for those politically correct at Ohio State."

On Tuesday, budget conference committee members said the ROTC and recruiting sections remain in the two-year budget which is nearing completion.

The committee is expected to unveil the final budget today, and may be voted on as early as this afternoon.

Watts, R-Galloway, said these measures ensure all students equal access to education, and not just those students who view the ROTC's policy regarding gays and lesbians as wrong.

Nationally, the ROTC program has come under attack by gay rights groups on some campuses because ROTC does not allow gays or lesbians to serve as officers.

The ROTC program follows policy set by the Department of Defense stating "homosexuality is incompatible with military service."

Gay rights groups claim the ROTC program does not allow equal educational access for all students.

At Ohio State, the Faculty Senate will vote on a resolution that condemns the ROTC's policy regarding gays and lesbians in the military. The resolution has already been passed by USG.

Yet these resolutions will not be affected by the budget measure since the resolution does not call for the removal of ROTC.

These provisions are not a reaction to recent activity against the ROTC program, Watta said. However, state Rep. Robert Netley, R-Laure, sponsor of the measure in the House, said the proposed resolutions at Ohio State regarding the ROTC program as well as the Lantern's coverage of the ROTC issue prompted him to propose the budget measure.

"The measure gives colleges and universities the legal authority and backbone to say, 'we can't (kick ROTC off campus),"" Netley said.

He said it was important to preserve the beneficial elements of the ROTC program, which include the scholarship program and the training of officers.

The ROTC program is the largest supplier of officers to the military.

Netley said the issue of gays and lesbians in the military played a role in his support of the measure. "I am very protective of the ROTC's ability to get rid of people not in the best interest of the military," he said.

"I am sorry to see the state legislature blatantly supporting a program that discriminates," said Phil Martin, director of OSU's Gay, Lesbian, Bisexual Student Services.

In the past, OSU President E. Gordon Gee has said the Department of Defense's policy is a "wrong-headed" policy, but Gee is unwilling to kick ROTC off campus.

Even though this budget provision will have little effect on the proposed OSU Faculty Senate resolutions, the University of Cincinnati Faculty Senate has taken action calling for the removal of the ROTC program. They gave the ROTC program until 1992 to change their anti-gay policy or be kicked off campus.

The UC Board of Trustees has not said whether it would uphold the faculty's resolution.

Maj. Patrick Malheer of Ohio State's Army ROTC program said the measures reinforce the importance of a strong ROTC program.

Malheer said the measures would give universities legal guidance before taking any action against the ROTC.

There is currently legislation in the U.S. House of Representatives calling for restriction of federal monies to colleges and universities that prohibit ROTC's access. The bill, sponsored by Rep. Gerald Solomon (R-NY), has 15 co-sponsors.

The ROTC measure was introduced first by Netley, and passed the House as a part of the House version of the state budget.

Then the Senate preserved the House's ROTC measure and added a section prohibiting colleges and universities from barring any federal or state agency from recruiting on college campuses.

Netley and Watts said the measures passed through the legislature with little opposition or debate.
TRUSTEES ADOPT $1.23 BILLION OPERATING BUDGET

COLUMBUS -- The Ohio State University Board of Trustees on Friday (7/12) adopted an annual operating budget of $1.23 billion for the 1990-91 fiscal year which began July 1.

The budget includes tuition increases of 9.6 percent for all students on the Columbus campus.

That means an Ohio resident undergraduate at the Columbus campus will pay $856 a quarter, which represents an additional $75 per quarter over last year, to attend Ohio State. The $225 per year increase is the ceiling amount adopted by the Ohio General Assembly. A non-resident undergraduate will pay $2,536 per quarter or $9,429 per year, an annual increase of $825.

In-state students attending regional campuses will see their tuition rise $225 also. The rise in tuition will be a higher percentage than for the Columbus campus, though, because regional campus base fees are lower. Regional campus fees will be $826 per quarter for Ohio resident undergraduates and $1,608 for non-residents.

State subsidy support for the Columbus and extended campuses is $283 million or 53 percent of the General Funds Budget.

"This is equal to fiscal year 1991 after mid-year cuts and represents the first time state aid has not increased from one
year to the next since at least the early 1960s," said William J. Shkurti, acting vice president for finance.

Charges for such things as room and board, bookstore purchases, and parking will increase by an average of 5.9 percent for undergraduate students and 5.6 percent for graduate students. Patients at University Hospitals and the James Cancer Hospital and Research Institute will see room rates and other charges increase by 7.7 percent.

The budget provides for a pay raise averaging 3.5 percent for faculty, staff and graduate student employees, retroactive to July 1. Faculty pay raises will be based exclusively on merit. Pay raises for staff will be a combination of 2 percent across the board and an average of 1.5 percent for merit.

Overall spending will increase 5.1 percent from $1.17 to $1.23 billion. General Fund spending for the whole university will increase by $15.8 million or 3.1 percent. The General Fund provides unrestricted resources available for instruction, instructional support and related general administrative and physical plant expenditures.

On the Columbus campus, $14.3 million in the fund "will be reallocated to priority needs elsewhere in the university to make up for shortfalls in state support," said Shkurti.

"This will be accomplished by a 4 percent reduction in base budgets for academic units and a 4.5 percent reduction for academic support units. This is an average. Some departments will be cut more than others."

The new priority initiatives are:

-more-
Curriculum reform -- $1.6 million for the second year of a six-year effort to enhance the undergraduate curriculum.

Academic scholarships -- $500,000 for the first year of an aggressive effort to recruit national merit scholars and other top quality freshmen.

Selective admissions -- $317,000 to allow selective admissions to be expanded to winter and spring quarters and to include transfer students.

Eminent Scholars Round IV -- $3 million in Ohio State endowment income that has been set aside to match the state’s commitment to fund-eminent scholar positions created during the last biennium. (No state funds were provided to fund further rounds).

Library acquisitions -- $702,000 in additional support to protect the budget against inflationary increases.

Research space -- $625,000 in continuing support to lease a new building to house expanding sponsored research initiatives.

Biotechnology center -- An estimated $625,000 for the fifth year of commitment to establish the center.

Young Scholars Program -- $1.6 million to continue support of the summer education program for minority youth.

Faculty Hiring Incentive Program -- An estimated $700,000 to provide financial incentives to colleges hiring women and minority faculty.

Campus Escort Service -- $100,000.

Academic planning -- $80,000.

Computerized information systems -- Up to $1 million to support improvements to the university’s systems.

Classification system -- Up to $300,000 to provide the first comprehensive review of the university’s employee position classification system since the mid 1970s.

Contingency Fund -- $2 million or 0.4 percent of the General Funds Budget to help manage enrollment shifts and other unexpected developments that may occur during the year.

CONTACT: William J. Shkurti, (614) 292-9232, or Eric Kunz, assistant vice president for university budget planning, (614) 292-9990.
# Summary of Annual Student Fees

## Columbus Campus

<table>
<thead>
<tr>
<th></th>
<th>Resident Fees</th>
<th></th>
<th>Non-Resident Fees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Undergraduate</strong></td>
<td>2,343</td>
<td>2,568</td>
<td>9.6%</td>
<td>6,942</td>
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<tr>
<td><strong>Graduate</strong></td>
<td>3,321</td>
<td>3,639</td>
<td>9.6%</td>
<td>8,604</td>
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<tr>
<td><strong>Graduate Professional</strong></td>
<td>3,836</td>
<td>4,204</td>
<td>9.6%</td>
<td>9,456</td>
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<tr>
<td><strong>Law</strong></td>
<td>6,453</td>
<td>7,074</td>
<td>9.6%</td>
<td>18,606</td>
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<tr>
<td><strong>Medicine</strong></td>
<td></td>
<td></td>
<td></td>
<td>16,143</td>
</tr>
<tr>
<td><strong>Dentistry, Optometry, Veterinary Medicine</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

- Full-time fees for undergraduates are for 12+ credit hours.
- Full-time fees for graduates and professionals are for 10+ credit hours.
SUMMARY OF BUDGETED RESOURCES AND EXPENDITURES
(IN THOUSANDS)

<table>
<thead>
<tr>
<th>RESOURCES</th>
<th>1990-91 Budget</th>
<th>1991-92 Budget</th>
<th>Dollar Change</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government Support</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State (Preliminary)</td>
<td>364,052</td>
<td>362,754</td>
<td>(2,098)</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Federal</td>
<td>121,162</td>
<td>123,561</td>
<td>2,399</td>
<td>2.0%</td>
</tr>
<tr>
<td>Local</td>
<td>14,310</td>
<td>14,586</td>
<td>276</td>
<td>1.9%</td>
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<tr>
<td><strong>Subtotal Government Support</strong></td>
<td>500,524</td>
<td>500,991</td>
<td>567</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>Student Fees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instructional, General &amp; Tuition</td>
<td>184,851</td>
<td>203,308</td>
<td>18,457</td>
<td>10.0%</td>
</tr>
<tr>
<td>Other</td>
<td>7,547</td>
<td>7,722</td>
<td>175</td>
<td>2.3%</td>
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<tr>
<td><strong>Subtotal Student Fees</strong></td>
<td>192,398</td>
<td>211,030</td>
<td>18,632</td>
<td>9.7%</td>
</tr>
<tr>
<td><strong>Other Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital &amp; CHRI</td>
<td>256,287</td>
<td>297,684</td>
<td>41,397</td>
<td>16.2%</td>
</tr>
<tr>
<td>Auxiliaries</td>
<td>69,391</td>
<td>90,316</td>
<td>20,925</td>
<td>2.9%</td>
</tr>
<tr>
<td>Departmental Sales &amp; Services</td>
<td>34,890</td>
<td>36,138</td>
<td>1,248</td>
<td>3.6%</td>
</tr>
<tr>
<td>Other</td>
<td>99,180</td>
<td>88,025</td>
<td>(1,155)</td>
<td>-1.2%</td>
</tr>
<tr>
<td><strong>Subtotal Other Resources</strong></td>
<td>479,748</td>
<td>522,163</td>
<td>42,415</td>
<td>8.6%</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td>1,172,470</td>
<td>1,234,064</td>
<td>61,594</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>1990-91 Budget</th>
<th>1991-92 Budget</th>
<th>Dollar Change</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instructional &amp; General</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Separately Budgeted Research</td>
<td>564,239</td>
<td>579,354</td>
<td>15,115</td>
<td>2.7%</td>
</tr>
<tr>
<td>Public Service</td>
<td>156,420</td>
<td>156,179</td>
<td>(241)</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Scholarships &amp; Fellowships</td>
<td>55,579</td>
<td>55,762</td>
<td>183</td>
<td>0.3%</td>
</tr>
<tr>
<td>Auxiliaries</td>
<td>32,813</td>
<td>33,806</td>
<td>993</td>
<td>3.0%</td>
</tr>
<tr>
<td>Hospitals &amp; CHRI</td>
<td>94,291</td>
<td>98,605</td>
<td>2,324</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Subtotal Expenditures</strong></td>
<td>271,355</td>
<td>313,160</td>
<td>41,805</td>
<td>15.4%</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>1,174,647</td>
<td>1,234,866</td>
<td>60,227</td>
<td>5.1%</td>
</tr>
</tbody>
</table>
State tightens its belt, OSU feels it squeeze

By Shannon Jackson
Lantern staff writer

Ohio State will feel the squeeze as the state tightens its belt under a new budget.

The legislature passed the budget for the next biennium July 11, nearly two weeks after the original deadline.

Ohio operated on an interim budget while the six-member conference committee pounded out a final budget from versions proposed by the governor, House and Senate.

"It's a hold harmless, hold the line, minimum, minimum budget," said Committee Chairman Rep. Patrick Sweeney, D-Cleveland, when the budget was unveiled.

The $27.2 billion budget is one of the tightest in Ohio history.

"There were no winners," Rep. Barney Quilter, D-Toledo, a six-time committee member, told the House prior to their budget vote. "The survivors of this budget are the winners," he said.

And so, relatively speaking, higher education is a winner.

Legislators stressed their commitment to higher education, and said they have shown their commitment by keeping the higher education budget flat.

The conference committee allocated enough funding so all of Ohio's colleges and universities will receive a flat budget next year.

Under this budget, Ohio State will fare better than they would have under the Gov. George Voinovich or House versions of the budget.

However, not every higher education program fared better under the new version of the budget. Some colleges and universities, like Ohio University, would have received an increase in funding under the other versions of the budget, but got less under the conference committee's flat budget.

The Ohio Board of Regents, the umbrella agency for public colleges and universities, takes a 1 percent cut overall under the budget.

The $270 million allocated to Ohio State is equal to its budget last year. However, that amount is $12 million less than originally slated for this year. A flat budget does not allow for an inflationary increase.

This budget will be a difficult one for Ohio State, said Herb Asher, special assistant to OSU President E. Gordon Gee on governmental affairs.

Under a tight budget, higher education is in a precarious situation, he said. "Higher education is neither a crisis nor an entitlement," Asher explained.

As expected, the state set tuition caps at 9 percent or $226, whichever is greater, for the first year, and 7 percent or $226, whichever is greater, for 1993.

At Ohio State, the difference between a 9 percent or a $226 increase is $14.

Measures that prohibit Ohio colleges and universities from barring ROTC or federal recruiters access to campuses were also included in the budget.

The six-member conference committee unanimously accepted their version of the budget. The House passed the budget by a 60-15 margin, and it cleared the Senate 37-5 after significant debate.

Prior to the House vote, Rep. Tom Johnson, R-Neoh Conard, a conference committee member, told his colleagues the budget represents compromises from both parties.

"You can see hand prints from both sides of the aisle," he said.

But not everyone was pleased with the results.

In the Democrat-controlled House, it was Republicans who disagreed with the budget, while in the Republican-controlled Senate, it was the Democrats.

Sen. Robert Boggs, D-Jefferson, the Senate minority leader, expressed his reservations with the budget prior to their vote.

For education, this budget is the worst in a decade, and it comes at a time when many government officials are saying education is a top priority, Boggs said.

Rep. Robert Netzel, R-Lauria, also criticized the budget prior to the House vote. He said the budget places too much of a tax burden on businesses.

In order to balance the budget, various taxes were implemented on items, such as, warranties, 1-800 telephone numbers and landscaping services.

But, given the tight fiscal situation of the state, state Sen. Eugene Watts, R-Galloway, summed up the new budget by quoting a Rolling Stones' song.

"You can't always get what you want," he said. "But, you get what you need."

See MONEY / Page two
OSU to cut courses, swell classes

By Tim Doulin
Dispatch Higher Education Reporter

Larger classes, fewer courses and stiffer requirements for admittance to some degree programs are among the changes being brought about by budget cuts at The Ohio State University.

OSU's $1.23 billion budget for 1992-93, passed last week by the university trustees, calls for an average 4 percent reduction of base budgets for academic departments. The actual percentage of the budget cuts will vary among departments.

"It is going to be a difficult year, but I suppose it could have been worse," said G. Michael Riley, dean of the College of Humanities.

In the spring, deans and department chairmen were told to prepare for budget cuts ranging from 3 to 7 percent. Over the next few weeks, they will decide where to make the cuts.

Faculty and staff is an area that will be looked at closely, university officials said.

Layoffs are expected to be kept to a minimum, but many teaching vacancies probably will go unfilled. Part-time faculty members will be teaching less, and regular faculty members will be teaching more. Class sizes will grow.

Because fewer faculty members will be available, fewer courses will be offered. Riley and other deans said they do not yet know which courses will be cut.

That could pose a problem in the humanities, which enrolls about 27,000 students each quarter and provides 20 percent of the total instruction at the university each year.

Some upper-level humanities courses designed for a maximum of 40 students already enroll about 70 students.

"We are beyond the acceptable maximum as it is," Riley said.

The shortage of faculty will force some departments to limit the number of undergraduate and graduate students accepted into degree programs, Riley said.

Sean B. Tipton, president of the Council of Graduate Students, estimates about 300 fewer graduate teaching, research and administrative associateships will be available in the fall.

About 4,000 of the 10,000 graduate students rely on the associateships for stipends and tuition waivers, Tipton said.

"When you eliminate positions and put tuition increases on top of that, it makes it even more difficult to continue studies," Tipton said.

"As the budget came down from the state legislature, you realized everybody would be hurt some. We just want to make sure we aren't hurt disproportionately."

Not only will there be fewer graduate students to help with research, but less money will be available in a special fund that helps stimulate new research.

However, Edward F. Hayes, vice president of research, pointed out that special research initiatives like the eminent scholars program and the biotechnology center were spared budget cuts.

"Those certainly are all very important investments for the university," Hayes said.

The budget also set aside ample funding to support curriculum reform, academic scholarships and selective admissions programs — initiatives close to the heart of President Gordon Gee.

The library is expected to make do with a smaller staff, but it received extra money to help restock books and other materials.
Lawmakers pass ‘difficult’ budget

By Tom Spring

The Ohio Legislature adopted a new $27 billion biennial state budget July 11. Compromises on instructional subsidies and most line item accounts affecting higher education meant appropriations were less than the “best-case scenario” funding proposed by either the Senate or House.

In many cases, the final amounts were compromises between the figures first passed by each chamber.

“While this is the most difficult budget confronted by this University in decades, when you look at what’s going on in other states, it could have been a lot worse.” President Gee says. “It’s gratifying to know that higher education has so many friends in the General Assembly.”

The legislature provided more than $2.5 billion in instructional subsidies — about $1.23 billion the first year and $1.29 billion the next — for Ohio’s public universities.

For Ohio State’s Columbus campus, it means $209.6 million in 1992 (or about what Ohio State received last year after mid-year cuts) and $272.5 million in 1993.

Elaine Hairston, chancellor of the Ohio Board of Regents, says Ohio State came out a relative winner. She explains that the University’s funding is better than it would have received under the formula normally used by the regents to distribute money to the state’s public universities.

That formula allocates subsidies based on enrollment. According to the Board of Regents, if enrollments grow statewide, and there are no additional dollars, then there are fewer dollars per student. Universities that hold their enrollment constant would lose dollars to institutions that are growing.

Ohio State would have been one of the universities that would lose money in 1992 because its enrollment is fairly stable. Instead, the General Assembly decided to suspend the formula for 1992 so that no institution would receive less than it did in 1991.

Thus, Ohio State will receive $8.8 million more in 1992 from the conference committee’s budget than it would have under the regents’ formula.

Hairston says that Kent State, Wright State, Akron, Cincinnati, Miami, Youngstown State and Bowling Green State universities also came out ahead to varying degrees in the current year’s budget.

Ohio State officials, however, say that the budget does not offer enough funds even to keep up with the cost of inflation.

The Ohio Agricultural Research and Development Center, which is paying off a University loan, will receive $21.7 million this year, a drop from last year’s $21.9 million appropriation. In 1993, OARDC will receive $22.3 million.

“We’ve got to continue to meet our expense reduction obligations,” says J. Robert Warnbrod, acting vice president for agricultural administration.

“With this reduced level of revenue, it’s going to mean there will have to be further cuts in personnel and programs” at OARDC.

The legislature exempted OARDC from any University requirements to pay cost reallocation assessments on state appropriations.

The Ohio Cooperative Extension Service fared better than OARDC. OCES was funded at $15.2 million for fiscal 1992 and $15.7 million for 1993. Last year it received $14.6 million.

Other funding included:

- $13.9 million the first year and $14.6 million the second for medical clinical work, and $854,832 each year for dental and veterinary clinical support.
- $2.3 million each year of the biennium for the Arthur G. James Cancer Hospital and Research Institute.
- $198,000 for fiscal 1992, and $207,900 for fiscal 1993 for the Sea Grant program.
- $123,156 in fiscal 1992, but only $75,000 in 1993 for the Institute for Japanese Studies, which is funded through the Ohio Department of Development.
- $594,000 each year for the Labor Education Service.

In statewide funding, the legislature funded the Ohio Supercomputer Center, headquartered at the University, at $3.8 million and $4 million. Academic scholarships received $3.6 million per year, and student choice grants received $18.3 million and $21.2 million.

No funding was provided for the Eminent Scholars, Program Excellence and Academic Excellence programs.

The Research Challenge program is to receive $4 million for 1992 and $16.3 million for 1993.
Gee says veto would devastate OSU

By Tim Doulin
Dispatch Higher Education Reporter

The Ohio State University faces "potential emasculation" if Gov. George V. Voinovich decides to veto a provision in the new state budget that suspends for one year a funding formula that determines state subsidy, OSU President Gordon Gee said.

Gee said OSU would receive about $13 million less in state subsidy for fiscal year 1992, which began July 1, if the primarily enrollment-driven funding formula used since 1967 is employed.

"We now find ourselves in a dilemma, one that threatens the life of this institution," Gee said yesterday.

A veto would require OSU to redo its $1.23 billion budget passed last Friday and would result in widespread layoffs and reduction of course offerings to students, Gee said.

A House-Senate conference committee has suspended the funding formula, holding state subsidies for fiscal year 1992 at the same 1991 levels including a midyear cut ordered by Voinovich.

By doing so, five state universities would receive an estimated $6.6 million less than

under the enrollment-driven formula, collectively.

State technical and community colleges that would benefit from the formula primarily because of rapidly growing enrollments also would be hit hard by the provision.

Collectively, the 14 technical colleges will lose a projected $9.8 million, and nine of the 10 community colleges will lose an estimated $6.8 million. Columbus State Community College would lose out on about $2.8 million.

The Ohio Board of Regents and leaders of the universities and colleges that would lose out by freezing funding at current levels are urging the governor to veto the provision.

Ohio University figures to lose more than $5 million. OU President Charles J. Ping is among those urging Voinovich to veto the provision.

"Because no institution gets less money than it received last year, some politicians have labeled this a 'hold harmless' budget," Ping said yesterday.

"This budget harms the very institutions that need funding most — the ones that are changing and growing."

Please see FUNDING Page 2C
Under the provision, the enrollment-driven funding formula would be reinstated for fiscal year 1993. But Ping said there is no way to make up for the lost revenue from fiscal year 1992.

Critics of the conference committee provision say it favors OSU and a handful of universities.

Gee disagrees, saying in a tight budget year universities such as OSU that are under state-imposed enrollment caps are penalized by the funding formula.

"One of the things that has come through in all the discussions is "gee, someone is going to be cut." But the provision is talking about keeping the funding levels the same as they were this year. The only ones who are going to be cut are the universities, if there is a veto," Gee said.

"It is a one-time solution dealing with a one-time problem," he said.

Besides OSU, Miami University, Youngstown State University, Wright State University, the University of Akron, Bowling Green State University, and the University of Cincinnati would receive more funding for fiscal year 1992 under the conference committee provision.

The seven universities that benefit from the provision will receive 52 percent of the state's general revenue funds for state-funded colleges and universities.

"The regents' distribution formula, which has worked quite well when there are sufficient funds to go around, tries to fund both growth and quality. In today's environment, though, when there are insufficient funds, it becomes readily apparent that that presents a conflict," Gee said.

"The result is you have a formula that rewards growth but not quality. The legislature tried to recognize that this year by trying to make everyone feel the same pain."

### State Instructional subsidy

A legislative conference committee has recommended suspending for one year an enrollment-driven system for distributing state instructional subsidies to public colleges and universities. Subsidies for fiscal year 1992 would remain at the 1991 funding levels after a midyear cut ordered by Gov. George V. Voinovich. Fiscal year 1993 funding levels would be determined by reverting to the enrollment-based system.

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<th>UNIVERSITIES</th>
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<th>Fiscal 1993</th>
<th>Percentage change</th>
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NOTE: Does not include all schools. Source: The Ohio Board of Regents.

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Dispatch Staff Reporter Bernie Karsho contributed to this article.
Budget proposal for equal funds starts a battle between two-year colleges and bigger universities

By Shannon Jackson
Lantern staff writer

Ohio's higher education institutions are at opposite ends about the Board of Regents' formula used to allocate money to colleges and universities.

The formula, used since the late 1960s, determines how much money an institution will receive based primarily on an institution's enrollment growth.

The Regents and two-year and technical colleges are calling for the governor to veto the way formula-free instructional subsidies are allocated in the state budget.

In the state budget, however, the conference committee scrapped the formula in order to bring all colleges and universities to the same level of funding this year as last year.

The funding formula will be restored in the second year of the biennium budget which begins July 1, 1992.

Use of the formula means some large schools with an enrollment cap, such as Ohio State, would take a cut this year.

On the other hand, the formula boosts money allocated to the faster growing two-year and technical colleges.

Regent Chancellor Elaine Hairston said the formula provides stability and cohesion for Ohio colleges and universities.

Without the formula, some fear the budget will become a free-for-all with colleges and universities fighting for state dollars.

But four-year universities say the decision not to use the formula was the best choice given the tight state budget. These schools argue that they educate over half of the state's college students and a cut would compromise the quality of education.

Gov. George Voinovich vetoed the subsidies. Ohio State stands to lose nearly $13 million in state funding this year.

A veto would be "devastating" for Ohio State, said Herb Asher, OSU special assistant to President E. Gordon Gee for governmental affairs.

"We would be talking lay-offs," he said.

But Asher said he does not think Voinovich will veto the subsidies because Voinovich originally wanted a flat budget.

All Ohio colleges and universities are receiving a flat budget; that does not allow for inflation, or "restore a 2 percent across-the-board cut to the school's budget taken in March."

On Friday, Voinovich would not say whether he planned to veto the subsidies.

Voinovich told colleges and universities to "settle down and keep the rhetoric as low as possible."

The need for all higher education to work together has never been more important, but now, the trust level amongst institutions is at an all-time low," said Daniel Penza, president of Sinclair Community College.

The subsidy issue was a sticking point for the budget committee until the budget was passed July 11.

The only way Ohio could afford to keep all colleges and universities flat was not to use the formula, legislators said.

Sen. Eugene Watts, R-Georgetown, said it would have taken $50 million using the formula in order to keep all institutions flat, but only about $15 million if the formula was not used.

In real terms, an individual institution "won" under the state budget.

The Ohio higher educational community does agree more money should have been given for state appropriations.

And if more money were given to higher education, the formula would have worked so that no institutions would suffer a cut.

In Ohio, two-year and technical colleges enrollment is rising, and under the Regents' formula, some schools would stand to receive as much as 14 percent more this year.

The Regents' Hairston has written a letter to the governor asking him to veto the legislature's instructional subsidy allocation.

At a press conference, Gee and University of Cincinnati President Joseph Barger said Hairston did not contact them about her letter to the governor. They called her actions "highly inappropriate."

"No matter what happens, institutions are going to be unhappy," said Matt Filipio, regent vice chancellor. "It's going to be difficult to be a peacemaker since the Regents have taken a side."
Deal may save OSU $8 million

By Lee Leonard
Dispatch Statehouse Reporter

Gov. George V. Voinovich and state legislative leaders have found almost $12 million to minimize slight losses in funding this year by major universities, including The Ohio State University.

The plan calls for the Ohio Board of Regents to use $11.9 million originally intended for grants to part-time students next fiscal year to soften the blow to the universities, Senate President Stanley J. Aronoff, R-Cincinnati, said yesterday.

He said the institutions would recoup at least 60 percent of their potential losses, which was to be $8 million for OSU.

Voinovich is faced with approving or vetoing language in the new $27.2 billion budget that would prop up Ohio State and six other schools at the expense of other universities and two-year colleges where enrollment has grown.

Curt Steiner, a Voinovich spokesman, said the governor probably will sign the budget Friday, with several line-item vetoes.

The compromise Voinovich sought was forged by Aronoff and House Speaker Vernal G. Riffe Jr., D-Wheelersburg.

Aronoff said the governor could veto language inserted by Sen. Eugene J. Watts, R-Galloway, which would guarantee Ohio State and six other universities what they received in state aid last fiscal year. It would do that by suspending, for one year, the traditional funding formula that is based on enrollment.

The other universities are the University of Akron, Bowling Green State University, Miami University, the University of Cincinnati, Wright State University and Youngstown State University.

If the language is vetoed, the legislature then would reappropriate the $11.9 million intended for part-time students starting July 1, 1992. That would give the legislature almost a year to come up with replacement money for that program, Aronoff said.

Steiner would not confirm details of the agreement, but he said, "They certainly are very close to finalizing it."

"They are trying to work out something that is acceptable to everyone," said Dan Jones, legislative liaison for the governor. "They are trying to create a win-win situation."

Elaine H. Hairston, chancellor of the Board of Regents, urged the governor in a letter to veto the Watts language, saying it hurt institutions that experienced enrollment growth, including Columbus State Community College.

Institutions that lost under the regents' plan, including Ohio University, which lost $5 million, would get that money back.

Aronoff and spokesmen for the governor said that if Voinovich decides to retain the Watts language, the legislature would use the $11.9 million to enrich schools that grew.
School money plan called acceptable

By Tim Doulin
Dispatch Higher Education Reporter

Officials at The Ohio State University and Columbus State Community College said they can live with a compromise proposal to distribute money to state-supported colleges and universities.

The proposal, forged by Senate President Stanley J. Aronoff, R-Cincinnati, and House Speaker Vernal G. Riffe Jr., D-Wheelersburg, calls for instructional subsidies to be determined by the state's traditional funding formula, which is based on enrollment. Also, about $11.9 million, originally intended as grants for part-time students, would be distributed among OSU and six other universities.

OSU, which would receive at least $11 million less than last year, can expect to receive at least $6 million of the new money, said Herb Asher, a special assistant to OSU President Gordon Gee.

"We appreciate the Senate president and speaker putting this together to help the four-year institutions that would be below the flat budget line," Asher said. "We will still be somewhat below the flat budget, but this helps ... I think the outcome is one that all sectors of higher education can live with."

OSU was among a handful of universities supporting a provision in the budget bill that would have suspended the funding formula for one year, meaning a freeze in subsidy funding at current levels.

But universities and two-year institutions in line to receive more money for the coming academic year under the funding formula — thanks mostly to increased enrollment — have been urging Gov. George V. Voinovich to veto the provision.

"The compromise proposal would allow the governor to veto the provision, thus reinstating the funding formula used by the state for more than 20 years. Columbus State, which under the funding formula system would receive about $2.6 million more than last year, favors the compromise."

"We think it makes a lot of sense to take the money available and distribute it through the funding formula," said Harold Nestor, president of Columbus State.

"There has to be some equity across the board to the colleges and universities, and I think this proposal will do that."

The Ohio Board of Regents also favors the compromise.

"Although we have not seen the details, that sounds like the approach that has been taken," said William Napier, a vice chancellor of the regents.

Voinovich is expected to sign the budget today, with several line-item vetoes, a spokesman for the governor said. If the governor chooses not to veto the provision, the $11.9 million would go to schools whose enrollment is increasing, the governor's office said.

The regents hope that money still can be found to fund part-time students under the Ohio Instructional Grants. The $11.9 million was to fund grants for these part-time students beginning July 1, 1992.

The instructional grant program has been available for several years to full-time students at public and private institutions and those pursuing associate degrees at proprietary schools.

"There is still a good chance we can start the (part-time) program this biennium if the revenue picture improves between now and then ... " Napier said.
Voinovich vetoes flat budget; OSU loses $6 million

By Shannon Jackson
Lantern staff writer

Ohio State will lose as much as $6 million in state funding next year as a result of Gov. George Voinovich's veto of an instructional subsidy distribution to colleges and universities in the state budget. This is the first time since the 1930s that Ohio State has received a cut in state funding.

Voinovich said he vetoed the proposal for keeping higher education at a flat budget because the proposal undermined the enrollment driven funding formula set by the Ohio Board of Regents.

However, Voinovich, Senate President Stanley Aronoff, R-Cincinnati, and House Speaker Verne Smith, D-Wheelersburg, ironed out a compromise that redirects $11.9 million to minimize the impact on individual schools hurt by the Regents' formula, such as Ohio State. The $11.9 million was originally earmarked for part-time student grants.

"I regret that the language had the effect of creating a list of winners versus losers...leading to a great deal of fighting among our system of state colleges and universities and undermining the Board of Regents," Voinovich said.

Next year, Ohio State and its branch campuses will receive 1.5 percent less than this year. But, some community and technical colleges will receive as much as a 21.7 percent increase in state funding.

The almost $284 million Ohio State will receive in state funding for the 1993 fiscal year is "not as good as hoped, but not as bad as we feared," said Bill Shirkert, OSU acting vice president of finance.

Shirkert said there was no indication as to what would be cut to meet the $6 million decrease in state funding. He said he would be meeting with university officials to discuss the possibilities.

He said Ohio State would have to re-examine the university's budget, but a major overhaul of the OSU budget will not be needed.

Shirkert said terms of Ohio State's $500 million general funds budget, the 1 percent decrease in state aid is minor.

Over the past two weeks, Ohio colleges and universities have been bickering over the instructional funding in the budget which keeps institutions at a flat budget and scraps the Regents' formula.

The governor's decision to preserve the Regents' formula is the best solution, said William Napier, vice chancellor of the Board of Regents.

He said this solution should calm the infighting that has occurred within the higher education community.

The Regents, Ohio University and many two-year and technical colleges protested the decision, and called for the formula to be used because the growing schools need the extra funding.

Schools that are growing, such as Ohio University and the two-year and technical schools, would receive more money under the formula than under a flat budget.

Further, the Regents maintained the formula had to be used in order to prevent the budget process from becoming too politicized.

However, schools that have an enrollment cap, such as Ohio State, receive less money under the formula than under a flat budget. These schools called for Voinovich to preserve the legislature's proposal.

The capped schools say the formula does not work to benefit all of Ohio's colleges and universities in these tight economic times.

OSU special assistant to President E. Gordon Gee for governmental affairs, Herb Asher, said Ohio State "appreciates" the state's help.

However, for Ohio State, the best solution would have been to be held to a flat budget, Asher said.

Despite all the infighting, Ohio higher education officials agree that ideally, there should have been more state money appropriated for higher education.

The instructional subsidy veto was one of 30 gubernatorial vetoes, the most in recent budget history.

Voinovich's 30 vetoes are the highest by an Ohio governor in 19 years, said Shirkert, who served as former Gov. Richard Celeste's director of the Office of Budget and Management.

Voinovich also vetoed provisions to let colleges and universities administer state-funded capital improvements projects with the consultation of the Department of Administrative Services, and to increase the size of the Ohio Arts Council.

At the budget signing on Friday, Voinovich called the $772 million biennial budget "a responsible spending plan."

Language in the budget that prohibits campuses from barring ROTC and access to federal recruiters was not vetoed by the governor.

Ohio is the first state to sign such legislation.

The budget signing comes almost a month later than the June 30 deadline. Legislators were locked over the two-year budget and passed an interim budget so the sticking points could be worked out. The Senate-House conference committee's budget passed through the legislature on July 11.
$5 million cut puts OSU under gun

By Tim Doulin
Dispatch Higher Education Reporter

Ohio State University President Gordon Gee is undecided about how to deal with a $5 million shortfall in funding from the state but promises to push for changes in the way the state distributes money to public colleges and universities.

The two-year state budget signed last week by Gov. George V. Voinovich gives OSU's main campus about $5 million less in fiscal 1992 than the $270 million it received last fiscal year.

Voinovich vetoed a provision in the legislative budget that would have suspended for one year a primarily enrollment-driven formula to distribute state money.

OSU was among universities that wanted subsidies frozen at 1991 levels.

Most universities and colleges, which are expecting enrollment increases in the fall, urged Voinovich to veto the provision, thus restoring the formula.

 Earlier this month, OSU passed a $1.23 billion budget, calling for academic and non-academic units to reduce budgets by 4 percent. Gee said more cuts are needed.

A hiring freeze imposed in December, which the university had hoped to lift, will remain, and Gee did not rule out layoffs.

"We are already very thin. We have reduced the staff through attrition. That is one of the least desirable options," Gee said.

Calling funding formulas a "formula for mediocrity," Gee said, "In a tight budget, the formula recognizes growth, but it harms quality.

"We will talk to the (Ohio Board of Regents) about the need to develop a budget approach that addresses quality."

With the largest enrollment among state-supported schools, OSU is the single largest recipient of funding under the formula. But subsidy increases are based primarily on enrollment growth, and OSU is one of five universities under a state-mandated enrollment cap. This means OSU is frozen at a maximum of roughly 40,000 full-time students at its Columbus campus.

In recent years, the state has increased the funding total enough to allow OSU's subsidy to keep pace with inflation. But in this year's flat budget, OSU stood to receive about $11 million less than in fiscal 1991 under the formula.

OSU cut that loss by $5 million to $6 million when the state freed money intended to fund grants for part-time students.

"In a time of constrained resources, those issues need to be addressed. There was and is a failure to adequately address that right now," Gee said.

"At a capped institution like Ohio State, where our driving mechanism has to be the highest quality education, quality has to be recognized."

Rich Petrick, director of budgets and resource planning for the regents, said the formula takes into consideration the difference in cost between upper division and lower division courses and graduate and medical courses.

A subsidy consultation group, consisting of officials from the regents and public colleges and universities, discusses the formula every other year and can modify it. Petrick said Gee's questions will be addressed before the next budget.
OSU, state schools brace for budget cuts

By Lulu Danan
Lantern staff writer

Ohio State will increase spending cuts to offset the $5 million reduction in state aid, said William Shkuruti, acting vice president of finance.

Shkuruti said he does not know what areas will receive additional cuts until he receives feedback from colleges and non-academic departments. They are working with targeted reductions based on the university budget approved by the board of trustees last month.

"We don't have to redo the whole budget, but we will have to make some adjustments to implement those changes," Shkuruti said.

Trustees will vote on a revised budget in September.

According to figures released from the Ohio Board of Regents last Thursday, Ohio State lost $9 million when Gov. George Voinovich vetoed a proposal which would have given the school a $280 million instructional subsidy.

However, a compromise redirecting $11.9 million for part-time student grants will aid colleges and universities whose state funding is less than last year's. As a result, Ohio State will receive a total of $275 million from the state.

To make up for the $5 million loss, the university will look to reduce spending rather than raise student fees, Shkuruti said. Ohio State has already raised tuition 9.6 percent for the 1991-92 academic year.

"I don't think the students should be made to bear the brunt of this last problem," he said.

Shkuruti said he suspects some layoffs are possible, and he also would not rule out changes in the 3.5 percent faculty pay raise.

Academic and support departments will determine how to meet the cuts in terms of reducing positions and eliminating programs later this month, he said.

Base budgets of academic units have decreased by 4 percent and support units by 4.5 percent.

Carole Anderson, dean of the College of Nursing, said retired or resigned faculty will not be replaced because of money problems.

"I think one of the implications for us is, we have a very serious nursing shortage in Columbus, in Ohio and in the country," Anderson said. "For the College of Nursing to cut back on what it's been doing has very serious implications."

Anderson said OSU's nursing program ranks 20th out of more than 360 programs in the country.

Gary Floyd, dean of the College of Biological Sciences, said he doubts vacant faculty positions will be filled.

"My college is in the throes of restoring the faculty positions we've lost to early retirement over the past several years," he said. "This budget reduction keeps us from coming back to full strength."
OSU, other schools must compromise on funding

The dust finally has settled after the free-for-all among state colleges and universities. Normally the home of logic, reason and lofty ideals, the schools squared off against one another in an attempt to get their share of money from the state. The battle pitted institutions with growing enrollments against those with stable ones.

At the center of the disagreement is Ohio's time-tested formula used to distribute money to public universities and colleges. It's a debate that isn't likely to go away.

Ohio State University President Gordon Gee has made it clear that he doesn't much care for the funding formula, at least as it is structured.

The system is primarily based on enrollment. As the state's largest institution, OSU gets about 20 percent of the total state instructional subsidy, more than anyone else.

But the schools that enjoy the largest percentage increase in subsidy from year to year are usually those with the fastest enrollment growth. Facing a state-mandated enrollment cap, OSU has grown very little.

Instead, community and technical colleges, which have seen enrollments soar in recent years, have had the big increases.

That seems to grate on OSU and other major four-year institutions hampered by the enrollment cap. They think leading universities deliver quality education and research vital to the state's economy and therefore should get consideration in funding.

The community and technical colleges say that is sour grapes. After benefiting from the system for many years, the capped universities want to change the rules now that they are not gaining the most, the other schools argue.

Community and technical colleges contend they should be recognized for shouldering more of the education load in the state. They say the formula does that.

Almost everybody agrees that the funding formula works when there is enough money to go around. With a tight budget, the legislature simply wasn't able to free up enough money this time to be distributed through the formula.

OSU complains that even during happier economic times the state subsidy barely covered the rate of inflation, but the university was able to live with it. University officials, however, aren't optimistic about the future.

Gee has promised to push for changes in the formula so it rewards the capped universities more. The formula already does that to some extent — for example, differentiating between upper-division courses, taught at universities, and lower-division ones, more likely to be found at two-year schools.

OSU's president also has mentioned asking the state to remove or raise the enrollment cap so the university can seek more money that way.

A subsidy consultation group, consisting of officials from the public colleges and universities, meets every other year to discuss and modify the formula. The group is supposed to balance the needs of growing institutions against those with enrollment caps. This time it failed to anticipate insufficient funding from the state.

Surely, none of the institutions wants to go back to the General Assembly every two years and battle it out. Legislators certainly don't relish the thought of serving as referees.

After Voinovich signed the budget bill July 26, most higher-education officials were calling for colleges and universities to work together in the future. That will be essential to avert more bickering.
University is still waiting for final state fund figures

The amount of state funds slated for Ohio State still is being determined, according to William J. Shkurti, acting vice president for finance.

"We now have the latest estimates from the Board of Regents," Shkurti says. "Based on these estimates, it looks like we will have $4.3 million less than we thought we were going to have in July."

But the decrease is less than University officials had expected. "We had feared it could be as much as a $5 million or $6 million loss," Shkurti says.

"We will develop a plan to be submitted to the Board of Trustees at the Sept. 6 meeting as to how we will deal with this shortfall. The plan will be developed in consultation with the deans, the other vice presidents and the University Senate Fiscal Committee."

"It will require some adjustments in the budget, but will not require a wholesale rewriting of the budget," Shkurti adds.

Even now, University fiscal officers are working only with estimates.

"We won't know the final numbers until we have the 14-day enrollment in the fall and the regents distribute the money in December," Shkurti says.

He describes the process as a "fine tuning of the overall budget," a process unlikely to affect pay increases and budgets for various University units.
Departments feel the sting of new cuts

By Tom Spring

Budget cuts are getting to be old hat — and an uncomfortable, poorly fitting hat at that — for some administrators.

"Ouch!" is how Robert Redmond, dean of the College of Engineering, describes the latest round of cuts. Those reductions amount to 4 percent of budgets for academic departments and 4.5 percent for support units. The savings were ordered to balance the budget and reallocate funds to other priorities.

"It gets somewhat painful, since we have in past years gone through similar budget reductions," Redmond says. "It gets to the point where you paint yourself into a corner with less and less flexibility. It makes it difficult to develop new programs and create an atmosphere of innovation and exploration when you are in a retrenchment budget mode."

Redmond says his administration and most engineering departments will feel the pinch in fewer services and personnel. Services in the publications unit and international programs area will be shrunk and faculty and staff who leave won’t be replaced.

Other units will follow the pattern of the School of Journalism, offering fewer classes and adding to the teaching schedules of regular faculty.

"In some cases we’ve reduced the number of sections of courses and in other cases we’ve cut electives. That has allowed us to hire fewer adjuncts or lecturers," says Pamela Shoenemaker, director of the school.

"Regular faculty are picking up some courses that would otherwise have been taught by outside people. Some faculty members are teaching more than they were scheduled to teach."

According to Judith Stein, administrative secretary 2, the school will have 10 to 12 fewer part-time positions per quarter than last year. For autumn quarter, only six part-time faculty were hired. Each part-time position not filled saves an average of $12,500, she says.

Feel the sting...

Continued from page 1.

Campuswide, custodial service, maintenance and equipment repair will take longer, according to James Stevens, assistant vice president for physical facilities. That, he says, is because there will be 33 fewer people to do the work.

Along with the entire University, Stevens’ office has been on a hiring freeze.

"We’re looking at what we can reduce and still keep all critical operations going."

That means planting fewer annual flowers, cleaning windows and lights between quarters instead of year-round, and eliminating or charging for special custodial services.

It also means less overhead for the various engineering and maintenance shops, and specialty operations such as the carpentry, electrical, mechanical and machine shops.

"We’ve reduced our levels of management and put more emphasis on the shops."

"Still, some problems remain.

Some people say they’ve never seen a painter in their building. They’re right, he says. Painting cycles are now 26 years.

"I’ve got to find other answers. That’s longer than some of these folks’ careers!"

At the Newark campus, fewer dollars mean less maintenance. And plans to hire faculty and improve student services have been put on hold.

"A larger share of the burden has been shifted to the student," says Randall Ingold, associate director. About 52 percent of the $5 million Newark budget comes from student fees, he explains.
Budget cuts cause course delays, class closures

By Rebecca Gonzo
Lantern staff writer

OSU colleges and departments are attempting to minimize the effects of reduced funding, but the results will not be easy to hide.

Students will not only face tuition hikes Fall quarter but will also find course delays and increased class closures. Some administrators recognize the problems this will cause students.

"Students are taking enough of the impact (of the budget cuts) with tuition hikes. To have courses they can't take is a little too much to ask," said Richard Wharton, fiscal officer for the College of Engineering.

However, departments are cutting back in various areas.

The College of Engineering, which has 14 departments, will probably decrease its course offerings, eliminate low enrollment sections and decrease the number of graduate assistants, Wharton said.

Faculty will have increased teaching demands and Wharton said he is not sure how faculty will compensate for that.

"The faculty will have to do more of what will suffer. It could mean less committee work or less professional writing, but something will suffer," he said. "Fewer dollars means we won't be able to do a better job across the board."

"We're trying to tighten up on everything from travel to copy machines," said Jacques Zakin, chairman of chemical engineering.

Efforts to restrict spending will mean there will be fewer graduate assistants in chemical engineering next year, Zakin said. Graduate assistants work in laboratories and teach recitation sections.

"Even if we lose one graduate assistant, that's terrible, because everyone else will be spread out thinner," he said. "Faculty will clearly give up something."

The Chemistry department will reduce the number of course sections, delay hiring vacant faculty positions and will not buy needed equipment, said Russell Pitzer, chairman of chemistry.

The section cuts will cause students to be closed out of courses required for their major, Pitzer said. Reduction of a course by just one section will cause 100 to 200 students to not get the class, Pitzer said.

"Those students who get closed out will be significantly impacted if it delays them a quarter, but that can be handled. If it's a longer delay, then that's a major problem," Pitzer said.

The mathematics department will double the number of students in some classes.

"We may have to increase the number of courses taught by each faculty member, and we may have to cut faculty research leave," Ray-Chaudhuri said. "This will hurt our recruitment of good faculty."

The French and Italian department will not fill vacant faculty positions and will not begin any new programs because of the budget cuts, said Charles Williams, chairman of the French and Italian department.

The department will probably not sponsor any international language conferences either, Williams said.

"We are not given sufficient money to teach these courses," Ray-Chaudhuri said.

Not only will students suffer from the budget cuts, but faculty research time will also be limited.

The OSU math department was the only department in the country with two faculty members receiving a Presidential Young Investigator award for outstanding research last year. Only eight of these awards are given nationally for math each year by the National Institutes of Health.

"We may have to increase the number of courses taught by each faculty member, and we may have to cut faculty research leave," Ray-Chaudhuri said. "This will hurt our recruitment of good faculty."
Ohio schools must teach with less cash

Associated Press

Ohio taxpayers and the legislature have an assignment for educators: Cut spending without curtailing learning.

Districts will be going to the bank in record numbers to get state-backed loans that will keep classes open.

And students at Ohio's 13 public universities will be crammed into few— but more expensive—classes.

State funding of public schools and colleges remains virtually unchanged for the 1991-92 academic year. The two-year budget Gov. George V. Voinovich signed July 26 calls for funding this fiscal year at last year's level, about $7.2 billion for grades kindergarten through 12.

The budget calls for a 5 percent increase for all education next year.

A record 157 of Ohio's 612 districts are expected to apply for state guaranteed loans during the 1991-92 school year, said William Phillips, an assistant state school superintendent. Fifty-two districts have applied for the loans since April 1 and are awaiting certification by the state auditor's office.

"Either the legislature will meaningfully address the equity and adequacy problem or the courts will declare that the assembly address the problem. I don't see that for a couple of years down the road," Phillips said.

In elementary and high schools, about 1,000 of Ohio's 120,000 teachers have been laid off statewide this school year, said Marilyn Cross, president of the Ohio Teachers Association. Most of the layoffs have occurred in big-city districts. High schools were the most frequent target.

Cleveland has laid off 225 teachers, Cincinnati 94, Columbus 84, Dayton 80 and Lorain 44.

Most of the layoffs occurred in subject areas with a surplus of teachers, such as English, or areas where administrators feel that student interest has declined, such as business management and industrial arts.

While layoffs have not been widespread, the recession has affected school programs and class size. Businesses have moved or shut down, eroding the tax base in many cities.

"We're walking the tightrope," said Larry Lewis, personnel director for Mansfield City Schools. "Some decisions the cities are making to attract companies, such as tax abatement, will affect schools."

Mansfield, with about 6,800 students, and other big-city districts reported layoffs of teachers and staff but few cuts in programs. Hardest hit have been extracurricular activities.

The football fields and band rooms of Lorain public schools will be as quiet this fall as the factories and shipyards that once paid much of the tab for education in the northeast Ohio city.

Voters in the 12,000-student district last month rejected a tax levy for the third time in nine months, forcing the district to make $4.5 million in cuts for the 1991-92 school year. All extracurricular activities, including interscholastic sports, have been suspended.

"Unfortunately, I think we are on the leading edge of a fast-growing trend of Ohio schools falling into financial difficulties," Superintendent Thomas Bollin said.

Lorain classrooms will be cleaned every other day instead of each day. Other changes include combining various honors and college-bound programs, and cutting music to classroom instruction only.

The state funding freeze and the failure of ballot issues have tightened the spending plans of many Ohio districts.

Students at the state's 13 four-year public colleges will feel the pinch at the bursar's office.

Most are increasing fees close to the 9 percent cap set by the legislature, said Linda Ogden, spokeswoman for the Ohio Board of Regents.

At The Ohio State University's 54,000-student main campus in Columbus, tuition increased to $2,568 from $2,343 a year for students who are residents of Ohio. However, the university is absorbing $14 million in cuts, said William Shkurti, acting vice president for finance.

Ohio State has no plans to lay off tenured professors, said he said. But some staff and faculty, mostly graduate teaching assistants, will lose their jobs.

"Even if the economy turns around, we're still going to see relatively lean times in terms of what we saw in the 1980s. Our long-term budget plan will be developed by next year. It's not the time to be complacent," Shkurti said.

Most students and parents have learned to live with tuition increases.

Tuition has gone up at every university in Ohio every year since the mid-1970s, said University of Cincinnati spokesman Greg Hand.

"I can't imagine anyone being delighted, but it's a fact of life that universities are underfunded and tuition is going to increase," he said.
Record fund-raising won’t ease OSU bind

By Tim Doulin
Dispatch Staff Reporter

Despite a little help from its friends, The Ohio State University says it still is struggling to make ends meet.

At the OSU trustees meeting yesterday, officials announced that the university received $84.6 million in donations from alumni and friends in the 12 months that ended June 30 — the most private money raised by the university in one year.

They also announced, however, they need another $43 million to cover a shortfall in state support caused when Gov. George V. Voinovich vetoed a provision in the state’s budget bill that would have given OSU more money.

That money is in addition to the $14.7 million in cuts the university announced when trustees signed OSU’s new budget in July.

Despite the record fund-raising year, money donated to the university can not be transferred to help cover the losses in the general fund, said Donald D. Gower, vice president for university communications and development at OSU. All but $500,000 of the privately raised money is earmarked by donors for specific use.

“Nobody will give you money if you don’t keep the faith,” Gower said. “If a donor gives money for a specific use, that is exactly what it is used for.”

Donations often go toward such things as endowed chairs for faculty members and scholarships for students.

To get the $43 million, the university will take $2 million from a contingency fund and another $2.3 million from reserves in the university’s health insurance plan, which the university and employees share in funding.

“As a result of the reserve’s being drawn down, unfortunately and inevitably, university employees will have to pay more for their health insurance, and the university will have to pay more of their employees’ health insurance,” said William J. Shkurti, acting vice president for finance at OSU.

With the contingency fund exhausted, the university is vulnerable should the governor order further cuts later this year or early next year, which is a possibility, Shkurti said. “If another cut comes, we won’t have the flexibility to absorb it that we otherwise would.”

OSU decided to shield academic departments and support units in finding money to cover the $43 million shortfall, Shkurti said. Those units already are being asked to absorb the bulk of the $14.7 million cut in the university’s new budget.

About $11.3 million of that total will be covered by eliminating 365 positions among faculty, staff, graduate students, part-time workers and student employees. Most of the positions are being eliminated through retirement or other departures from the university, Shkurti said.

“I don’t think there will be more than two dozen layoffs, but there will be some,” he said.

Students will feel the pinch this fall because 144 course sections are being eliminated. The university tried to minimize the reduction of sections in courses required to graduate.

“Because of budget problems in past years, we have had some problems with students’ being closed out of courses needed to graduate,” Shkurti said. “This just makes that problem worse, but we will try to help the students as much as possible.”

Cuts were not made across the board. The university protected such areas as the honors program, scholarships, library acquisitions and the general education curriculum.

“All of those are absolutely central issues in terms of a high quality education, and we preserved them,” OSU President Gordon Gee said.

“But some classes will not be held this year. Some things in terms of supplies and programs, we will not be able to engage in. That hurts.”

Some of the academic support units spared cuts were the police department, processing student fees and loans, admissions and recruiting.

Rebroadcasts of OSU football games were among programs eliminated, and operating hours at Larkins Hall, an athletic center, and the Wexner Center for the Visual Arts were reduced to help save money.
OSU Board approves final budget

By John Seewer
Lantern staff writer

To offset a $4.3 million shortfall, the OSU Board of Trustees approved earlier this month a readjusted university budget that did not significantly alter the funding for academic departments.

The shortfall occurred when Gov. George Voinovich vetoed a portion of the state budget dealing with the distribution of instructional subsidies, and Ohio State failed to receive the increase in funding it hoped.

To help offset the loss, the university's $2 million reserve fund was eliminated. The university also reduced reserves in its health care plan by $1.2 million and reserves in health insurance by $1.2 million.

"The academic departments and support units were not cut because of the reductions they suffered in July," said William Shkurti, acting vice president of finance. The amount expected for supply and equipment purchases by academic departments will be less than originally anticipated, however.

"Our intent was to preserve teaching and research," said OSU President E. Gordon Gee.

Academic departments received a 4.1 percent cut and academic support departments took a 4.6 reduction in the original budget approved by trustees in July. As a result of the adjusted budget, academic departments also will feel the sting of the cuts in health-fund reserves because the $1.2 million was earmarked for academic supplies and equipment.

The university reduced its health-fund reserves, but it did not touch reserves in the employee health fund, Shkurti said.

Employee health care premiums and benefits will remain the same, Shkurti said.

Although the elimination of $2 million university reserve fund will have no immediate effect, Shkurti said the university could have more trouble if further budget reductions become necessary.

"(Eliminating the reserve fund is) a calculated risk because we lose flexibility, but the effect is less than absorbing another cut," Shkurti said.

If enrollment increases, the reserve will build once again, Shkurti said.

"We had a nagging fear this (additional cut) would happen," Shkurti said. "Right now we're buying time and hoping the economy will improve."

Despite increased budget cuts, corporate and alumni donations to the university from July 1990 to June 1991 increased by about $8.5 million, but only $500,000 could be used to offset future shortfalls.

The majority of donations to the university are designated to a particular area and not available for unrestricted use, explained Donald Glower, acting vice president of development.

"(The contributors) have a good idea of where they want the money to go ... they would stop giving if we used the money to replace state money," Glower said.

"Glower said the increase in donations occurred because colleges better targeted their needs than in previous years."
Revised formula hikes OSU tuition

Students returning for the new school year had to dig a little deeper into their pockets to cover tuition increases created by state budget cuts.

For the first time since the 1960s, Ohio State suffered a loss in state funding, receiving $4.3 million less than last year. The state also set tuition caps of $225 or 9 percent. This resulted in a $225 increase in Ohio State's tuition.

The $266 million in state funding Ohio State will receive this year is "not as good as hoped, but not as bad as we feared," said William Shkurti, OSU vice president of finance.

This $4.3 million cut comes on the heels of a $4.7 million mid-year cut in January imposed by Gov. George Voinovich.

Next time around, Herb Asher, special assistant to President E. Gordon Gee for governmental affairs, and Shkurti said they will work on getting more money for higher education and Ohio State.

"Rather than fight over the small crumbs of the pie, we need to increase the size of the pie," Shkurti said.

In terms of Ohio State's $500 million general funds budget, the 1 percent decrease is minor, Shkurti said.

However, the decrease in state funding and a tight OSU budget, resulted in a tuition increase of 9.6 percent, or $225, per year.

The state funding cut is a result of the state's own tight finances and a veto by Gov. George Voinovich.

Shkurti called the state's higher education budget "a classic compromise."

Voinovich vetoed a House-Senate conference committee proposal that called for all Ohio public institutions to be kept at a flat budget.

He said the flat budget proposal undermined the enrollment driven funding formula set by the Board of Regents.

Voinovich, Senate President Stanley Aronoff, R-Cincinnati, and House Speaker Verne Riffe, D-Wheelersburg, ironed out a compromise that redirected $11.9 million in state funding to minimize the impact on institutions hurt by the Regents' formula, such as Ohio State.

The $11.9 million was originally earmarked for part-time student grants.

Ohio State would have received less money under the Regents' formula because the formula is based on enrollment growth, and Ohio State's enrollment is capped by the state.

Ohio State's branch campuses will receive a 1.5 percent combined decrease in state funding, however, some community and technical colleges will receive as much as a 21.7 percent increase because of enrollment growth.

At the budget signing, Voinovich said, "I regret that the language had the effect of creating a list of winners versus losers...leading to a great deal of fighting among our system of state colleges and universities and undermining the Board of Regents."

This summer, Ohio colleges and universities bickered over the instructional funding in the House-Senate budget which kept higher education on a flat budget and scrapped the Regents' formula.

The Regents, Ohio University, and many two-year and technical colleges protested scrapping the formula. These schools with growing enrollments said they needed the extra funding the formula gives them.

And the Regents maintain the formula is needed in order to prevent the budget process from becoming too politicized.

But schools with an enrollment cap like Ohio State fought to keep a flat budget proposal where they would receive more money than under the formula.

Asher said Ohio State "appreciates" the state's help.

However, for Ohio State the best solution would have been a flat budget, Asher said.

Despite the infighting, Ohio higher education officials agreed that ideally, there should have been more state money appropriated for higher education.

If there had been more money, the formula would have appropriated enough money to Ohio State for the university not to suffer a cut.

Including the flat budget veto, Voinovich vetoed 30 items in the $27-billion budget, the most in recent history.

Language buried in the budget prohibiting campuses from barring the ROTC and access to federal recruiters went untouched by Voinovich.

Ohio is the first state to sign such legislation.

The budget signing on July 26 came almost a month later than the June 30 deadline.

Legislators were locked over the two-year budget and passed an interim budget so the sticking points could be worked out.

Higher education was one of the sticking points. The Senate and House had appropriated the same amount for higher education—nearly $3 billion. But the two houses differed on the way the money was to be allocated.

The Senate-House conference committee's budget passed the legislature on July 11.
Fiscal planners attempt to offset losses

By Tom Spring and Gemma McLachlie

In order to preserve its academic core, the University is doing all it can to avoid across-the-board layoffs or salary reductions for faculty and staff.

Those are the guidelines fiscal administrators have been using to tackle a cut in state subsidies totaling $19 million, William Shkurri, acting vice president for finance, reported to the Board of Trustees Sept. 6.

In response to the state reductions, Ohio State had to find ways to save $14.7 million from academic and support unit budgets.

Of that, more than $11 million came from eliminating 365 staff, faculty and student positions, Shkurri said.

"While the vast majority of these positions were vacant as a result of the hiring freeze implemented last December, a small number of layoffs are inevitable," Shkurri said after the trustee meeting.

Layoffs are decided individually by each academic or support unit. Shkurri said about 20 of the University's 16,800 employees have received notifications.

Earnings units also are contributing to the cause. Shkurri told trustees, University Systems and UNITS froze their rates, which will save departments more than $300,000.

Other earnings units in Business and Administration, such as Traffic and Parking, Bookstores and the Print Facility, have made a combined, one-time contribution of more than $1 million to the general fund.

Shkurri also said $2 million was taken from an enrollment and budget contingency fund.

An additional $1.2 million was drawn from savings that had resulted from the July medical benefits rate holiday.

During a rate holiday month, neither employees nor the University pay into the reserves that provide funds to pay future benefits.

Another $1.2 million may be allocated from a second such rate holiday to be declared in 1992 if cost trends remain favorable.

"The $4.4 million in savings from drawing down the budget contingency and health insurance reserves will allow us to balance the University's budget without instituting even more cuts to colleges and other units," Shkurri said.

However, there is a downside to using contingency funds and reserves to meet financial crises, he warned. Ohio State will lose its flexibility to deal with any further budget cuts, should they come up.

"I don't like drawing down our reserves at any time, but at this point it's the only action we can take that is the least harmful to the long-term interests of the University."

Budget reductions already have had an impact on programming, Shkurri said. The most visible is the elimination of 144 sections of classes, which will displace 8,630 students.

Shkurri said efforts are being made one-on-one to assist students who have been closed out of required courses, a recurring problem exacerbated by the budget reductions.

"Some areas and University functions, especially those directly involving students, were protected as best we could," Shkurri said.

"Exempt are some academic areas and key support units. Some programs, however, have been eliminated. They include the Department of Photography and Cinema, the football game rebroadcasts on WOSU-TV and the Transportation motor pool."

Protecting the academic core

- Programs exempt from budget cuts. Academic Honor and Young Scholars programs, scholarships, affirmative action, student advising, library acquisitions, the general Education Curriculum and minority student recruitment.
- Key support units: Police, fire and emergency medical services; University Seed Grants and Small Grants; fund raising of unrestricted gifts, and admissions and recruiting.
- Programs partially protected.
- The Research Foundation, benefits administration and the student fee and loan processing program.
- Also protected.
- Residence and Dining Halls, University Hospitals and the James Cancer Hospital and Research Institute.

Source: Office of Finance

are the Labor Education and Research Service, Columbus campus bus service, and Office Equipment Repair Facilities such as the Wenger Center and Larkins Hall have reduced their hours of operation.

In early July, the Board of Trustees passed a University budget that anticipated a $14.7 million reduction in its base income. But another $4.3 million cut was made by the state later in the month. On Sept. 6, the board approved adjustments to the University's budget.

Administrators in colleges and support units were told to use every available means to reduce costs without layoffs. They shifted employees to other positions and eliminated jobs left vacant by retirements, early retirements and resignations.

It is estimated the University has eliminated positions for 70 faculty, 135 staff, 10 lecturers and part-time help, 55 graduate assistants, and 115 student employees.

This is a preliminary assessment, Shkurri said. Final reduction plans of some colleges and academic support units have not been approved, and so are not reflected in the totals.
Holiday shopping may mean healthier budget

By David Tull

Members of the University community have nearly as much at stake in the holiday shopping season as do local merchants.

If an enthusiastic shopping frenzy during the holidays is not enough to bring tax revenues back in line with estimates, the state may have to balance the budget with cuts in this year's allocations — perhaps as early as January.

'It appears that we must look for more certainties by waiting. But institutions might be well advised to take steps to restrain spending.'

— Matthew Filipic

For higher education, that likely would mean cutbacks in instructional subsidies. State officials reported disappointing revenue in the first quarter of this fiscal year, October was even worse and November tax collections still have not reached normal levels.

But, William J. Shkurri, acting vice president for finance, cautions against overreaction to the possibility of reductions.

"Budget cuts are always possible when the economy is going bad," says Shkurri. "But, we do not want to jump the gun and do cutbacks unless we absolutely have to.

Right now, we're watching Christmas sales like everyone else."

If budget adjustments are required, Shkurri insists that the process be done methodically. "If we do make adjustments, the key is that it be done in consultation with the deans, University Senate Fiscal Committee and other constituents on campus, as we have in the past.

"And, it must be done in a manner that protects the University's academic core as best we can."

Concern for the academic core and the responsibility that the University has to manage its finances must be balanced against each other, Shkurri adds.

Matthew V. Filipic, vice chancellor for administration at the Ohio Board of Regents, alerted the state's university financial officers in October and again in mid-November. A lackluster Fiscal Year 1991 left the state with seriously depleted reserves, he said in two letters.

Tax collections in the first quarter of FY 1992 were 1 percent below estimates — a shortfall for the state budget of about $18 million.

Worse yet, October alone saw a tax shortfall of $45 million, primarily in sales tax revenues. And early indications are that

Continued from page 1.

November, too, was disappointing.

Filipic reminded fiscal officers that the General Assembly has mandated an automatic cut of up to 1 percent on March 1 if general fund tax revenues are $150 million short by that date. "If things turn sour, a significantly larger executive cut (by Gov. George V. Voinovich) is quite possible," he added.

But cutting after March 1 may be too late. "The governor is obliged by law that he ends the fiscal year with a positive balance," Filipic points out.

Revenue reports based on the holiday shopping season will only be available at the end of January and that might be too late to manage the budget without sharp cuts. "If the Christmas season proves to be stronger than expected, we could get by," Filipic says.

"It appears that we must look for more certainties by waiting. But institutions might be well advised to take steps to restrain spending," Filipic adds. "Spending cuts are more than a possibility."

November saw revenues $12.5 million short of estimates, says Sam Nemer, senior economist and head of the revenue section at the state's Office of Budget Management. "(The shortfall) would have been higher if it hadn't been for an early payment of public utility taxes — taxes due in December.

"We're holding our breath," Nemer says. "Early reports for the Christmas season sound optimistic." His own informal telephone survey of economists was inconclusive: "Some were low and some were high."

The situation requires careful watching, Shkurri says. "We're staying in close touch with state officials so that we know what's going through their minds and what the options are, so that we can respond quickly if need be."
Cuts ominous for students

State budget woes are expected to lower the subsidy for higher education.

By Tim Doulin
Dispatch Staff Reporter

Students will pay the price for the cuts in state support to public universities and colleges being forecast for early next year.

The state's $1.47 billion higher education budget for fiscal year 1992 could face a reduction in the "neighborhood of 5 percent" after the first of the year, said Matthew Filipic, deputy chancellor for the Ohio Board of Regents.

That would mean a loss of about $75 million, including $60 million in instructional subsidy allocated by the state to cover basic operating needs of state-assisted colleges and universities.

"We are talking about a situation in which real spending for students in support from the state could fall by another 5 percent," Filipic told regents yesterday.

"Clearly, that cannot be absorbed simply by wringing out inefficiencies in the system. After a long, steady drop in state support, there is an increase in student fees and loss of level of services to students."

Through the first five months of the fiscal year, tax collections by the state are down by 2.1 percent, or $73 million, prompting the gloomy projections. The state is hoping to rebound during the holiday season, but it isn't expected to be enough to prevent budget cuts.

Public colleges and universities already were looking at a lean year.

The state allocated $1.2 billion for instructional subsidy, roughly the same amount as last year, while the number of students attending state institutions increased about 2.8 percent this fall.

The subsidy received by institutions is determined by a formula based on actual costs and student enrollment. The flat budget entering the fiscal year meant some universities with stable enrollments would receive less money than last year.

The Ohio State University, which is under an enrollment cap, is receiving about $275.4 million for its main and four branch campuses, compared with $279.3 million last year, say regents' figures.

With the state's share of the cost of education going down, the students' share is going up.

For students attending public universities, the share is about 44 percent, while students at community colleges pick up about 51 percent of the cost.

The projected cuts could push that share to more than 50 percent for students at universities and 55 percent for students at two-year colleges, the regents said. The regents would like the student share to be about 33 percent.

"This is coming at a time when enrollments are at an all-time high, when we want our universities to be supportive of the economic and social condition of the state. This just won't cut it," said Paul Dutton, a regent.

In other action, the board:

- Recommended a capital projects plan for $488 million during the next two years. The plan calls for OSU to receive about $61.1 million, including $21.5 million for a new academic building and $10 million for a laboratory addition. Columbus State Community College would receive $3.6 million, including $2 million to acquire property west of Cleveland Avenue for parking.

- Authorized the Ohio Attorney General's Office to file yesterday a civil lawsuit against Xerox Corp. to recover about $1 million in damages to the regents office in the Rhodes Tower caused by a fire in December 1989.

The lawsuit was filed in Franklin County Common Pleas Court yesterday.

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OSU hunting strategies to weather funding cuts

By Tim Doulin
Dispatch Staff Reporter

Ohio State University officials say they are not sure how to deal with a loss of about $15 million in state money, but layoffs and a midyear tuition increase have not been ruled out.

Gov. George V. Voinovich announced last week that state support to public colleges and universities will be cut about $58 million to help make up for an operating budget shortfall.

From that total, OSU will lose about $10.7 million in a state instructional subsidy and about another $4 million for non-instructional programs — such as the Arthur G. James Cancer Hospital and Research Institute and the Ohio Agricultural Research and Development Center — which receive specific line-item funding.

The budget cut is another in a series Voinovich has made since taking office last year.

"We already have squeezed the administrative and academic support side during the last round of cuts," said William J. Shkurti, acting vice president for finance at OSU.

"The problem is, you can't run a large university on a shoestring and be competitive. It is going to take some tough decisions by the university. We are talking over $30 million in cuts in less than 12 months."

The university is working on a specific plan to handle the loss of state money, Shkurti said, but likely will limit the use of part-time faculty members, leave job openings unfilled and encourage eligible employees to take early retirement.

If that is not enough, some part-time and full-time, non-teaching employees may be laid off, he said. It is too early to say how many, he said.

"The overwhelming majority of reductions would be made through unfilled vacancies, rather than people presently holding jobs at the university," Shkurti said, "but when you get cuts this size, unfortunately, you can't rule out having to lay off some people."

OSU also is exploring the possibility of a midyear tuition increase, he said.

"That would be a last resort. We are extremely reluctant to do an increase in the middle of the academic year, but I would not rule out a tuition increase in addition to the one that will occur in the fall," Shkurti said.

Other schools also are being hit by the cuts.

Ohio University will lose about $3.5 million in state support.

The university has issued spending restrictions on hiring, travel and supplies and equipment purchases in an attempt to avoid layoffs.

Columbus State Community College will lose about $1 million. No details of cost-cutting measures were available.
$14.5 million cut from OSU budget

By Michelle Johnson and Lisa Susany
Lantern staff writers

State officials handed down a $14.5 million budget cut to Ohio State on Jan. 1. University officials will meet this week to decide how to absorb the additional cut.

These new cuts are attributed to the recession, which has caused a $450 million shortfall in state revenue, said William J. Napier, vice chancellor of the Ohio Board of Regents.

Ohio State's budget was cut by $12 million in June and September, said William Shkurti, acting vice president of finance.

The most affected area for Ohio State will be the general fund, which includes academic instruction, academic functions and the libraries, Shkurti said.

The general fund faces a cut of $10.5 million and the remaining $4 million will be cut from line items, specific programs to which the state appropriates money, he said.

The tuition cap, created by the Board of Regents to minimize tuition hikes, is now being reconsidered by both the board and the university to make up for the loss of state aid, Shkurti said.

The Board of Trustees does not expect the students' tuition to make up money lost from the budget cuts, Napier said.

Shkurti said he hopes professors and other teaching personnel will not be laid off as a result of the new budget cuts. However, he knows it will now be impossible to hire new faculty to replace retiring staff and staff leaving for other reasons.

If some replacement faculty are not hired, it may result in both fewer and larger classes for certain departments, Shkurti added.

Donald Harris, dean of the College of the Arts, said he does not anticipate any layoffs of personnel in his college. The College of the Arts and Sciences has prepared for cuts by holding teaching positions open instead of filling them right away, said Robert M. Arkin, associate dean for Undergraduate Studies in the college.

Robert F. Redmond, acting dean of the College of Engineering, said he will not know the impact of the cuts on his college until the university administration decides which specific areas will be cut.

Redmond said if this budget cut mirrors cuts of the past, it will result in the inability to replace professors, teaching assistants and classes.

Shkurti said he hopes donations will not decrease because of the recession.

"Donors do not want to give money to make up for what the state can't give," Shkurti said.

Shkurti said the students will see the effects of the cut by the middle of Winter Quarter through next Autumn Quarter.

Rainy-day fund remains empty after budget cuts

By Lisa Susany and Michelle Johnson
Lantern staff writers

The recent budget cuts by the state will cause the university's reserve fund to remain empty, said William Shkurti, acting vice president of finance.

The university's reserve fund is a rainy-day fund kept by the university to cushion the blow of budget cuts, Shkurti said. The fund was depleted in June 1991 to absorb a $4 million cut in education spending.

Since June, the university has lost about $30 million in state aid, Shkurti said. Students have felt the effects of the university's cutbacks because the reserve is empty, not necessarily because of the cuts themselves, he added.

The only way to rebuild the reserve fund is if there is a significant increase in enrollment, Shkurti said.

"The university is going to still continue to get the best students, but hopes to find more of them," Shkurti said.
State chops $14.5 million from budget

By Tom Spring

A few million dollars here, a few million dollars there and the budget cuts at Ohio State add up rather quickly.

The latest effort to balance the state’s budget has resulted in yet another $14.5 million chopped out of the Ohio State budget.

President Gee consulted with other University officials early this week, beginning an effort to determine how to make up the loss of an estimated $10.5 million in state instructional subsidies and about $4 million for line items.

William J. Shkurti, acting vice president for finance, says he looks for the day when he can figure out what to do with more money instead of less.

Late last month, Gov. George V. Voinovich ordered cuts in the state budget of from 3 percent to 6 percent to help offset a budget deficit of about $457 million. By law, the state cannot end a fiscal year in the red.

Line items hit by the cuts include the Ohio Agricultural Research and Development Center, Ohio Cooperative Extension, the Arthur G. James Cancer Hospital and Research Institute, and the Sea Grant Program.

Line items lose bucks

Ohio State-based programs funded through line-item accounts, with the estimated amount of cut, include:

Arthur G. James Cancer Hospital and Research Institute .............................................. $140,027
Clinical teaching, College of Medicine ........................................................................ $555,080
Clinics support, other colleges ...................................................................................... $61,289
Labor Education Service ................................................................................................. $35,640
Ohio Agricultural Research and Extension Service ...................................................... $1,300,279
Ohio Cooperative Extension Service ................................................................................ $914,608
Ohio Supercomputer Center .......................................................................................... $228,301
Sea Grants ...................................................................................................................... $1,880

Note: These figures are estimates and are not final. Amount for clinical teaching in the College of Medicine represents a 4 percent cut in the FY91-92 budget. All others are 6 percent.

Source: Ohio Office of Budget and Management

The actual amount of subsidies will be determined by the Board of Regents, which awards funds to campuses based on enrollment. Line items in the higher education budget are designated by the state for specific agency or program operations.

Student financial aid was spared from the cuts, according to state budget director R. Gregory Browning.

Add the latest round of cuts to the $4.3 million adjustment in the funding formula last July and the $9 million reduction in subsidies and $3 million cut in line items last February, and it equals more than $30 million in reductions to Ohio State in the last 12 months.

The latest cuts became effective Dec. 30. Higher education’s share was set at 4 percent in instructional subsidies and ranged up to 6 percent in line item accounts.

Because the fiscal year is half over, the actual percentage of reductions through June 30 will be roughly twice that, or 8 percent for instructional subsidies and 12 percent for line items, according to Shkurti and Browning.

Ohio State’s reduction will be taken from an appropriation of $339 million made by the state last July.

What the new situation means to Ohio State is to be determined. Gee has talked with his stuff. He also plans to consult with the deans, the University Senate Fiscal Committee and vice presidents.

"Hopefully, by the end of the week we will have determined how we’re going to deal with the reductions for the fiscal year ending June 30," Shkurti says.

Shkurti indicates that the cuts will vary somewhat across the University.

"We want to protect our academic programs. How the University responds to these cuts cannot, and will not, be totally across the board."

Perhaps more ominous is the fact that the latest round of cuts may not solve the state’s budget deficit. "Nobody knows whether that will be the end of it or the...

Continued on page 5.
Administrators find ways to trim costs in wake of cuts

Across campus, offices and departments are already taking cost-cutting measures in anticipation of University directives to reduce the current budget by $14.5 million.

Bobby D. Moser, vice president for agricultural administration, has asked chairpersons and directors to develop tentative plans to make cash payments to the Office of Finance amounting to 4 percent or 6 percent of their annual state appropriations.

Academic and service departments will participate in the cuts, Moser said in a memo to faculty and staff. One of the 6 percent cuts affects the Ohio Agricultural Research and Development Center, which had an earlier budget deficit and has been working to pay back a University loan.

In addition, Moser:
- Advised all department chairs and service unit heads to limit or stop spending on state accounts.
- Decided to hold open all state-funded positions as they become vacant and put a hold on filling state-funded positions already posted.

He noted that positions funded from earnings, the Research Foundation or development accounts will continue to be posted and filled.

“We decided to do some advanced planning,” says John Ellinger, assistant vice president for agriculture administration. “There are a lot of rumors going around about what is and what isn’t. It’s better for us to give some information and allow people to know what we’re thinking about and keep them informed.”

In University Communications, Malcolm Baroway, executive director, also has put a hold on filling two vacant positions. A third vacancy had not been filled to make up an earlier anticipated shortfall in postage and mailing accounts.
SUBJECT: State Budget Reductions

DATE: January 13, 1992

FROM: E. Gordon Gee

TO: University Community

As we usher in the new year, we also must respond to the news that the sagging national economy has produced a growing budget problem for the state of Ohio. From media accounts, you are undoubtedly aware that lower than expected revenue and higher than expected human services costs are resulting in reductions in state appropriations to higher education. I want to outline for you the dimensions of the problem for The Ohio State University and the strategies we will implement in response.

I want to begin by emphasizing that although these budget cuts from the state mean fewer resources for The Ohio State University, I am convinced that we can and must address them within the context of respect for our institutional values and priorities. We have committed to providing a quality educational experience for an increasingly diverse and more able student body. We are emphasizing teaching and research as part of the same endeavor, and we are sharing the fruits of that good work with the people of this state in order to improve the quality of their lives now and in the future. We must keep these beacons before us as we work through this difficult time.

Furthermore, underlying any of our decisions, short or long term, must be a focus on quality. Even in a time of fiscal restraint — especially in such a time — we must reaffirm our commitment to excellence and quality. This presents us with a significant challenge in the weeks and months ahead.

Immediate Steps

On December 30, Governor Voinovich announced a series of spending cuts and tax increases to deal with an estimated Fiscal Year 1992 state budget problem of $457 million. The reductions to The Ohio State University under this scenario will be approximately $10 million (or 4 percent) of our student subsidy and $4 million (or 6 percent) of other line items, such as Sea Grant, Cooperative Extension Service, and the Supercomputer Center. These cuts apply to FY 1992 appropriations, but carry over to FY 1993 as well. This recent reduction comes in addition to $12 million in cuts absorbed last year, and $4.3 million already this year.
In addition to the budget cuts, Governor Voinovich has also asked the legislature for selected increases in tobacco and alcohol taxes in order to head off even deeper cuts. Legislative leaders have not embraced these particular tax options, but they have indicated a willingness to examine other revenue options. Clearly, we must help make the call for additional revenues to avoid even more damaging cuts to higher education.

Dr. Herb Asher, Special Assistant for State Relations, and I will work with our friends in the General Assembly and throughout Ohio to remind everyone that the best long-term investment the state can make is strong support of their universities and colleges. And although we recognize human service expenditures may consume a higher share of the state budget in a recession, we must point out that higher education has taken a very disproportionate share of the budget cuts that were levied both this year and last year. This situation must be rectified when the state and national economies improve.

We do not know how long it will take the legislature to act on the revenue proposals. The university must respond now in order to maintain maximum flexibility and preserve the academic core. After consultations with the Executive Committee, Deans, and the University Senate Fiscal Committee, I have instructed my staff to initiate the following:

1. I have directed the Office of Human Resources and Relations to suspend all postings of non-faculty positions for at least 30 days, effective immediately. The only exemptions are health and safety personnel and personnel funded totally on sponsored research projects. In no cases will student or temporary employees be used to replace bargaining unit employees. The use of temporary personnel or contract services to fill vacant positions is not acceptable. The freeze on new postings will be lifted on a unit-by-unit basis as individual FY 1992 budget reduction plans are approved.

2. I have directed the Offices of Human Resources and Relations, Finance, and Business and Administration not to approve the creation of any new administrative offices or the remodeling of any administrative space until further notice. Deans and vice presidents also are expected to carefully control travel, equipment purchases, and other discretionary expenditures.

3. In order to give unit administrators the maximum time possible to adjust continuing spending to absorb these reductions, I have instructed Provost Fred Hutchinson and Acting Vice President Bill Shkurti to have cash reduction targets to deans and vice presidents by no later than February 1. Units will receive targets equivalent to between 2.5 and 3 percent of FY 1992 General Fund budgets, but may meet these targets in FY 1992 using one-time monies from any funding source, including auxiliaries and restricted funds. Annual rate reductions then will be incorporated into the FY 1993 budget deliberations.

Long-Term Issues

The financial crisis facing the state and the university is the worst in at least a decade. As difficult as these times may be for us, many other universities across the country face even greater budget reductions. In times like these, we can position The Ohio State University to move ahead, provided we have the foresight and the discipline to do so.

To accomplish this, I have instructed Provost Hutchinson and Acting Vice President Shkurti to work with the University Senate Fiscal Committee, the Staff Advisory Committee, other vice presidents, the deans, directors, department chairs, and student leaders to develop a long-term response to the current budget problem that will carry us through FY 1993 and beyond. I have asked them to have this ready, along with preliminary FY 1993 budget guidelines, by no later than March 1. This assumes the state makes no additional spending reductions. I also have instructed them to incorporate the following principles into the FY 1993 budget guidelines:

1. The academic core must be protected, particularly those service courses which meet the real needs of the curriculum for a large number of students in a variety of disciplines. The effort we began last year to apply annual rate reductions differentially will continue and, in fact, must be strengthened for the Fiscal Year 1993 budget.

2. Key universitywide initiatives must continue, although they may continue at a reduced rate of growth. These include support for library acquisitions, the General Education Curriculum, the Young Scholars Program, the recruitment of high-ability scholars, and the enhancement of our research base.

3. Resources may have to be diverted from other functions, including placing strict limits on the growth of non-teaching staff, if necessary. I have directed Dr. Hutchinson and Mr. Shkurti to work with the Office of Human Resources and Relations to develop a staff appointment option of less than 12 months where appropriate. As in the past, in the course of meeting reduction plans, it may become necessary to consider the elimination of vacant positions and reductions in personnel. In all cases, reduction by attrition is preferred over layoffs and/or job abolishments. Efforts to protect existing personnel through reassignment, retirement, or retraining are encouraged. Layoffs within a fiscal unit may be used only as a last resort, in accordance with established procedures and only after approval by the Office of Human Resources and Relations.

4. Current efforts in universitywide academic planning must continue; however, we will have to make adjustments to reflect a resource picture in FY 1993 less favorable than we had hoped a year ago. This means it is increasingly important that the academic planning process be able to help us deal with both budget increases and decreases in the future.
We will not be seeking increases in tuition at this time, as that would be unfair to our students who have already made their plans for this academic year. However, due to continued cuts in state support, we must consider for next fall tuition increases higher than we would prefer.

What Happens Next?

As I indicated previously, a strict freeze on postings for non-teaching positions and on the creation of new administrative units is effective immediately. Cash reduction targets for FY 1992 will be announced by February 1. Preliminary budget guidelines for FY 1993 and a more comprehensive plan for protecting core programs will be announced by March 1. My goal is to have the FY 1993 budget approved by the Board of Trustees as early as feasible this spring.

I appreciate the ideas many of you have shared with me over the last several months on a variety of topics. A number of them have been adopted as university policy. In this difficult time, I hope you will continue to share ideas and support efforts to turn this immediate financial crisis in which the state of Ohio finds itself into an opportunity for The Ohio State University to move forward.

In a time of competition for scarce resources, we are held to even greater levels of public accountability. This situation gives us the opportunity to tell our story — to tell better and more widely the story of the importance of Ohio State to the people of Ohio.

Please know I realize that the months ahead will be difficult. I remain undaunted in my optimism for the bright future of our university. I know that your creative energy and great spirit will help us along the way.
GEE ORDERS HIRING FREEZE, REDUCED SPENDING AT OHIO STATE

COLUMBUS -- Ohio State University President E. Gordon Gee on Monday (1/13) announced a hiring freeze for at least 30 days and General Fund budget cuts of up to 3 percent to help offset an expected $14 million reduction in state appropriations.

Exempted from the hiring freeze are faculty, health and safety personnel, and staff funded totally on sponsored research projects.

Gee placed a moratorium on the creation of new administrative units. He also ordered a halt to remodeling and renovations of administrative units for an indefinite period and noted that colleges and offices will see their annual General Fund budgets reduced between 2.5 and 3 percent. Actual amounts are to be announced Feb. 1.

The president said tuition will have to be raised next fall in part because of continued cuts in state support. No tuition increases will be sought before then, he added, as it would be unfair to students in the midst of the academic year.

The measures are in response to cuts in state services ordered by Ohio Gov. George V. Voinovich to help eliminate an anticipated $457 million deficit in the state budget.

Voinovich cut student instructional subsidies for the current year by 4 percent and most higher education line-item accounts by 6 percent. Because the fiscal year is a little more than half over, the impact will be about double the annual rate.

At Ohio State, almost 60 percent of the General Fund income comes from the state subsidy. The rest comes from tuition, investment income or other sources. Thus, budget reductions will be less than the 4 percent cut in subsidies. Programs funded by line-items, however, will be reduced 6 percent.

In a letter to the university community, Gee said:

"Although these budget cuts from the state mean fewer resources for Ohio State University, I am convinced that we can and must address them within the context of respect for our institutional priorities and values.
"We have committed to providing a quality educational experience for an increasingly diverse and more able student body.

"We are emphasizing teaching and research as part of the same endeavor, and we are sharing the fruits of that good work with the people of this state in order to improve the quality of their lives now and in the future. We must keep these beacons before us as we work through this difficult time."

He noted the reductions will be folded into deliberations on the budget for fiscal 1993, which begins July 1, 1992. Preliminary guidelines for 1993 are to be prepared by March 1.

"The financial crisis facing the state and the university is the worst in at least a decade," Gee noted, but added that many other universities in the country face even greater budget cuts.

"In times like these we can position The Ohio State University to move ahead, provided we have the foresight and the discipline to do so."

Gee said the academic core of the university must be protected, particularly those courses serving large numbers of students in a variety of disciplines. In addition, key university-wide initiatives -- such as library acquisitions and the Young Scholars Program -- must continue, although they may do so at a reduced rate of growth.

To provide the resources for priorities, Gee indicated that funds may have to be diverted from other functions, with strict limits placed on the growth of staff, if necessary.

Gee also said that while current university-wide academic planning must continue, it is important that the process be able to help Ohio State deal with both budget increases and decreases in the future.

The president said the university will support the efforts of state officials to raise additional revenue.

He added that "although we recognize in a recession that human service expenditures will of necessity consume a higher share of the state budget, we must point out that higher education has taken a very disproportionate share of the budget cuts that were levied this year and last year. This situation must be rectified when the state and national economies improve."

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Contact: William J. Shkurti, acting vice president for finance, (614) 292-9232.
Written by Tom Spring.
OSU tightening belt to save $14 million

Layoffs, tuition hikes are expected by the fall

By Tim Doulin
Dispatch Staff Reporter

Expecting a $14 million cut in state support, The Ohio State University is invoking a hiring freeze for non-teaching positions, halting the creation of new administrative posts and asking departments to reduce budgets by 21/2 percent to 3 percent.

An unknown number of employee layoffs and a healthy tuition increase also are expected in the fall.

"The financial crisis facing the state and the university is the worst in at least a decade," OSU President Gordon Gee said in a memorandum to university employees yesterday announcing OSU's plans to handle the cuts.

"As difficult as these times may be for us, many other universities across the country face even greater budget reductions.

"In times like these, we can position The Ohio State University to move ahead, provided we have the foresight and the discipline to do so."

Gee, George V. Voinovich announced last month that state support to public colleges and universities would be cut about $5 billion to help make up for a budget shortfall.

From that total, OSU is expected to lose about $10 million in state instructional subsidy and about $4 million for non-instructional programs, such as the Supercomputer Center, the Cooperative Extension Service, and the Arthur G. James Cancer Hospital and Research Institute.

The specific amount of reductions has not been determined.

The latest reductions follow about $16 million in state cuts at OSU last year.

"We know we are not the only ones going through reductions, so we will do our part," said William J. Shikuchi, acting vice president for finance at OSU.

"But over time, the cuts accumulate, and we are getting to the point where we are not able to fulfill our obligation to students and the state of Ohio."

The university already has cut back bus service on its main campus and reduced hours at the library, athletic facilities and other buildings housing student services.

A midyear tuition boost has been ruled out, but the university is considering fall tuition increases "higher than we would prefer," Gee said.

The state has capped tuition increases at 7 percent for colleges and universities this year.

The Ohio Board of Regents and many university officials are proposing the cap be lifted.

The university hopes to limit layoffs by

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encouraging early retirement for those eligible and by leaving openings unfilled.

"There can and probably will be layoffs, although we hope they are not widespread," Shikuchi said.

As the result of budget cuts last year, OSU abolished 250 employee positions, with about "two dozen" people being laid off, Shikuchi said.

The university also plans to explore the possibility of making some full-time staff positions part time.

The hiring freeze will last at least 30 days.

Health and safety personnel and people paid through sponsored research projects are exempt from the freeze.

Job openings posted before yesterday can be filled, too.

The offices of human resources and relations, finance, and business and administration have been instructed not to approve new administrative posts.

New offices already approved by the OSU trustees — such as the Office of Veteran Affairs — can be created.

Deans and vice presidents are being asked to "carefully control" travel, equipment purchases and discretionary spending.

OSU hopes to protect core courses taken by most students and initiatives such as the Young Scholars Program, recruitment of high-ability students and acquisitions for the university library system.

Columbus State Community College plans to handle a $1.5 million cut in state funding by using some part-time faculty members and not filling some jobs left open by retiring faculty and staff.

"We anticipated this cut taking place when we formulated our budget last spring," said President Harold Nestor.

"If another cut comes, we will have to dig a little deeper.

"I'm hoping that doesn't happen, but if the economy doesn't turn a little bit, there could be."

Please see OHIO STATE Page 2A
By Susan Manley and Elizabeth Sharkey
Lantern staff writers

University departments must freeze their hiring and restrict expenditures as first steps to cope with the state budget shortfall, announced OSU President E. Gordon Gee on Monday.

Gee also said tuition will be raised next fall, but there would be no mid-year increases.

"Ohio State will prohibit hiring administrative or professional personnel for the next 30 days. Faculty personnel are not affected by the hiring freeze."

"All state universities are absorbing $573 million in state funding cuts. Gov. George V. Voinovich announced Dec. 30. Ohio State expects a $14.5 million cut."

"Higher education should not have been included in the cuts," said Mike Stimiano, state representative for the area including Ohio State. "It didn't receive the kind of funding level I would support when the budget was passed the first time."

"The cuts in higher education are one of the governor's tools to recover a $400 million shortfall in tax revenues."

"This recent reduction comes in addition to $12 million in cuts absorbed last year, and $4.3 million already this year," Gee said in a letter to the university community.

"OSU tuition might be increased next year more than the $130 allowed by law," said William J. Shkurti, acting vice president of finance.

"To repeal the current 7 percent limit on tuition increases, the university could bring its case before either the state legislature or state controlling board."

"It had been our desire to stay within or below the caps before this budget action, but now we'll need to consider whether this tuition cap is appropriate," Shkurti said.

"Many college deans that the Lantern interviewed Monday did not have an immediate plan of attack for the announced budget cuts."

"Each department will absorb a 2.5 percent to 3 percent cut in its budget for the remainder of this fiscal year. The specific percentage amount for each department will be announced by Feb. 1."

"It's hard to assess the impact because this university is such a large institution," said Robert M. Arkin, associate dean of arts and sciences. "But if each student, one-by-one, will feel the effects of these cuts."

"Of the university's 21,800 full-time employees, 6,700 people are affected by the hiring freeze. Administrative and professional staff, such as departmental assistant vice presidents, and classified civil servants, such as secretaries, are the target of the freeze. Shkurti did not know Monday the number of employees normally hired in a 30-day period."

"Aside from faculty, exemptions were also granted to health, and security personnel, such as workers at University Hospitals."

"We do not have a sufficient number of staff in the college to support our faculty," said John Billing, assistant vice president of agriculture administration.

"Ultimately, the students will suffer," Gee plans to preserve the General Education Curriculum and the Young Scholars Program.

"We must make certain the institution maintains the academic core," said Stephen Stoffel, associate vice president of human resources. "We can't maintain the institution if we don't have the students."

"State Senator Eugene J. Watts, who represents Ohio State and teaches history, supports the tuition limits and believes the university can operate within them."

"If the economy goes bad, you either raise taxes or make cuts," said Watts. "Given the choices, I think the governor made the right choice."

"The university will meet long-term budget cuts by reducing staff. Administrators prefer to leave vacant positions permanently unfilled or to persuade staff to take early retirement, rather than force layoffs."

"We cut out any fat there may have been around and now we're cutting into muscle," Arkin said. "We've been through the last rounds of cuts without apparent pain, but this time there will be plenty of apparent pain."

President E. Gordon Gee
Budget hinders class options

By Stacy Goldheimer
Lantern staff writer

"Rejected, section full" is a phrase more and more students are hearing as the OSU budget keeps dwindling.

Students getting closed out of classes is a trend that will get worse in years to come, said Brad Myers, associate registrar at Ohio State.

In Winter Quarter of 1988, 10 percent of students who scheduled got closed out of at least one class, Myers said. In Winter Quarter of 1992, that number increased to 21 percent.

Myers said that in Winter Quarter of 1988, 173 students were closed out of all the classes they scheduled and in Winter Quarter of 1992, 737 students were closed out.

"A number of factors combined over time to make this more of a problem," he said.

A primary reason students are not getting their classes is because recent budget cuts have left departments without enough resources to meet the demand, Myers said.

The university budget has been cut because the country is in a recession and the states have no money for schools, said Robert Arnold, associate provost for academic affairs administration.

School funding comes from sales and income taxes that people pay to the state, Arnold said.

But he said that when people are out of work they don't pay income tax and can't afford to buy anything, so they don't pay sales tax.

As a result, the state does not have enough money for education and has to cut the budget, Arnold said.

Last month, Gov. George V. Voinovich said state support to public colleges and universities would be cut by $38 million.

According to a study by the Center for Higher Education at Illinois State University, 13 states appropriated less money for education in 1991 than in 1990.

Another factor contributing to the problem of class close-outs is the university's new requirements for students, Myers said.

Students who began school in the fall of 1990 are required to complete General Education Curriculum courses instead of Basic Education Requirements, he said.

GEC requirements include more specific courses such as analytical math and an expanded language requirement.

Myers said these new requirements put the university and students in a transition period.

More students are coming to Ohio State with high school background in foreign languages and continue their interest in them, Myers said. "This has been a major crunch for institutions over the last couple of years to meet the demand for all foreign languages."

The highest number of class close-outs has been 4,500 in humanities classes, including courses in English, history and foreign languages, Myers said.

"This trend is not only happening at Ohio State."

According to the Chronicle of Higher Education, budgets are being cut across the country and education is taking the loss, he said.

Budget cuts at San Diego State University resulted in a 12 percent reduction in classes. More than 1,000 students there did not receive any of the classes they requested, according to the Chronicle.

The University of Iowa eliminated undergraduate programs in home economics and dental hygiene and master's programs in economics and finance because of state budget cuts.

Although the University of California at Berkeley found its budget cut by five percent in 1991, there was no significant reduction in classes offered.

But students there were affected nonetheless. Their tuition increased 39 percent in 1991-92 — and it might rise 22 percent more next year, said Bob Sanders, public information officer for the University of California at Berkeley.

Arnold said Ohio State is doing everything possible to prevent and reverse such trends.

A committee recommended to the provost last Friday that a task force be appointed to focus on the issue of students being closed out of classes, Arnold said.

One idea the committee might consider is the university offering more classes during the summer quarters in order to lessen the demand for those classes during the year, Arnold said.

The university is also looking into creating an electronic wait-listing system for classes, Myers said.

A wait-listing system would allow students to be placed into a course electronically if a space becomes available, he said.

"We already have some parts of it built into the registration process and we hope to refine and use it in the next few quarters," he said.
Fiscal officers prepare for rate negotiations

By David Tull

There’s a continuing tug of war going on in the nation’s research community over how federal funds will be divided.

And it’s a tug of war made more complicated following national publicity regarding indirect costs — and some alleged inappropriate charges by a few research institutions.

Indirect costs are the monies provided by some funding agencies to reimburse operating expenses in support of research — in a sense, “overhead.”

Administrative costs include those at the universitywide, departmental and college levels, as well as sponsored program administration. Also calculated in indirect costs are the use of land, non-federally-funded equipment and buildings; utilities and interest; and the use of library facilities.

Indirect costs differ from direct costs of research, which cover two areas: salaries for the principal investigator and technicians, graduate students and post-doctoral fellows; and money for items such as equipment and materials essential to the research project.

During the past 18 months, national attention focused on indirect costs as federal officials questioned billings by some institutions.

In mid-January, federal auditors said 14 research universities had billed the government several million dollars for “inappropriate charges and unallowable costs,” which were unrelated to research. The government is seeking repayment.

Ohio State was not among the 14 and, in fact, has not been audited by the government at any level.

But in the midst of this public scrutiny, Ohio State fiscal officers are reviewing the institution’s budget as they prepare to negotiate the rates that may govern Ohio State’s federally-funded research for the next three years.

“We’re in the process right now of developing a new indirect cost proposal to submit in February to the Department of Health and Human Services,” says Eric R. Kunz, assistant vice president of University budget planning.

After University officials submit their calculations of indirect costs, negotiations will begin. By the end of the fiscal year, the negotiations will establish what rate the University can charge for indirect costs, most likely for three fiscal years.

“We collect between $20 million and $23 million a year in indirect costs.”

— Eric Kunz

And it’s a considerable sum.

“We collect between $20 million and $23 million a year in indirect costs,” Kunz says.

“The concept of indirect costs is a reasonable one,” Kunz says.

“If a faculty researcher sets up a corner of the lab for research, that is not longer being used for teaching students. We have a right to charge the funding agency for that.”

While many agree on the concept, not all agree on the details of its administration. Complex rules govern what can be included in indirect costs. And even with such rules, there is widespread discussion.

“As budget officer, it’s my responsibility to protect the tuition of students,” Kunz says.

“But we also must be sensitive to researchers. They make good arguments — that research is also used to teach graduate students and that increasing the amount for indirect costs decreases the dollars available for research.

“Researchers sometimes say, ‘If you decrease the indirect costs, I’ll be able to get more dollars for research.’”

And costs are at the heart of the issue for everyone involved.

“The basic problem for all faculty is there’s not enough money to go around for research,” says Richard Stoddard, special assistant to the vice president for research administration.

“Everyone is trying to reduce costs. The government agencies are concerned about spending too much on either direct or indirect costs,” Stoddard adds.

At the same time, the institutions are under pressure to control costs, and part of the costs are the indirect costs of research. If our electric bill goes up, part of that is spent on research. We must recover expenses.”

Unallowable costs are a separate issue, Stoddard says. For example, one institution was targeted by the federal government because a part of its indirect costs went for maintenance of a yacht owned by the university.

“Including that as part of indirect costs was a down-and-out mistake,” says Stoddard.

Adding another dimension, Congress recently voted to cap the amount it will fund for administrative costs at 26 percent. However, Ohio State need not be intimidated by tightening of the rules, says Kunz. “We’re at about 27.5 percent for administrative costs. Our current negotiated rate overall is 47 percent, which is at or below the national level.”

Percentages are based on the amount of the research grants; a grant to Ohio State of $100,000 for research would add $47,000 for indirect costs. Of that $47,000, $27,500 would represent administrative costs.

Experience shows that the University is unlikely to recover all of its indirect costs. For example, the University in its 1989 negotiations proposed indirect costs of 36.87 percent. The negotiations ended with a rate of 45 percent for Fiscal Year 1990 and 47 percent for 1991 and 1992.

“We need improved federal policies that permit us to recover legitimate research related costs,” notes President Gee. Gee in November served on the national Panel on Indirect Costs, a subcommittee of the Advisory Committee to the Director of the National Institutes of Health. The group met in Washington, D.C.

“Clearly we need to work with the federal government to develop policies that are fair and can be implemented without generating unnecessary paperwork,” Gee adds. “Improved policies will help us.”

In an effort to provide a solid base for current calculations, Ohio State has obtained a review by the University’s internal auditors.

In addition, the federal government, in the wake of last year’s focus on indirect charges, has now begun “transactional reviews” of institutional budgets, Kunz says. He compares this to studying a family’s food costs by examining every item on each cash register receipt from the supermarket.

After months of working on Ohio State’s calculations, Kunz is confident the University can validate, as nearly as possible, its indirect costs while also determining new rates for negotiations. The internal audit has taken a lot of time, Kunz notes.
OSU students tell state to look elsewhere to cut

By Tim Doulin
Dispatch Higher Education Reporter

Student leaders at The Ohio State University are crying for help from the governor and the General Assembly, or at least crying uncle.

Executives of the three student government groups held a news conference yesterday at the Ohio Union to ask the state to increase higher education funding by reallocating state money or increasing taxes.

Students would like the state to find someplace else to make future cuts and restore funding to higher education during the next budget.

"If everybody has to take a cut, that is fine, but they are really hammering higher education," said Sean Tipton, president of the Council of Graduate Students.

"Higher education makes up about 14 percent of the total state budget and has taken up to 40 percent of the cuts. I feel strongly there is at least as much fat in a lot of other parts of state government, including the governor's office. I think realistically what we are saying is: Don't hit higher education so hard and so disproportionately."

Gov. George V. Voinovich announced in December a $27.3 million cut in higher education funding. OSU's share of the cut is about $14 million to $15 million.

OSU has absorbed about $30 million in state cuts in 13 months, and students are starting to feel it.

At the beginning of winter quarter, main campus bus service was eliminated during the day. Existing problems with increasing class sizes and course closings have grown.

"I will be here for five years," said Matt Marking, president of the Undergraduate Student Government and a junior majoring in economics and political science.

"Part of the reason I will be here that long is because of not being able to get the classes I wish. These cuts are affecting us all."

The state has mandated a 7 percent or $175, whichever is larger, cap on in-state, undergraduate tuition hikes this year. Other students face unrestricted tuition increases.

The University of Toledo recently increased tuition 15 percent for graduate students.

Tuition increases will add to huge loans students face, said Sophia Paige, president of the Inter-Professional Student Council. OSU medical students now owe an average of $37,000 at graduation, she said.

"The increasing costs limit access to professional education and career choices," said Paige, a fourth-year medical student.

"Medical school graduates will steer away from going into primary care and start looking at more lucrative sub-specialties. I think, with this in mind, Ohio will be the loser in the end."

Graduate students are concerned funded teaching, research and administrative positions will be eliminated. About 4,500 of OSU's 11,000 graduate students hold such positions, receiving a stipend and a tuition waiver.

"Graduate students are starting to get nervous," Tipton said.
Student governments criticize budget cuts

By Jo Crawford
Lantern staff writer

The presidents of Ohio State's three student government groups called for the state of Ohio to increase its financial support for higher education in a joint press conference Tuesday.

Ohio State's budget has been cut by more than $30 million in state support in the past year, said Sean Tipton, president of the Council of Graduate Students, which represents Ohio State's 11,000 graduate students.

"While we may disagree with some of the financial decisions made by the university administration in response to these cuts, we feel the fundamental problem is lack of state support," Tipton said.

The state government not only is inadequate in its financial support for its universities, but the tuition cap only covers resident undergraduate students, Tipton said. This forces the university to make large increases in graduate and professional student tuition, he said.

"The politicians who favor the tuition cap claim it protects access, however, access to a second rate education is no bargain," Tipton said.

In the last four years there has been a $2,000 increase in medical school tuition, said Sophia Paige, president of the Inter-Professional Student Council, which represents Ohio State's 2,600 professional students.

The average indebtedness of professional students is a concern that was raised by Paige. An OSU medical student's average debt upon graduation is $37,000, Paige said.

Matt Markling, president of the Undergraduate Student Government, talked about the cancellation of courses and students not being able to graduate on time. The number of course requests denied in Winter Quarter 1992 has nearly doubled since Autumn Quarter 1988, he said.

Tipton said it is important to protect those students who want to come back to get their graduate degrees.

"I get real frustrated with talk from the statehouse about lazy faculty," Tipton said. "We have a lot of really bright and great faculty who really help the students."

The research done by faculty and graduate students at Ohio State is greatly affected by the budget cuts, he said.

Tipton said there are two ways to increase the funding for higher education. The first is by getting more money through an increase in taxes and the second is to reallocate existing funds.

"Continued cuts in state support make us wonder if Ohio State will be the quality institution in the year 2000 that it was in 1990," Tipton said.
2.8 percent will make up for reductions

By Tom Spring

Ohio State's colleges and offices have been asked to contribute 2.8 percent of their remaining budgets to compensate for the reduction in state funding. Also, a few areas have been hit with higher cuts and a few have been exempted from cuts.

Statewide cuts, including about $10.6 million in instructional subsidies for Ohio State, were announced at the end of December by Gov. George V. Voinovich. The reductions were made to correct a shortage in the state budget.

Any cash or one-time monies, including non-general funds, may be used to reach the reduction target as long as deficits are not increased, according to University guidelines.

"The cuts came out of the colleges and the offices and some central administration funds," notes Leslie Flesch, assistant to the vice president for finance. The 2.8 percent cut included the president's fund, provost's reserve, central expenses, physical facilities, and the Research Foundation.

In contrast to the cuts in instructional subsidies, other programs, funded by specific "line-item" designations in the state budget were cut 6 percent.

These include the Ohio Agricultural Research and Development Center, Ohio Cooperative Extension Service, Ohio Sea Grant Program, Labor Education and Research Service, the Arthur G. James Cancer Hospital and Research Institute, non-medical clinical programs, and the Ohio Supercomputer Center. Clinical teaching in the College of Medicine was cut 4 percent.

The 2.8 percent cash reductions to the rest of the University apply only to fiscal 1992. Flesch says the provost and acting vice president for finance agreed on a flat rate because of the need to make and implement the reduction quickly. The reductions in the annual budget must be absorbed before June 30.

"The annual rate reallocations will be incorporated into the budget process for fiscal 1993," she notes, adding that the reallocations will not be across the board. "Those targets should be out the first part of March."

The suspension of postings of non-faculty positions in the Green Sheet continued through at least today. Only health and safety personnel and staff funded totally on sponsored research were exempted from the hiring freeze ordered last month by President Gee.

"After Feb. 13, the freeze will be lifted - as soon as an individual unit's cash transfers are approved," Flesch says. These will be approved by the Office of Academic Affairs for colleges and the Office of Financial Management for academic support units.

The moratorium on the creation of new administrative offices and remodeling of such space will continue until further notice.

The following areas were exempted from budget cuts: Library acquisitions; scholarships and fellowships; research grants and rent for research space; employee benefits; payment of debts; hazardous waste disposal; and University Hospitals funds transfer to the College of Medicine.

University officials noted that the level of 1992 cuts hinge on there being no further reductions from the state.

Frederick E. Hutchinson, senior vice president for academic affairs and provost, and William J. Shkurti, acting vice president for finance, announced their decision on the 2.8 percent reduction on Jan. 31.

In other budget-related matters, leaders of the three student governments on campus urged lawmakers to come up with additional funds for higher education. In a news conference in Columbus Feb. 6, they called upon students and their parents to write to their state legislators urging them to vote more funds, through additional taxes if necessary.

Continued on page 7.
OSU enacted reforms, cut red tape; It is Voinovich’s turn, officials say

By Julie Campbell
Lantern staff writer

Gov. George Voinovich has asked state schools to enact reforms and cut red tape before state funds can be redistributed. Ohio State officials say they’ve taken those steps; now it’s the state’s turn.

The governor’s plan stated that no additional funds can be directed to Ohio schools until schools re-direct their own spending to be more performance driven.

Although the forum consisted of members from primary, secondary and higher education, the target of the call for reform was directed to primary and secondary education, said Rebecca Stevens, press agent for the Division of Research and Communication for the Ohio Department of Education.

Voinovich presented his call for reform before a forum of educators Wednesday which included members from school boards, boards of education, and state legislators, Stevens said.

But the university wants to express to the state that Ohio’s education system encompasses all levels, not just primary and secondary, said William Shkurti, acting vice president of finance.

Ohio State took a $226 million cut from its state budget in fall of 1991, resulting in a 5.8 percent tuition increase for undergraduates. Full-time undergraduate resident fees increased from $781 a quarter for the 1990-91 school-year to $856 a quarter for the 1991-92 school year, according to the OSU Office of Fees and Deposits.

A committee was formed to reduce university red tape in fall of 1991, and the university has been operating on a budget that lost $30 million in the last 18 months, Shkurti said.

“We’re already doing things he’s (Voinovich) talking about, now it’s time we for the state to do its part,” Shkurti said.

Voinovich said funds for redistribution of state money will be obtained as the state’s budget grows and the economy is on an upswing, according to the Columbus Dispatch.

But the future of the state’s economy is dependent on higher education, said Herbert Asher, special assistant to the president.

Asher said state funds directed to Ohio State and other state universities is an investment in the future, and the university needs to get the message out to the state government and other forms of media.

The state needs to balance cuts in education funds carefully, Shkurti said. If too much is cut from state support, students suffer, and they are the ones who will influence and regulate the economy in the future.

Voinovich could not be reached for comment.
Gee addresses state education subcommittee

By David Tull

It is time to reassess the importance of higher education in Ohio, President Gee told state representatives in the Education Subcommittee of the House Finance and Appropriations Committee Feb. 25.

Gee, two other university presidents and Chancellor Elaine H. Hirshon of the Ohio Board of Regents testified before the subcommittee. The other presidents were Carol Cartwright of Kent State University and Frank Horton of the University of Toledo.

Citing higher education funding an investment, the educators testified on the need for adequate state support to offset a succession of budget cuts that came in the financial crises of the last two years. Gee particularly focused on the declining per-student support offered by the state.

"Adjusted for inflation, today's state support per student is more than 20 percent lower than it was only five years ago," Gee said. "This is an alarming trend."

The state's expenditure per student for 1993 is $4,804, Gee reported. In 1988, the state's contribution — adjusted to 1992 value — was $5,204. Funding over the last two years alone has dropped 7 percent, Gee told the committee.

"Ohio has now dropped to 43rd in the nation in funding for higher education per student. No university in the nation's top 100 is in this room."

Tuition at Ohio institutions, however, ranks seventh in the nation, Cartwright told legislators.

Gee also reported on some of the efforts by Ohio State to "manage better with fewer resources. He credited the merger of admissions and financial aid and other reorganizations in academic support units with saving $800,000 this year alone. At the same time, teaching, especially in high-demand courses, was given priority funding. As a result, 81 percent of the students enrolling in the autumn quarter received all of the courses they requested," Gee reported.

Gee told legislators of cuts, including elimination of the Emergency Medical Services, and reduction of maintenance and bus service. He expressed regret at reducing traditional services such as bus transportation. Gee said, "I would rather be president of an institution where students walk to the library than of an institution where they ride to nowhere."

Budgents cannot be instantly restored, Gee acknowledged. To return per-student state support to 1988 levels would require more than $300 million. "We are not asking for that, but we would like to see progress made.

Higher education has met the challenges of tight budgets and will continue to do so, Gee said. "Our universities have grown up. We have made the hard choices. We have responded to the challenges."

It is time for the state of Ohio to "make choices about which services to support at what level. I hope that we can work together to restore higher education to a top priority."

Gov. George Voinovich has proposed a $5.7 percent increase in instructional subsidies for the upcoming budget.

Because, under the current subsidy funding formula, Ohio State and five other institutions would receive almost no increase, the executive budget also proposes a guaranteed minimum increase of 2 percent. Gee noted that, if the budget provides more sufficient additional dollars, such a guarantee would not be necessary. But he stressed the need for all state institutions to benefit from fund increases.

"Most Ohioans believe that their public universities are doing a good job of teaching, conducting research, and preparing students for the job market," Gee said. "This state needs the products of our public universities: our ideas, our discoveries, our graduates.

A recent study showed that a college degree increases a worker's earnings by $1,000 per month, he said. Gee stressed, "The true measure of an education, however, is not in the paycheck, but in the quality of a life lived well — in our families and our communities."

Answering questions from the committee, all three presidents stressed the importance of colleges and universities, of the educated citizens they produce and of the research discoveries in improving the state's economic standing. Toledo's President Horton noted that 17,000 faculty and 50,000 students attract more than $200 million annually in external research funding.

The eight-member legislative subcommittee, I know this was a little bit receptive to the presentations, even while lamenting the state's tight financial condition. One observer called it a "very non-confrontational hearing."

"It was one of the friendlier, more constructive, more positive hearings that we've had," Gee later told University Senate.

"It was a very productive and constructive set of hearings, one of the most productive and constructive I've heard in a long time," says Herb Asher, special assistant to the president for legislative affairs.

Asher says that the legislature will not act on the budget for a number of weeks.

FROM THE PRESIDENT'S DESK

Dear Colleagues:

As I negotiate sidewalks and streets lined with orange fencing, it occurs to me that while the storm sewer replacement project on the Columbus campus may be the most obvious intrusion on our daily lives, it is far from being the only challenge and change faced by this University. There are many pressures on us — some external, others genmed — toward accommodating change. And there is a great deal to celebrate as we continue to move forward.

We must rally around the University’s mission, be sustained by our vision, take confidence from our quality, and speak out loudly and often to educate the public.

In this period of self-evaluation, of prioritizing, and of shaping our future, we are discovering much about ourselves. Likewise, we have reaffirmed some of the truths, among them that the quality of a university depends on the quality of its students, faculty and staff.

Ohio State has a faculty of stature and status which is responsible and accountable, and which labors creatively and productively. For example, a recent combined national survey ranked our doctoral programs 25th in six liberal arts disciplines — further evidence of the growing recognition of our quality.

As I told you in the Columbus Dispatch in a recent editorial column, I am our faculty, staff and students working together who are making a vast difference in the quality of life for all Ohioans. The faculty is maintaining the necessary and complex balance among the three corners of the University’s mission: teaching, research and service. I know this to be the case because I hear good things as I visit with students in Lincoln House, business leaders in Youngstown, newspaper editorial staffs in-Cleveland, and colleagues at national meetings.

It is our shared responsibility to better communicate the capabilities and efforts of the faculty so that people know our value and understand our worth. The faculty is of utmost importance not only to the University, but also to the state of Ohio and to the nation, in this, a time of American renewal.

Members of the University staff have maintained their belief in Ohio State through difficult times. The amount of work keeps growing, while the resources to do the work diminish. There is anxiety, and there has been uncertainty. But the staff remains loyal, and its work in support of the academic mission remains of high quality.

I was pleased to read the accolades for college office staff from one student in a Jan. 6 Lantern column on the first-day-of-the-quarter frenzy. "And sometimes they still wear a smile and say, 'Hi! How ya doin? What can I do for you?' Hats off to those Buckeyes for not killing anyone over the course of the beginning-of-the-quarter days." I, too, congratulate and thank those staff members and the thousands of other whose hard work keeps public service
University administrators expect less state funding

By Susan Mantey
Lantern staff writer

Ohio State officials are calculating next year's budget with expectations of more cuts from money that the university receives from the state.

Colleges are preparing contingency budgets that implement 8 percent, 5 percent and 7 percent decreases from last year's budget, said William J. Shkurti, vice president of finance. Administrative support units are preparing similar budgets ranging from 3 percent to 9 percent.

DeMaria, assistant director of the State of Ohio Office of Budget and Management, said Ohio's projected deficit for fiscal year 1993 is $577 million. This is $104 million more than the projected $473 million announced last December.

The options to alleviate the deficit are the same as earlier in the year, either cut spending or increase revenue, DeMaria said.

At the start of fiscal year 1992, the state subsidy, the money the university receives from the state, was $270 million. Two cuts during the year reduced the subsidy to the current $255 million.

To balance the projected $577 million deficit, the state must cut spending or increase taxes, said Sen. Eugene J. Watts.

Watts met with Gov. George V. Voinovich and other leaders of the Senate Wednesday morning to discuss the issue.

Exact information on what will be cut, and by how much, has not been determined, Watts said.

Budget cuts will be made in several areas, but the governor was not prepared to give a proposal, Watts said.

"The governor has made it clear that he is not going to cut K through twelve. He has not said that for higher education."

- State Sen. Eugene J. Watts

Officials can more easily cut higher education from the state budget because it is not a program matched with federal money, such as Medicaid, he said.

Ohio State will probably not receive the 1993 fiscal year budget from the state until June.

The budget plans incorporate the percentages to compensate for this uncertainty. They are to be completed by early April and reviewed during April and May, Shkurti said. The OSU Board of Trustees vote on the budget for the 1993 fiscal year, which begins July 1, at the June meeting.

The percentage cuts are based on the permanent budget allocation approved by the Board of Trustees last June, Shkurti said.

The issue of pay raises also has to be decided, Shkurti said. The president is waiting for recommendations from the Faculty Compensation and Benefits Committee before making a decision.

The university is contractually obligated to provide raises to several union organizations, Shkurti said. The vast majority of employees are not covered by collective bargaining contracts.

"We know students are frustrated, but we are too," Shkurti said. "All of us are trying to deal with uncertainty caused by bad economy and budget cuts."

"The object is to keep in mind where we want to be three, five and 10 years down the road," Shkurti said. "We can not lose sight of that goal."

Once an institution's reputation is damaged, it takes a long time to rebuild that reputation, Shkurti said. The university must position itself so it remains strong and grows stronger.

"If the cuts are too severe to public institutions in Ohio, generally, students will not be attracted to these schools and it may prolong the recession in Ohio," Shkurti said.

The university plans to combat future state cuts by creating awareness about the impact caused by the 1992 budget cuts, Shkurti said.

A small part of this plan was evident in Thursday's Columbus Dispatch. OSU President E. Gordon Gee presented an editorial that challenged myths some people have about the university.

It is important for faculty, staff, students and alumni to understand the importance of the university, he said.

"Higher education must be given a higher priority," Gee said. "We need to be given the priority we deserve to be maintained as one of the state's great resources."

"The long term goal is to sustain ourselves and increase our support from the state general fund," Gee said.
State cuts hurt OSU

By Susan Mantey
Lantern staff writer

In the wake of state budget cuts, university departments have trimmed away the excess in attempts to lower costs.

This year, money allocated by the state of Ohio to this university was cut by $15 million. Next year's state subsidy is expected to be even lower because of a projected $677 million Ohio budget deficit.

OSU officials are in the process of planning fiscal year 1993 budgets that incorporate a 5 percent to 9 percent decrease from last year, said William J. Shirkirt, vice president of finance.

The final impacts of budget cuts might not be seen immediately, but they are there.

Every day, 10,600 people enter the Ohio Union, said David T. Mucci, director of the Ohio Unions. Another 2,300 people use Drake Union daily.

However, the Ohio Unions can not hire any new staff, Mucci said. An exception is any position that generates revenue, such as a chef.

The Unions are in better shape than many departments because they have ways to make money, Mucci said. Profitable centers include catering services, recreation centers and leasing contracts, such as Wendy's and Cop-ez.

There is no money for things like housekeeping and building maintenance, Mucci said. Services throughout the unions are going to suffer, he added.

Another university facility that many students, faculty and staff utilize every day is OSU's athletic complex, Larkins Hall.

Budget cuts have meant that student hours have been cut, said Fred Beekman, director of recreation and intramurals.

Starting Monday, Larkins hours will be reduced during finals week and Spring Break, Beekman said. It will open at 8:00 a.m. and close at 6:00 p.m.

Another example of the impact of budget cuts is intramural sports, Beekman said. This spring, softball teams will only have one official, compared to the usual two.

"Something has got to give," Beekman said. "The result is in the quality of our programs."

The major impact of budget cuts will be coming down the road for facility planning, said David Marsh, assistant vice president for facility planning.

A short-term project, such as renovating a room for computer use, will be affected almost immediately, Marsh said.

Most facilities have a delayed reaction. Buildings that are now being renovated on campus, such as Derby Hall, were budgeted several years ago, Marsh said.

Buildings continue to deteriorate, but there are not enough funds for necessary repairs.

The Office of Physical Facilities is vital to the daily operations of the university.

That office runs McCracken Power Plant, which generates all the electricity, gas, water and heat for campus, said James E. Stevens Jr., assistant vice president of physical facilities.

Physical facilities is responsible for virtually anything involved with the physical atmosphere on campus.

One project that has been stemmed by cuts was an ambitious plan to install bike racks around campus, Stevens said. Bike racks are still being installed, but at a much slower rate than initially planned.

Despite the budget cuts, they still look for ways to continue services, Stevens said. "It just makes our job harder," he added.
Deeper cuts could ‘devastate’ campuses

By Tim Doulin
Dispatch Higher Education Reporter

Ohio’s colleges and universities will be devastated if forced to absorb deep budget cuts projected by the Voinovich administration, higher education officials said last week.

State officials recently forecast the possibility of a 20 percent cut in state support to higher education July 1 unless more revenue is found. The Ohio Board of Regents said higher education would lose about $300 million out of a total budget of $1.5 billion.

The Ohio State University would lose about $50 million, easing layoffs and eliminating academic programs, said William J. Shaw, OSU’s vice president for finance.

OSU already has lost about $30 million in state support since Gov. George V. Voinovich took office.

“To take $30 million away, even from an institution this big, and after all the cuts we have had, would be devastating,” Shaw said. “No way a cut like that could be handled without widespread layoffs. If layoffs did happen, then the net effect would be to prolong the recession in Ohio.”

Academic programs that took years to build would be irreparably harmed through a combination of layoffs and inability to fill existing faculty and staff openings, he said.

Such cuts mean the university would have to eliminate at least 300 faculty and staff positions through layoffs or, more likely, not filling vacancies, Shaw said.

“It is wrong to have higher education absorb cuts and have other places held harmless.”

Harold Nestor
Columbus State president

The university would have to further reduce library hours, janitorial service and maintenance. Class size would continue to grow, and the number of course offerings would continue to dwindle.

President Harold Nestor of Columbus State Community College said a 20 percent cut would make a college degree unattainable for many Ohioans. “It would limit access to higher education to so many people in the community at a time when higher education is the only thing that can make our economy competitive,” Nestor said.

Noting that mental hospitals and the state subsidy to primary and secondary schools are exempt from the next round of cuts, Nestor said, “I think it is wrong to have higher education absorb cuts and have other places held harmless. All schools share if these cuts have to take place.”

The 20 percent cut would mean increased class size, reduced course offerings and shorter operating hours at Columbus State.

Nestor said he expects the campus to have to absorb a cut of about 10 percent, or about $2.4 million.

Miami University would be forced to lay off faculty members, said Todd Bailey, a member of a budget task force there.

“You can only tighten your belt so far. At some point, you start cutting off the circulation,” Bailey said.

Public universities in Ohio have been scrambling to cover the December round of budget cuts. Higher education lost about $58 million then in state support.

Facing a potential $4.5 million budget deficit, Kent State University has frozen 100 job openings and started other cost-saving measures.

The University of Akron plans to eliminate 80 jobs, and the University of Cincinnati’s Board of Trustees recently announced the university’s vice presidents and deans will not receive pay raises this year.
Administrators fear state cuts will affect OSU

By Susan Corbin and Jennifer Crall  
Lantern staff writers

OSU administrators fear that higher education will bear the burden of budget cuts to state supported agencies to compensate for Ohio's estimated $577 million deficit for 1993. Although previous efforts to eliminate deficits have combined budget cuts with tax increases, Gov. George V. Voinovich is against raising major state taxes.

Voinovich has pledged not to make further cuts to primary and secondary education. Other programs like Medicaid that require federally mandated expenditures also cannot be cut.

During the last serious budget crisis in the early 1980s, when unemployment was in the double-digits, taxes were increased to minimize the impact of the budget cuts to colleges and universities, said Matthew V. Filipic, vice chancellor for administration of the Ohio Board of Regents.

At one time, the government was more sympathetic to higher education, Filipic said. "I don't see that sympathy in the governor's office now."

But taxes aren't a good idea right now, said Paolo DeMaria, assistant director of the Ohio Office of Budget and Management. "It's a pretty well-recognized economic principle that you shouldn't increase taxes in the midst of an economic downturn because it takes more money out of people's pockets that they could use to stimulate economic activity," DeMaria said.

"Until they know the state government has done everything in its power to keep expenses down and to streamline, they're not ready to accept additional taxes."

OSU administrators are disconcerted at the prospect of more budget changes because state cuts have already reduced Ohio State's subsidies by $35 million in the last year.

University officials have stressed that although higher education accounts for 13 percent of the state budget, it received about 29 percent of state cuts in February and 29 percent made in December.

The numbers have led those officials to say higher education has received a disproportionate share of state cuts.

However, the percentages must be taken in context, DeMaria said. A primary factor is that primary and secondary education and Medicaid — the state's two largest expenditures — cannot be cut, he said. The largest entity that could be cut is higher education. Because its budget is higher than other state agencies, even a small percentage cut looks disproportionately large when compared to agencies with smaller budgets, DeMaria said.

During earlier budget cuts, a lower percentage was cut from higher education than from other agencies — Ohio colleges and universities lost 2.5 percent, while other agencies lost 6 percent.

But the budget for higher education is so high that 2.5 percent amounted to 30 percent of the overall cuts.

Damage to OSU from previous cuts can be overcome, but any more could create irreversible damage, said William Shkurti, vice president for finance.

The university provides brainpower to the economy. If state colleges and universities lose programs, faculty and students will suffer.

When the university faced a similar situation in the 1980s one of the ways it compensated for the lost income was by raising tuition 21 percent, Shkurti said. But for a variety of reasons the business-as-usual way of making up the loss in state subsidies by jacking up fees is no longer a viable alternative. The alternative is to put pressure on the university budget.

"We don't want to raise tuitions and it is something we're sure the students also wouldn't want," Shkurti said.

Tuition only covers roughly 30 percent of the university's general funds. State subsidies cover most of the rest.
Gold find might save OSU's budget

OSU's budget woes could be over if coins found buried in the Oval prove to be authentic from the fifteenth century.

Several dozen gold coins were discovered Monday afternoon by OSU student Del Crawford, a journalism student from Hicksville, Ohio, while he and his dog Molleigh, a golden labrador, were out metal-detecting.

OSU President E. Gordon Squeeze said.

"There'll be no 'Beemer' for 'Becca this time,'" Squeeze said.

The coins belong to the university because they were found on campus, Crawford said.

"I was just passing the president's office when the bells went off and Molleigh went wild barking," Crawford said.

Crawford, a part-time barber, said the coins were about eight inches beneath the ground's surface. He said it took a few minutes to dig down before finding a few coins.

"I found three coins stuck together first, then I found more and more coins clustered in the dirt," Crawford said. "After that I went inside to alert somebody about what I found."

The coins belong to the university because they were found on campus, Crawford said.

William Schkurty, OSU vice president for finance, said if the coins are authentic the university's budget could be saved.

"If we can just keep this 'fat' secret from the governor, our budget could really turn around," Schkurty said. "I just can't believe I have to add up the budget all over again."

He said he was in OSU President E. Gordon Squeeze's office when Crawford asked to use the phone.

"This is a real-life case of pennies from heaven," Squeeze said in a phone interview with the Lantern. "We really hit the jackpot this time."

Squeeze and Schkurty said they are planning to invest the money that may come from the coins. Squeeze said the university could benefit from the interest alone from wise investments.

USG representatives said the find comes before they had announced their plan for a financial analysis of Ohio State. The plan will probably have to be aborted, sources said.

Madison Scotty, secretary of the OSU Board of Trustees, said there have been hasty discussions on what to do with the money. Scotty said Squeeze knows how much Ohio State needs the money for classes, department aid and raises but insists the money go to a project that benefits the whole community, not just the university, "like AmeriFlora."

"There'll be no 'Beemer' for 'Becca this time," Squeeze said.

If you want to know more about this story, call the reporter.

Dell Crawford, an OSU student from Hicksville, Ohio, and local barber, shows the place where he found what may be rare gold coins from Seville, Spain.
State’s budget crisis means ‘a real battle’

By Tom Spring

Herb Asher says it is time for Ohioans to answer the alarm and defend higher education.

“It is time to recognize that higher education needs to be a priority in a state that hopes to have economic growth,” says Asher, special assistant to the president and Ohio State’s chief lobbyist.

“We’re in a real battle,” he adds. “We have to all be singing the same hymn that higher education is an investment.”

To that end, President Gee is asking faculty, staff, and parents of students to write Gov. George V. Voinovich and their local legislators about the need to fund Ohio’s higher education system.

On the home front, academic and financial administrators at Ohio State are preparing plans for reducing their 1993 budgets by more than the amount predicted in early March.

“I am requesting that each academic support unit submit to the Office of Finance, by April 15, alternate budget reduction plans that represent 5 percent and 9 percent of your total annual General Funds budget allocation,” William J. Shikurt, vice president for finance, announced to key administrators on March 19. The figures are a 5 percent and 7 percent prediction he gave on March 3.

David Boyne, associate provost, asked colleges to submit plans for three budget reduction alternatives — at 3 percent, 5 percent and 7 percent levels.

Statewide, higher education could see as much as a $300 million reduction, or more than five times the cuts ordered by Voinovich at the end of December. The December cuts included some $14 million at Ohio State.

The $300 million figure is cited by Matthew V. Filipek, vice chancellor of the Ohio Board of Regents, based on predicted shortfalls next year of from $576 million to $743 million.

Filipek calls the assessment especially grim for higher education, adding, “We face the prospect of cuts of a magnitude without precedent in our memory. These cuts threaten not merely the quality, but the very existence of many of our programs — and perhaps of some of our institutions as well.”

For perspective, Filipek equates such a cut to eliminating the support for one out of every six college students in the state system, or the support provided to all two-year campuses in Ohio.

The state can solve the budget problems for 1993 by raising taxes, cutting spending or both. Among other steps, Voinovich has asked the Ohio General Assembly for increases in taxes on alcohol and tobacco, measures supported by higher education officials. Even if the governor’s tax proposals were enacted, there would still be budget cuts as the taxes would generate only about $200 million, Asher notes.

Higher education officials also have asked for a lifting of the ceiling on in-state undergraduate tuition. But, Asher indicates there is another threshold on tuition — to make up the potential state budget cuts would require huge increases in tuition, something the University would not want to do.

“Numerically, you can’t raise tuition enough to compensate for cuts in state funding. We would price students right out of higher education,” he says.

One thing Asher can say is: “They’ll be paying more for less.”

Where to write...

President Gee is asking the University community to write the Governor and state legislators about the need to fund Ohio’s higher education system.

Send your letters to:

Gov. George V. Voinovich
Office of the Governor
77 S. High St. 30th Floor
Columbus, Ohio 43266-0601

(Name of State Senator)
State House
Columbus 43266-0604

(Name of State Representative)
77 S. High St.
Columbus, Ohio 43266-0603

That’s because there are fewer faculty to teach students and fewer staff to provide support and services. The reductions come at a time when enrollments have been rising — not just on the Columbus campus but at universities across the state.

Ohio State faculty and staff have been retiring in droves in recent months. More than 170 faculty retired between Jan. 1 and March 1, the last day to take early retirement. More than 130 faculty and staff retired in recent months in the College of Agriculture, and some departments saw dramatic reductions in the professorate.

The Research Foundation lost eight staff members. Entomology, in the College of Biological Sciences, lost five professors. Horticulture lost seven, or one-fourth of its faculty.

Continued on page 6.
Continued from page 1.

Many of the positions have been left unfilled, yet the savings in salaries may not be enough to offset immediately the budget reductions projected for next year. Some employees took advantage of the early retirement program by purchasing extra years of service credit. Colleges and offices will have to fund their shares of these credits for their new retirees well into fiscal 1993.

One employee at last month’s Staff Advisory Committee Forum outlined a “best-case scenario” for reduced staffing: the remaining staff working harder, without a pay raise, and paying higher taxes.

In remarks to the employees in attendance, Asher painted a similarly bleak picture. “Taking into account inflation, you’re going to be working more for less. That’s not a very optimistic scenario.”

The expected cuts in funding for higher education, coming on top of nearly $35 million in reductions at Ohio State the past 14 months, will further hurt the future growth of education, Asher said.

For example, an increase in funding in 1994 may look good, but may not offset cuts made the year before. “What happens if the governor cuts us 12 percent and next year raises it 9 percent?” he asked, rhetorically. “Every time you get cut, that establishes a new base. We have to head off any cuts now or they’ll go into our base.”

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Editor’s note: The following is a compilation of budget-related news.

**Budget Briefs**

The Office of Academic Affairs is scheduling meetings through May 15 with colleges and other academic units to discuss alternative levels of budget reductions. The reduction target for each unit is to be announced June 1.

David Boyne, associate provost, told deans and directors to consider restructuring their academic areas, including combining departments or units.

Funding priorities, he added, should be based on strategic plans and program reviews, with varied reductions, rather than across the board.

**Financial exigency**

University officials have no plans to lay off faculty, but they are considering reviewing the rules on releasing faculty in times of financial exigency.

“I don’t think it’s going to get to that,” Asher says, adding, however, “I think we need to know what the rules are.”

“Financial exigency” is defined in Faculty Rule 3335-5-021 as “an imminent financial crisis which seriously jeopardizes the ability of the University as a whole to survive as an institution of excellence in teaching, research and public service.

“Projections of enrollment, of instructional subsidies, and of other sources of revenues must demonstrate that the shortage of funds will be both severe and persistent and cannot be alleviated by temporary or voluntary measures...”

Such a declaration would take time to implement. The rules require a review by and report from the University Senate Fiscal Committee, followed by recommendation from the Senate to the president. The Board of Trustees has final responsibility for the determination of financial exigency.

The rules state that a tenured faculty member whose tenure-initiating unit is preserved will not be involuntarily terminated because of curtailment of academic programs to which the faculty member is assigned.

When a tenure-initiating unit is eliminated, a faculty member’s position can be terminated no sooner than one full appointment period following the current appointment.

‘What if?’

Uncertainties about funding lead University officials to consider the “what if’s.”

“The thing I fear most,” says Herb Asher, Ohio State’s chief lobbyist, “is that the governor announces cuts, the cuts go into place, then the economy will improve a little and we’ll never see any of those extra revenues. They’ll go to other programs that are bleeding and hemorrhaging a lot.”
Budget threat overshadows April Senate meeting

By David Tall

Questions and concerns for the financial health of the state of Ohio and the University clearly dominated the agenda of University Senate on April 4. While a discussion by President Gee focused especially on a collective vision for the future, it was cast within the context of tough budgetary times.

"I have emphasized from the outset that the academic planning process must be linked to budget decisions," he said at one point. "The immediacy of the budget concerns has caused all of us to refocus and focus our creative energies and time."

Senators also approved unanimously a resolution urging Gov. George V. Voinovich and the General Assembly to "take whatever steps are necessary, including tax increases, to maintain Ohio’s investment in higher education; and...to restore higher education as a top priority in the future."

Many of the other reports and proposals at the April 4 meeting were tinged with financial concern. Reports focused on faculty salaries, a feasiability study of the demise of the Columbus Project, according to the ad hoc committee on the telescope project. The report was presented by Thomas M. York, professor of aeronautical and astronomical engineering and committee chairperson.

Other factors included several changes in University administration since 1984, lack of federal or other significant outside financing, lack of broad support from the University community and organizations, environmental problems because of an endangered red squirrel, and failure to secure a fourth partner in the coalition.

Ohio State was partners with the University of Arizona, the University of Chicago and Italy’s Osservatorio.

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Government should take any necessary steps, ‘including tax increases, to maintain Ohio’s investment in higher education.’

— University Senate resolution

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York said that the University’s financial investment in the project, the amount of which is being negotiated, would not be lost because “there is the assumption that Ohio State will get an appropriate amount of telescope time when the project is completed."

The time has not come for the University to consider switching from quarters to semesters, according to the ad hoc Calendar Committee.

Christine Verzar, professor of the history of art and committee chairperson, reported that the committee concluded “that timing for the conversion is not currently favorable.”

The committee found divided opinion among faculty as well as a split in opinions between graduate and undergraduate students. Other considerations include the projected costs of converting given the current tight fiscal climate, and the fact that implementation of the General Education Curriculum is still not complete.

The committee proposed reconsideration in the second year of the next biennium (1994-95).

In a document presented to senators, Gee acknowledged the committee’s proposal, but adds, “I believe ultimately this University...must adopt the semester calendar. Be forewarned, we will revisit this issue. Count on me to keep it on the radar screen.”

The Faculty Compensation and Benefits cited comparative figures for faculty salaries. It proposed increases of 2.1 percent across the board, 2.1 percent for merit, and .5 percent to provide a pool for promotions, equity, excellence, and market adjustments. (A detailed story on the FCBC report appeared in the April 2 onCampus).

FCBC also recommended that the provost form an ad hoc faculty committee to study a process for allowing lecturers and other non-regular faculty to provide input in discussions of salary increases. The committee also stressed the need for a clear and equitable policy on pay for nine-month faculty teaching in summer or another off-duty quarter.

Representatives of Undergraduate Student Government and the Council of Graduate Students announced plans for rallies April 15 on the Oval and April 22 at the Statehouse to call attention to the need for higher state funding.

The next meeting of Senate is scheduled for May 2.
Budget Briefs

Editor's note: The following is a compilation of budget-related news.

By Tom Spring

Good news/bad news

Reduced state spending isn't the only factor affecting the budget.

The value of external research contracts has continued to rise, with help from increased federal support. It rose 31 percent the first seven months of the fiscal year, to $95.9 million.

However, the federal government is also getting tougher in approving reimbursements for indirect costs associated with contracts, a response that has grown beyond the scandals associated with improper spending at Stanford and some other universities.

"The federal government is not being kinder and gentler in their negotiations with universities," says William Shkurti, vice president for finance.

Other items affecting fiscal well-being and University quality include:

- The formula for funding higher education, as implemented by the Ohio Board of Regents.
- Ongoing deficits in certain areas, such as the Ohio Agricultural Research and Development Center.
- Lack of money to invest in management information systems and improvements to the physical plant.

On the positive side, Shkurti notes that enrollment and the quality and retention of students are up.

The bottom lines for University Hospitals and the Arthur G. James Cancer Hospital and Research Institute continue to improve.

Deficits in the College of Business and Office of Admissions have been eliminated and deficits in the College of Humanities and in Telephone Services have been reduced significantly, Shkurti says.

Reductions weaken other programs

Bobby D. Moser, vice president for agricultural administration, said at a meeting of the Agricultural Affairs Committee last month in Wooster that a reduction in one program affects the quality of other programs.

"Many programs will suffer as we hold open faculty positions" and reduce staff to balance the budgets, he said.

"Since we have many persons funded from multiple sources (joint appointments), a financial weakness in one side creates a weakness in our whole organization."

He is expecting cuts of 9 percent for the Ohio Cooperative Extension Service and Ohio Agricultural Research and Development Center.

Agriculture is an investment, too

Higher education is an investment in Ohio's economic and social well-being — a message President Gee has pointed out in recent op-ed articles in the Columbus Plain Dealer and the Columbus Dispatch.

The same concept applies to agricultural extension and research, according to Bobby D. Moser, vice president for agricultural administration.

He notes that less than one-half of 1 percent of the total General Fund of the state of Ohio is budgeted for agricultural programs, yet agriculture as an industry contributes 12 percent of the total economic output in the state.
OSU colleges prepare to cut their budgets

By Susan Corbin
Lantern staff writer

Administrators, deans, departments and students continue to wait for Gov. George Voinovich's next round of state budget cuts. "From the outside it looks like business as usual or if we are still going on. We're still teaching 53,000 students on the main campus and the university doors are still open. It doesn't seem as dramatic as when an institution closes or goes bankrupt," said Herb Asher, special assistant to OSU President E. Gordon Gee and Ohio State's chief lobbyist.

But it is not business as usual. Deans and their departments are beginning to meet and discuss possible budget reduction scenarios and ways to maintain the overall quality of the university in spite of the cuts.

What's in store for the future of the university is not certain. "The bottom line is we're not going to know anything definitive for some months yet," said Randall B. Ripley, acting dean of the College of Social and Behavioral Sciences.

The governor will decide the amount of the next budget cuts in July.

Deans have asked their academic units to prepare contingency plans for 3, 5 and 7 percent departmental cuts.

Departments are left to decide what they can afford to keep or lose. It is important that departments make those decisions because they are ultimately at the level at which the academic expenditures are being made. They know best how to protect their programs, said Phyllis M. Newman, fiscal and personnel officer for the College of Humanities.

So far, one way the College of Humanities has trimmed its budget is by enrolling classes. However, there are physical limits to how big a class can be because of the room size, Newman said.

Another place where cuts could be made is in remedial instruction, Newman said.

Newman said that the departments are told by the administration and the deans not to cut the core General Education Curriculum. "But there is no way to cut as many as 7 percent and not touch everything that we do," she said.

Morris Beja, chairperson of the English department, said they have made tentative plans but nothing is definite yet.

There are constraints within the English department which prohibit certain types of cuts. English is a labor intensive department and much of its budget goes to paying salaries and tenured professors, Beja said.

A general picture of the cuts entails:

- At the 5 percent level, the department is looking at cutting a number of 100 through 300 level composition courses and reducing the number of incoming graduate assistant positions.

- At the 7 percent level, there would be drastic cuts in the department's equipment and operating budget, more courses would be cut, and the number of research and administrative graduate associate positions would be reduced.

Beja was reluctant to discuss any higher percentage cuts. "A 7 percent cut would be very difficult for us," he said. Beja said that with so many of a cut would be too hard to make general speculations about.

The last thing the department wants to do is cut faculty. Once you give up a faculty position it is gone forever, Beja said.

The department cut faculty in the '70s. However, it is still playing catch-up despite the good deal of hiring and financial support in recent years, he said.

"Even though we have many, many, many students, we do not have as many faculty," Beja said.

A small faculty means fewer courses because the labor intensive nature of teaching writing prohibits large course enrollments, Beja said.

The cuts the departments are considering are going to be permanent. Whatever the university suffers in general, and consequently whatever the departments are allocated, the cuts will be made permanent, Ripley said.

"In a college like ours all that is left are the people that are the faculty members or graduate teaching assistants and a few staff people," Ripley said.

Even though the college carries an enormous teaching load, the cutbacks inevitably will mean fewer classes with larger enrollments, he said.

But it's not simply a matter of cutting salaries or positions. These cuts are hurting higher education, Ripley said.

Each time the state makes a round of budget cuts, the university's working financial base is lowered, Asher said.

One of the frustrating things is that enrollment in higher education is, in general, increasing. Ultimately what this means is that higher education ends up doing more with less. People are still coming to college, but the support is not there to meet that need, Asher said.

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OSU general fund vital

By Susan Corbin
Lantern staff writer

While Ohio State is a very large and diverse institution, administrators fear that with each successive budget cut, the overall quality of the university diminishes.

OSU President E. Gordon Gee has made a concerted effort to point out to legislators the necessity of funding for higher education.

Gee is not alone, other university presidents and officials have been trying to gather support as well.

"This issue affects us all the same," said Herb Asher, special assistant to the president and Ohio State's chief lobbyist.

But urging legislators to give more consideration to higher education is a tough sell especially since it is an election year, he said.

Asher said the case must be made to legislators that, while there are immediate and pressing needs for the state budget, investments must be made in higher education to expand future capabilities.

If you look at which industries in Ohio are competitive internationally, our colleges and universities, particularly Ohio State, are among the leaders," Shirk said.

Asher said that higher education makes all the tough decisions about budget reductions.

See BUDGET/Page two
Students to protest budget cuts

Rallies planned today at 13 state universities

By Tim Doulin
Dispatch Higher Education Reporter

Students at Ohio's 13 public universities are planning rallies today to protest proposed cuts in state money for higher education.

"We feel we need to do something to get the governor's attention or he is going to continue to take the cuts out of higher education," said Sean Tipton, president of the Council of Graduate Students at OSU.

"The message we want to get across is 'you can't continue to abuse higher education with these cuts.'"

A noon rally on the Oval at The Ohio State University has the backing of OSU President Gordon Gee, whose office bought a $945 full-page advertisement in The Lantern, the student newspaper, yesterday to urge students to attend.

OSU's Columbus campus received $255 million in instructional subsidies in fiscal year 1992, which ends June 30, about $23 million less than the previous year. Gov. George V. Voinovich is discussing cutting the higher education budget as much as 15 percent beginning July 1.

"It is difficult to get students excited about the issue," Tipton said. "As students, they feel you write a check for tuition, and that pays for the education. That is not the case."

Governor vows support

Tipton said the university should take some blame for budget problems.

"Some of the criticism of higher education is justified, but if all the governor does is reduce the funds, we, the students, pay the price for a disagreement between the governor and the university administrators," he said.

A phone bank will be set up so students can call Voinovich's office and state legislators to voice their opinions.

In the advertisement, Gee wrote, "It is important that the readership of The Lantern become fully involved in the debate over state funding because the outcome of the debate could directly threaten the future quality of Ohio State and viability of its programs."

He told students to write letters to legislators and newspaper editors protesting further budget cuts.

"Tell anyone who will listen that we here on campus are making the tough decisions needed to increase efficiency, cut costs and preserve quality," Gee wrote.

He acknowledged that Voinovich is not to blame for all the problems on campus.

"There was a temptation in writing this letter to say that all of the inconveniences, disruptions, disappointments and other problems on campus never existed before the state funding cuts," Gee wrote. "But that would not be honest. The fact is that we have not always treated our students with the consideration they deserve."
Staff members encouraged to attend rally against cuts

By Kevin Corvo
Lantern staff writer

OSU staff members are being encouraged to show support for students by attending a rally on the Oval today at noon.

The rally is sponsored by the Council of Graduate Students, Undergraduate Student Government and the Interprofessional Students Council in an effort to make state officials aware of the severity of budget cuts on the student population.

Debbie Gill, chairwoman of the Staff Advisory Committee, asked Monday that staff members support the students.

"Students are the ones who are suffering because of these cuts. They are being closed out of classes because of the cuts," Gill said. "Academic programs are being cut. Services, such as campus bus routes, are being drastically reduced. The hours of recreational and cultural centers are being curtailed."

"We are not talking about minor inconveniences here. We are talking about some core activities and essential programs. The impact of additional cuts would be devastating," Gill said.

The rally is one of 13 campus rallies to be held around the state today. On the following Wednesday, April 22, members of the other campus rallies will convene in Columbus and participate in a march to the Statehouse.

"We want to let legislators know students are concerned about the cuts. We want to make student voices heard," Amy Bashforth, Speaker of the Assembly for USG and rally organizer said.

A phone booth will be located between Bricker and Derby Hall and will be available all day for students to call their respective legislators. There will be ten phones, and voter registration available for students.

"Our main goal is to get students fired up for the 22nd, we want to get as many students as possible downtown next Wednesday," John Hilbert, USG vice president and rally organizer said.

The sponsoring student councils passed out fliers, printed advertisements in campus newspapers and relied on word of mouth for further public awareness of the rally, Hilbert said.

"USG assembly members have gone to their own colleges to get support and once we get the message out to all the students (we hope) they'll be frustrated enough to want to participate. We want to get them primed for the rally next Wednesday," Hilbert said.

"The state thinks they can continue to cut the budget without affecting the quality of our education," Hilbert said, "We have sustained all the possible cuts we can without diminishing the quality of education at Ohio State."

Further budget cuts is the obvious purpose of the rally, said Herb Asher, a political science professor, special assistant to the president and the USG adviser.

"Our short term goal is to head off any additional damaging cuts. Higher education has already suffered two rounds of cuts in a disproportionate manner. Our long term goal will be to make higher education a top priority again in the state budget," Asher said.

Staff and faculty have supported the rally by personal donations to the USG to cover travel expenses to the rally downtown on April 22.

"Because university funds were not available to the students, I asked for any donations people were willing to make to help the students," Asher said. "We (USG) have received out-of-pocket voluntary contributions from staff and faculty members and administrators in the amount of about $1,300."

"President Gee said he was sending a donation to support us, too," Hilbert said.

"These cuts are affecting all of us directly, through fewer courses and higher enrollment. No tuition cap exists for graduate students and many of our associate positions such as research and teaching assistants are being cut each quarter," Sean Tipton, council president said.

Scheduled to speak at the rally are Matt Markling, president of USG, Tipton, Gill, Asher and State Representative Mike Stinziano (D-Columbus). The speakers will be convened in front of Bricker Hall.
3,000 at OSU protest state's college cuts

Calls and letters pouring in to governor

By Tim Doulin
Dispatch Higher Education Reporter

College students normally call home for money.

Yesterday, Ohio State University students called the Statehouse.

OSU police estimate about 3,000 students, faculty members and staff members gathered on the Oval for a rally to protest budget cuts to higher education.

A bank of telephones was set up at the rally, and students were encouraged to call Gov. George V. Voinovich and state legislators who are contemplating cutting state support to higher education by as much as 15 percent beginning July 1.

"Being a registered voter and knowing my old buddy George is the education governor, I wanted to let him know I will be keeping an eye on what he does," said Greg Snyder, a junior from Columbus.

"The status quo won't do."

Similar rallies were scheduled on the campuses of other public universities across the state.

The governor's office said it received more than 150 telephone calls yesterday, with two callers supporting cuts to higher education.

Besides telephone calls, the governor will receive more than 1,100 letters from those who attended the rally. At a booth on the Oval, about 335 people were registered to vote.

Student government leaders who organized the rally said they wanted to send a message to the Statehouse that students and their parents don't want further cuts to higher education, which saw its budget slashed by about $58 million earlier this year.

"We are going to tell the governor and the legislature we are not going to take it anymore," John Hilbert, vice president of the Under-

Please see Rally Page 2D
graduate Student Government at OSU, told the crowd.

Several derisive comments were directed toward Voinovich. One student held a sign that read "George Voinovich Education Governor ... Not."

When Voinovich's name was mentioned by one of the rally speakers, someone suggested the governor take a pay cut.

"For some reason, we have a governor who hates us," said Sean Tipton, president of the Council of Graduate Students at OSU.

Voinovich, who broke down in tears two weeks ago after protests against General Assistance cuts, received little sympathy from the students.

"Don't cry for me, Gov. Voinovich, just give us our damn money back," Tipton said.

Voinovich appreciates the protest rallies, said Jenny Camper, a spokeswoman for the governor.

"When they happen, he says, 'God bless, that's fine,'" Camper said.

Voinovich believes a 15 percent budget cut to higher education is unacceptable and would like to see consideration given to a sin tax to help generate revenues, Camper said.

State Rep. Mike Stinziano, D-Columbus, emphatically told the crowd he would support a tax if it would defray further cuts to higher education.

"You have to do what's right to get the job done," Stinziano said.

Stinziano said his telephone had been "ringing off the hook" with calls from concerned students. He urged students to attend a statewide student rally Wednesday at the Statehouse.

"Bring two or three friends," Stinziano said.

"Let them know that Ohio shouldn't balance the budget on the backs of students."

Higher education, which accounts for 13 percent of the state budget and absorbed 39 percent of the last round of cuts, has been shouldering a disproportionate share of the state's financial hardship, said Herb Asher, a special assistant to OSU President Gordon Gee.

At election time, "We need to remember to reward our friends and punish our enemies," Asher said.
Students rally against expected

Organizers trying to ready students for April 22 march

By Kevin Corvo
Lantern staff writer

OSU students, staff and faculty gathered in large numbers on the Oval Wednesday to protest proposed budget cuts. Estimates of the size of the crowd ranged from 300 to 4000 people.

Students, led by OSU student governments, assembled in front of Bricker Hall to discuss budget cuts they have suffered and the amount of cuts they may incur during the next fiscal year.

“Our slogan is ‘don’t balance the budget on the backs of the students.’ These kinds of cuts will be the death of higher education,” said Matt Markling, president of the Undergraduate Student Government.

“The most important thing you can do is let the members of the General Assembly know that your vote for them depends upon their support for you,” said State Representative Mike Stinzian, D-Columbus.

“The governor is the one who will decide how to cut this budget and what you have to do is let the governor know that depending on what choices he makes, it’s going to affect your lives and it’s going to affect the lives of a lot of other people around this state,” said State Representative Richard Cordray, D-Columbus.

“We are gathered here today because the budget cuts have become the budget crisis,” said Debbie Gill, chairwoman of the Staff Advisory Committee.

Gill called for OSU staff members to support the student rally.

“I encourage the dedicated, hard-working, strong voice of the support staff here on this campus who represent over 13,000 strong to rise up and be heard,” Gill said.

“I am here today to gain your support to tell the governor and the state legislators ‘Don’t hang Sloopy!’” she said. “The best tradition we have is the pride we
budget cuts

"We have a very simple message today; 'stop the cuts.' It's simply not tolerable what's been happening to higher education."

-Sean Tipton, president of the Council of Graduate Students

have in a quality education. The legislators are attempting to diminish the quality of that education. As students, you are experiencing the frustration of closed course sections. Staff members, we are experiencing the frustration of doing more and more with fewer resources," Gil said.

Students need to help Gov. George Voinovich truly become the education governor by stressing the importance of affordable, quality higher education for the economic health of the state, said Herb Asher, special assistant to OSU President E. Gordon Gee and USG adviser.

"We need to remind the governor and the legislature that higher education has taken a disproportionate share of the budget cut so far, we have to reinforce the message we cannot balance the budget on the backs of our students and higher education," Asher said.

"We have a very simple message today, 'stop the cuts,'" said Sean Tipton, president of the Council of Graduate Students. "It's simply not tolerable what's been happening to higher education."

Tipton encouraged all the students to continue calling state legislators and to participate in the rally downtown Wednesday, April 22.

"I'm overwhelmed, it was great," said John Hilbert, USG vice-president, about the rally attendance. "The purpose of this was to get the word out about what is going on, and that we need students there (downtown) on the 22nd."

Many students participated in the letter-writing campaign following the rally.

"We can't stand this anymore. There's so many departments getting cut, we're getting cut out of classes. We're just feeling trapped," said Michelle Harklau, a junior from Lima, about why she wrote Voinovich.

Kristopher Burns, a fourth-year engineering student from Dayton said he wrote the governor because, "Tuition has increased and I can barely afford what it is now. If they keep raising the tuition, I'll never be able to afford to graduate."
Signs of the times

Students lug signs displaying their feelings on the potential cuts facing higher education this July.
Students place Over 150 calls to Voinovich

By Todd Lamb
Lantern staff writer

Gov. George Voinovich's office received more than 150 calls since the budget protest on the Oval Wednesday.

Ohio is facing an estimated $577 million deficit for the 1993 fiscal year, which begins July 1. The university's budget could be cut more than 20 percent as a result.

Ten telephones were placed on the Oval to let students, staff and faculty speak their minds directly to the offices of the governor and members of the General Assembly.

John Meyer, communications director for the governor, said the majority of the calls were in protest of future cuts to higher education by the state.

Meyer said the governor is aware of the calls and has expressed a concern. The governor cares about higher education and is working to try and make the cuts as minimal as possible, Meyer said.

Other legislators also received calls from students at the rally. Many callers could not get through and were encouraged by University Student Government members to phone their legislator at a later time.

Ohio Sen. Grace Drake, R-Solon, received few phone calls on Wednesday. Marla Eshelman, legislative aide to Drake, said that of the students who called, many were willing to take a tax increase for the support of higher education.

Eshelman said Sen. Drake opposes cuts to higher education because students will be the leaders of tomorrow's business and government. She reminded students that the state is having to make cuts everywhere and there is no 'sacred cow.'

Ohio Rep. Mike Stinziano, D-Columbus, spoke at the protest and urged students, faculty and staff to call their representative.

"We need to tell legislators the consequences of cutting the budget," Stinziano said. "Make a phone call."

Stinziano's office also received several phone calls Wednesday afternoon, however Legislative Aide Ellen Aiello said most contact has come from correspondence.

A majority of the mail has come from students, faculty and parents of students. All letters oppose further cuts to higher education. One letter stated, "We need this investment for the future," she said.

Bill Kaiser, 40, a junior from Lancaster, contacted the office of...
University students to meet with Voinovich before rally

By Sue Sowa
and Elizabeth Coulton
Lantern staff writer

Gov. George V. Voinovich has agreed to meet with six student representatives the morning before a planned rally at the statehouse to protest proposed budget cuts to higher education.

Voinovich is expected to ask for student support of his $200 million "sin tax" package on alcohol and tobacco products, said Robert Noose, director of the Ohio State Student Association. The package would help reduce the state's $750 million deficit to $500 million.

Student representatives' support for the taxes will likely come if Voinovich guarantees no further cuts to higher education, Noose said.

The six student representatives are: John Hilbert, OSU undergraduate student government president-elect; Vicki Pitts, Ohio University; Mike Franczak, Miami University; Scott Markland, Wright State University; Mike Sears, Bowling Green State University; and Andrew Goldner, chairman of Ohio Student Association Board of Presidents.

Students from all 13 Ohio state-supported universities will gather at 11 a.m. Wednesday at the Nationwide Plaza before marching to the statehouse. Legislators as well as students will be speaking at the rally.

In addition to OSU representatives, students from Akron, Bowling Green, Central State, Cincinnati, Cleveland, Kent, Miami, Toledo, Wright State, Youngstown, Shawnee State, and Ohio University will also take part in the rally.

The cost to run the buses will be about $800, and is being paid solely by contributions from administrators, faculty and staff, Miller said. No USG or university funds will be used to pay for the buses, she said.

USG President-elect John Hilbert said it is imperative for students to attend the rally.

"Doing nothing lets the governor know that he can make these cuts and not be held accountable," Hilbert said.

"I don't know if it (the rally) will stop the cuts for sure, but at least we'll put the thought in the governor's head that we're angry," he said.

Hilbert said the budget cuts have made students more active. He said he thinks apathy has led to the idea that cuts can be made and no one will care.

"We hope to have more than 1,000 students from all over the state there," said Alison Woodward, staff intern for the Ohio Student Association.

USG will provide four buses to take students downtown, Sue Miller, secretary for USG, said. The buses will be transporting students to and from the Ohio Center throughout the day, beginning at about 10:30 a.m.
Don’t balance the budget on the backs of students

Free buses will leave the Ohio Union beginning at 10:30 a.m. for the rally

at the Statehouse at noon.

Jim’s forecast:
Cloudy today with some peeks of sunshine and a high near 60. Partly cloudy tonight and cool with a low near 40. A mix of sun and clouds Thursday with a high in the low 60s.

The Lantern

Since 1881

Printed on recycled paper with soybean oil ink

Wednesday, April 22, 1992 The Ohio State University 111th year, No. 143
3,000 students protest budget cuts

By Molly McKee and Phyllis Satansky

"Two-Four-Six-Eight, Can't Afford To Graduate," was the battlecry of an estimated 3,000 protesters at a rally opposing university budget cuts.

Protesters from Ohio's 13 state-supported universities marched from Nationwide Plaza down High Street to the Statehouse, armed with banners reading, "No More Cuts," "Crying Does Not Help," and "Come November We'll Remember." State legislators and student government leaders addressed the protesters at the Statehouse. Protesters cried for Gov. George V. Voinovich, but he never appeared.

"It's been a cold, rainy day for high education," said Sen. John H. Hamilton, president of the Ohio State University. "Our governor graduated from Ohio State University Law School. I don't think he wants anyone to close.

OSU Undergraduate Student Government President Joel H. Decker, who called for the protest, said, "The administration is not doing it right. We've been working with them, but they're not listening."

"Higher education is the catalyst to move our generation to a successful future," said Jason Jackson, USG president at Bowling Green State University.

"I'm very happy about this," said E. Voinovich. "I don't think anyone expected what happened today." said Andrew J. Voinovich, chairman of the board of the OSU Student Association. "This is the first step; education is an investment in America's future."

Contributions were also made by Lantern staff writer Thomas Dean.

Students demand guarantees

By Brent Smith

Student representatives of Ohio's 13 state-supported universities are voting not to support OSU, George V. Voinovich's tax reform plan for the new state budget. They have also rejected Gov. John H. Hamilton's tax reform proposal to end the state's budget deficit.

"The tax reform package is intended to help offset the current $75 million state budget deficit," said Greg Browning, state budget director. "It is a reduction in the state budget deficit that will result in higher education expenses," said Voinovich.

"Voinovich said he could not determine" the amount of revenue from the package that would go to higher education.

Those areas receiving a significant portion of the cuts would receive a significant portion of the revenue from the proposed package, Voinovich said.

"After the meeting, student leaders voiced their dissatisfaction with higher education," said Brent Smith.

"There was a commitment to support the tax package unless there is a commitment to no more cuts to higher education," said Voinovich.

"The student representatives are voting not to support the tax proposal," said Browning.

"We need more collaboration among universities about what's being offered," Browning said.

"I suppose that certain academic programs might be eliminated at different universities, and those duplications need to be eliminated," Browning said.

"Browning said the governor does not support delaying budget cuts to see if economic recovery will help the problem." Browning said.

"We need to make a major decision on how to handle the budget," Browning said.

"I welcome the opportunity to work with you on this issue," Browning said.

"I want to let him know that he can't go on with these cuts without putting up a fight," Browning said. "I'm fighting for my education to be the best it can be," Browning said.

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Universities offer spending plan

The Columbus Dispatch
Thursday
APRIL 23, 1992

The proposal by university presidents calls for consideration of a tax increase.

By Lee Leonard
Dispatch Statehouse Reporter

Ohio's state university presidents have proposed a $150 million "down payment" on the state budget deficit July 1 and asked that consideration be given to a general tax increase after the November election.

The presidents, meeting yesterday with Ohio Senate Republican leaders, indicated they are willing to share in a modest spending reduction in order to break a budget-balancing impasse and avoid possible cuts of 15 to 25 percent in December.

The presidents also called for the state to lift a ceiling on university tuition starting in July.

Ohio Senate President Stanley J. Aronoff, R-Cincinnati, said he will present the presidents' suggestions to Gov. George V. Voinovich when the governor addresses the Senate Republican caucuses on the budget Wednesday.

But Voinovich, who had met last week with the presidents, dismissed their idea as "financially irresponsible."

The governor continued to lobby for increases in liquor and cigarette taxes to help close a projected $576 million gap in the budget for the year starting July 1.

"I can't play Russian roulette with the budget (voting) until I get the taxes in," he said.

Aronoff and House Speaker Vernal G. Riffe Jr., R-Wheelersburg, say revenue collections may be improving. They have urged holding off on any tax increases to see whether the economy gets better.

The president, at the hourlong meeting, pleaded their case against massive cuts in higher education spending and called for development of a stable funding plan for higher education.

The modest spending reduction was put forth by the Inter-University Council, comprising the 13 state universities and the two free-standing medical colleges. The $150 million figure came from a position paper issued by Ohio State University.

Please see COLLEGES Page 2D

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Students voice their opinions / 2D

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Representatives of Ohio's private colleges and two-year community and technical colleges said they wanted more details before embracing the plan.

Herbert Asher, a spokesman for OSU, said the universities' share of the proposed budget cut would amount to 3 or 4 percent compared with the 15 to 23 percent range cited by the Voinovich administration if the liquor and tobacco taxes are not enacted.

Clive Veri, president of Shawnee State University and chairman of the Inter-University Council, said the group is asking that universities be allowed to raise their tuition next school year by the greater of 9.5 percent or $250.

Under current budget restrictions, the ceilings will be the greater of 7 percent or $175.

Aronoff told the presidents they already have the authority to ask the state Controlling Board for permission to exceed the ceiling. Voinovich later told student leaders the tuition ceiling may have to be raised to 9 percent.

Gordon Gee, president of OSU, praised the Senate leadership for its past commitment to higher education, but he warned that cuts now would spoil the "major investment" in higher education.

Gee favors a modest spending cut and a wait-and-see approach on taxes. "Let's not rush to judgment."
Students take plea for aid to Statehouse

1,200 rally to protest cuts in higher education funds

By Tim Doulin
Dispatch Higher Education Reporter

About 1,200 students of public universities in Ohio descended on the Statehouse yesterday to have a say about cuts in state money for higher education.

They left, realizing Gov. George V. Voinovich and state legislators will have the final say.

"We were pretty loud today," said Keith McPence, a junior at Ohio University. "It is just a question of whether or not George was listening."

Students on the Statehouse lawn chanted, "2-4-6-8, can't afford to graduate," and held signs saying, "Hey George, We Vote."

Students are concerned about the prospect that $248 million planned for higher education may be cut out of the fiscal 1993 budget. Higher education lost about $58 million in promised state money this year.

Voinovich has proposed a revenue enhancement package that would bring in about $200 million to help defray budget cuts. He could not say how much of that would go to higher education.

He said that "in all probability" the in-state undergraduate tuition cap will be raised to 9 percent from 7 percent.

Voinovich applauded the attempts of universities to do more with less, but added, "I really believe we are not there yet. We need to continue to put the heat on universities ... on all government spending.

"You're talking about you're down and out. I gotta tell you something, there are a lot of people out on the streets who are down and out."

"I appreciate the governor's time, but I'm not leaving here with anything new," said Andrew Goldner, chairman of the Ohio Student Association. "We said we will support these cuts if, as soon as the economy clicks upward, you help higher education first.

"We didn't hear that."

When Senate President Stanley Aronoff, R-Cincinnati, tried to tell students about support the Senate has given higher education over the years, one student shouted, "Why don't you talk about the budget cuts this year?"

Rep. Daniel P. Troy, D-Willowick, assailed Voinovich's revenue package, which includes higher taxes on alcohol and cigarettes.

"Let's knock off a lot of the bull that is going on," Troy told students. "We are not going to solve the economic problems in this state by raising the beer and cigarette taxes."

"We are about $750 million short in this state, and we are talking about $194 million in taxes. ... I think it is time for everyone to sit down at the table and get serious about a long-term plan to turn around our state."

The podium microphone went out when Rep. Robert E. Netzley, R-Laure, made a push for legislation that would pay college professors based on credit hours taught. Netzley claimed he was sabotaged by rally organizers who did not want to hear what he had to say.

"There is nothing more inefficient in the state than higher education," Netzley told reporters. "Get rid of a lot of those professors who aren't doing any teaching."
Written word clarifies budget reduction issue

Staff member duels governor through letters

By David Sonderman

It has been said that words are cheap. It has also been said that the pen is mightier than the sword.

Margie Bogenschutz, associate director of the Career Development Center in the College of Business, might say that both clichés are true. For the cost of a stamp, a little postage ribbon, a sheet of paper, and an envelope, Bogenschutz took on the battle for Ohio State's share of the state budget. She wrote a letter to the editor of the Upper Arlington News.

Her reaction was triggered last month when the News and other local weekly papers in the Suburban News Publications conglomerate published a letter from Gov. George V. Voinovich in response to an opinion column about the state budget and higher education.

Voinovich's letter said in part that public universities "are going to have to work harder and smarter and do more with less."

After reading the governor's letter, which was circulating in the career development office, Bogenschutz became irate. "I kept hearing about budget cuts and about people I knew who were losing their jobs — then I read the governor saying you're not doing enough. I got so angry when I read it, I stayed mad for days."

Two days later, she sat down and hammered out a letter of her own. "I decided to put my thoughts in writing. It wasn't difficult to do at all, in fact it was sort of cathartic."

It took Bogenschutz 30 minutes: 20 to write out her thoughts and another 10 to type them.

Her letter, which the News published, began, "First of all, how dare Mr. Voinovich continually point his finger at higher education when hourly we hear of insufficiency and unethical practices in government — at all levels."

Bogenschutz says she followed some advice from the spring issue of Staff Notes, which offers tips on writing letters to legislators and the media, facts and figures about the University, and names and addresses of state legislators.

She plans to write directly to Voinovich and to her representatives in the Ohio House. "It is hard to find the time with a 2-year-old daughter, but I'll probably just make time some Saturday afternoon."

President Gee has asked the University community to make its voice heard in the capital. Staff or faculty wishing to write to legislators or newspaper editors should follow some guidelines.

- When writing to legislators, express appreciation to them for their past support of higher education. Ask them to ensure Ohio State is treated fairly with full recognition that our research and service contribute directly to the economic well-being of Ohio.
- When writing to the governor, emphasize that higher education has already absorbed more than its fair share of the budget cuts and that cuts to higher education have serious consequences for the overall economy.
- Do not use Ohio State stationary or metered postage.
- When writing to editors, make sure to include a daytime phone number and sign the letter. Most newspapers will call to confirm the authenticity of the letter.

Who and where to write

As Ohio State faces another round of budget cuts, President Gee, the Staff Advisory Committee and the University Senate are asking employees, students, family and friends to write to their legislators about the need to keep higher education a priority.

The letters for representatives should be addressed:

The Honorable
Ohio House of Representatives
77 South High Street, 4th Floor
Columbus, OH 43266-0603

The letters for senators should be addressed:

The Honorable
Ohio Senate
Statehouse
Columbus, OH 43266-0604

To help letter writers in Central Ohio and at regional campuses, the following is a list of legislators by county.

Central Ohio:

Franklin County:
- Sen. Ted Gey; Sen. Ben Espey; Sen. Eugene J. Wetts

Licking County:
- Sen. Steve Williams; Rep. Mark Guthrie, 12th Floor; and Rep. Jon D. Myers, 11th Floor

Delaware and Union counties:
- Sen. Ted Gray; and Rep. Joan Lawrence, 11th Floor

Madison County:

Pickaway County:
- Sen. John Michael Lang; and Rep. Michael Shoemaker, 11th Floor

Fairfield County:
- Sen. Steve Williams; and Rep. Jon D. Myers, 11th Floor

Extended campuses:

Lima:
- Sen. Robert R. Cupp; and Rep. William Thompson, 10th Floor

Marion:
- Sen. David E. Pfeifer; and Rep. Randy Weston, 11th Floor

Newark:
- Sen. Steven V. Williams; and Rep. Mark D. Guthrie, 12th Floor

Mansfield:
- Sen. Richard P. Shafran; and Rep. Frank S. Sawyer, 11th Floor

ATI and OARD:
- Sen. Richard P. Shafran; and Rep. Ronald A. Amstutz, 10th Floor

SOMETIMES THE WORD is more "visible" when it's shouted. Above, some of the 3,000 students and others who attended a rally April 15 on the Oval express their opinions of budget cuts. The rally was one of two organized by student governing bodies. Another rally for students statewide was scheduled yesterday, April 22, at the Statehouse in Columbus.
Fiscal officers encounter delays in budget proposals

Preliminary budget guidelines for the 1992-93 academic year, including proposals regarding employee salaries and health insurance, were to be announced at the Board of Trustees meeting on May 1. The full budget was to be presented to the board in June. However, there may be some delay, says William J. Shkurti, vice president for finance.

“We thought by now we’d have better figures. Now, the governor (George V. Voinovich) may not have his figures ready until after May 1,” he says, adding that state officials want to see how much state revenue is collected in April before proceeding.

Inextricably tied to the University budget is tuition. Higher education officials statewide have pushed for a raising or elimination of the limit on tuition hikes.

Even if the cap is lifted, Ohio State would be reluctant to take full advantage of it, according to Leslie Flesch, assistant to the vice president for finance.

“We’re not going in that direction. We don’t see unlimited increases in student fees as the answer,” she says. “Right now, we’re working on protecting our state subsidy from additional cuts.”

State law allows universities to raise tuition for in-state undergraduates by up to 7 percent for the 1992-93 academic year.

“There hasn’t been a firm decision on fees.” Flesch says.
MORE THAN 1,000 JOBS MAY BE LOST IF APPROPRIATIONS ARE CUT 15%

COLUMBUS -- The Ohio State University stands to lose more than 1,000 jobs from possible state budget cuts, the university's Board of Trustees was told Friday (5/1).

William J. Shkurti, vice president for finance, told trustees that a 15 percent reduction in state appropriations for fiscal year 1993 would cost the Columbus campus about $41 million in lost state aid, and the extended campuses about $1 million more.

Gov. George V. Voinovich has said that state universities may lose up to 15 percent of their appropriations in the coming fiscal year unless the Legislature enacts his tax proposal.

"Forty-one million dollars in lost income to the Columbus campus results in the loss of 1,000 to 1,200 jobs," Shkurti said.

"This includes faculty, staff and student positions. We would do everything possible to accomplish this reduction by not filling vacant positions, but it is inevitable that some staff and student employees would have to be laid off to achieve staffing reductions at this level."

Shkurti pointed out the university has already eliminated 365 positions because of previous budget cuts. These included 70 regular faculty, 135 regular staff, and 160 graduate student
teaching and research associates, undergraduate student employees and part-time lecturers.

"The effect on university programs would be severe," he said. "More class sections would be closed. Building maintenance and hours of operation would be curtailed further. More services would be eliminated or reduced.

"In addition, the ripple effects from job reductions in the area's second largest employer would not be good news for the central Ohio economy: 1,000 fewer workers would be shopping in Columbus stores, 1,000 fewer workers would be paying state and local taxes, and 1,000 more workers would have difficulty paying rent or making mortgage payments. Further, the University's remaining employees, fearful that their jobs might be eliminated next, would be likely to curtail their spending as well.

"Combined with job reductions at other public universities in Ohio, this will be a blow to consumer confidence when the state can least afford it and could prolong the recession in Ohio."

Contact: William J. Shkurti, (614) 292-9232.
OSU may cut 1,000 jobs, official says

By Tim Doulin
Dispatch Staff Reporter

More than 1,000 jobs at Ohio State University would be eliminated through attrition and layoffs if projected cuts in state support come to pass this summer, the university’s chief financial officer said yesterday.

William J. Shiourti, vice president for finance, said the cuts would severely impair academic programs and student services and that it also would harm the local and state economies.

State officials have discussed trimming 15 percent from the originally projected state appropriations to higher education for fiscal 1993. That would translate to a loss of about $42 million for OSU, Shiourti told OSU’s Board of Trustees.

“We are talking about a loss of more than 1,000 jobs,” Shiourti said.

“Some of those positions are vacant, and that is how we would hope to manage those reductions. But layoffs would result from a job reduction of that size. We don’t know how many, but they would happen.”

OSU is the second largest employer in central Ohio, with its nearly 30,000 employees paying $28 million annually in state and local income taxes, Shiourti said.

“If 1,000 positions are eliminated, that means 1,000 less people paying taxes, 1,000 less people shopping in area stores and 1,000 less people looking for better apartments and homes,” Shiourti said.

Trustee Leslie H. Wener said OSU should make central Ohioans aware of the economic impact of the cuts.

“There would be lines in the streets if an employer came to this city saying he was going to create 1,000 jobs like the ones we are talking about eliminating,” Wener said.

“I don’t think the mayor or the legislators of central Ohio realize the impact the loss of 1,000 jobs will have.”

Previous budget cuts caused OSU to eliminate 345 positions last year. Gov. George V. Voinovich and state legislators are still trying to determine the size of the next round of cuts. OSU will do what it takes to meet the cuts, Shiourti said.

“We will protect the academic core as best we can, but I don’t think there should be any illusions that what the state does will not be without a price to the university, its mission and the economy of the state of Ohio,” Shiourti said.

In other board matters, the trustees:

- Named Loren V. Geistfeld acting dean of the College of Human Ecology and Randall F. Ripley acting dean of the College of Social and Behavioral Sciences. Geistfeld will be paid $60,052 and Ripley, $55,562.

- Elected John J. Baron chairman and Deborah E. Castro vice chairwoman of the board. Baron replaces Hamilton J. Tesford, whose term expires May 13. The university is expecting Voinovich to name Tesford’s replacement soon.
Education cuts could eliminate at least 1,000 campus positions

By Susan Corbin
Lantern staff writer

At least 1,000 campus jobs at Ohio State will be lost in the next year if the state enacts a predicted 15 percent budget cut to higher education, said Vice President of Finance, William J. Shkurti, at Friday's Board of Trustees Meeting.

Shkurti said some of these jobs are positions and not people; positions that are currently not filled will remain empty.

However, he cautioned the Fiscal Affairs Committee that the university is a self-insured employer for unemployment insurance. Therefore, when people are laid off, the university pays their unemployment benefits.

"The university will be prepared to do whatever it takes to meet our budget cut requirements as they come down from the state. We will protect the academic core in doing that. But I don't think there should be any illusions that what the state does will not be without cost to the university, to its mission and without a cost to the state of Ohio," Shkurti said.

If higher education is cut by 15 percent, the cost to Ohio State will be $41 million. This amount accounts not only for the loss in state support but will also mean a seven percent tuition increase, the maximum allowed by the tuition cap. The 15 percent cut would also mean no pay increases for OSU employees.

Shkurti stressed that the loss of university jobs would have a severe impact on academic programs, the ability to maintain buildings, the ability to serve students and the ability to function as an institution.

Shkurti also expressed concern for the economic health of Central Ohio. If 1,000 jobs are lost, a ripple effect throughout the central Ohio economy could result in a crisis of confidence because even the people who do not lose their jobs will fear they might be next, he said.

"People sometimes forget that Ohio State University is the second largest employer in Franklin County and in Central Ohio. If these jobs are not available, then these people will not be shopping in Columbus area stores and they will not be paying city and state income taxes," he said.

The State of Ohio and its various departments is the largest employer in Franklin County.

There are approximately 30,000 OSU employees who collectively pay about $28 million in taxes each year, Shkurti said.

Board of Trustee's member, Leslie H. Wexner, said an effort should be made to reach out to the Central Ohio community. "There would be dancing in the streets if an employer came to this city and created 1,000 jobs of the caliber we're talking about eliminating," Wexner said.

"Forget about the role of the university and the academics and all the intellectual stimulation to the state. I don't think the mayor or the legislators in central Ohio recognize the impact of 1,000 people unemployed," Wexner said.

Speculations about the actual percentage of cuts that higher education might receive in the state's next round of cuts range from 3 to 23 percent. The most commonly considered budget reduction scenario is currently believed to be 15 percent.

The university has had its state support cut for the last three years. This layoff will be on top of the 360 jobs which were lost in last year's round of budget cuts.

Actual numbers still have not been decided. State officials have said they want to wait for a financial analysis of April's revenues and expenditures before making a decision.

Shkurti said the earliest anything would be known about the amount of the budget cuts would be this week. On the other hand, the latest anything will be known could be the end of June. Both the university and the state's fiscal year for 1992 ends on June 30.
June could be crucial for university funding

By E. GORDON GEE, President, The Ohio State University

June could be crucial to the economic well-being of The Ohio State University as various plans to address the state's budget deficit will be considered by at the Statehouse.

Of particular concern to us is a plan offered by Gov. Voinovich that seeks to eliminate the estimated $600 million deficit for fiscal year 1993 by this July 1. He proposes doing that through a series of increases in the so-called "sin taxes" - levies on alcohol, cigarettes, etc. - and additional cuts in state spending. But since most of the budget - including primary and secondary education - will be exempted, the burden for cuts will fall disproportionately on higher education once again.

We estimate that if the governor's plan is adopted, Ohio State could be facing an additional funding reduction of more than $42 million. That is in addition to the $35 million in funding cuts we have absorbed during the last year. We have already cut more than 360 positions, eliminated academic departments, closed courses, and reduced services. The new cuts would force us to consider eliminating an additional 1,000 jobs and reduce academic and support services dramatically. These cuts would be devastating. We believe the governor is premature in trying to eliminate the deficit by July 1. Virtually every economic indicator now points to the fact that the recession is ending. As the recession ends, business and sales increase and tax revenues rise.

HOW YOU CAN HELP...

You can help by:

- Writing letters on your personal stationery to the governor and elected officials telling them to support our "Downpayment Plan."
- Writing letters to your local newspapers describing, in your own words, why Ohio State must be protected.
- Keeping the issue of funding for higher education in the forefront of public debate in your community.

OUR 'DOWNPAYMENT PLAN'

PHASE ONE:
Make a small downpayment (e.g., $150 million) on the deficit prior to July 1, 1992, through a series of budget cuts. The governor politically must keep his pledge to exempt primary and secondary education from this round of cuts. Otherwise, the cuts should be spread as widely as possible over all other segments of the state budget. By doing this, higher education may still receive a disproportionate share of the cuts, but at least the disproportionality will not be excessive.

PHASE TWO:
An announcement by the governor and legislative leadership that the state would wait until autumn to take care of the rest of the deficit, in order to see what impact the economic recovery will have on the deficit. If the deficit problem remains, cuts and tax increases will be back on the table.

NOTE:
This plan is only necessary if the economic recovery is not as robust as we expect it will be. If the recovery is robust and the deficit is reduced, the need for this plan and for additional cuts in higher education will be eliminated.

We are working with the legislative leadership to convince the governor to adopt a two-phase remedy for the current budget situation if the recovery is not as robust as we hope it will be. (See "Downpayment" box.) If the recovery is robust, the need for cuts will be eliminated. We believe this plan addresses the deficit problem while safeguarding the interest of education. It is a realistic and pragmatic plan that is gaining support in the Statehouse. Your help - in the form of letters and phone calls to elected officials - will improve its chances of adoption.
Interim budget likely; state waits for revenue

By Tom Spring

Ohio State apparently will enter fiscal 1993 with a temporary budget. The new year begins July 1.

"Right now we're working toward an interim budget resolution for the June 5 Board of Trustees meeting, because we're not going to have budget information from the state in time for that meeting," says Leslie Flesch, assistant to the vice president for finance.

The delay has resulted from decisions at the State House to postpone action until state officials could see how revenue collections are going.

Actual April revenues are up more than $2.5 million from the same month a year ago, according to State Treasurer Mary Ellen Withrow.

March revenues also were strong, notes Matthew V. Filipic, vice chancellor for administration, Ohio Board of Regents. But that was in large part because more tax collections were processed before the end of the month, he says.

Gross tax receipts in the current fiscal year are up more than $460 million from the same period in 1991, Withrow reports. Gross tax receipts include revenues for both General Fund and other funds.

"The problem has not gone away," Filipic says. Revenues are still down compared to what they were projected to be this year.

In addition, total state General Fund spending alone was up $450 million as compared to the same period last year.

In a recent memorandum to state university fiscal officers, Filipic reported that because of the generally favorable revenue experience of the past few months, the Office of Budget and Management is now saying that it will revise its estimate of the problem before the governor announces cuts for fiscal 1993.

"All indications are that the (deficit) estimate will be reduced and that the cuts scheduled for higher education will be reduced as well," he said.

A 15 percent reduction to instructional subsidies and 16 percent overall would have been required if the problem were not changed, Filipic said.

Filipic noted that higher education and other areas subject to cuts are serving as the state budget's shock absorber.

"When it is possible to reduce the problem estimate, we may enjoy significant relief; but when the problem grows worse, we can expect to suffer very substantial losses.

"Our role as the state's shock absorber means that our financial situation is several times more uncertain than that of the state as a whole."

— Matthew V. Filipic
Board passes interim budget for University

By Tom Spring

The University Board of Trustees adopted a temporary budget for 1992-93 at its June 5 meeting.

The resolution was necessary to continue to pay bills and salaries until a permanent budget is adopted. The fiscal budget has to wait until state subsidies have been determined in the state appropriations bill and distributed by the Ohio Board of Regents.

William J. Shkurti, vice president for finance, compared the impact of Ohio State’s budget problems to the effects of high blood pressure on a person.

“The patient can’t feel the high blood pressure, but unless it’s treated, it could reach a point where it is too late to do anything about it,” Shkurti said to trustees.

‘If we don’t have the resources, it’s hard to maintain quality.’
—William J. Shkurti

Shkurti said similarly, pending budget cuts could hurt the University to the point where it may be difficult to recover the quality of services Ohio State is accustomed to offering.

Over the past 18 months, Ohio State has seen budget reductions of $35 million.

“I fear the reductions we had the last time ate up a lot of our flexibility,” Shkurti said.

University fiscal officers expect to present President Gee’s budget recommendations to the Board of Trustees after passage of the state appropriations bill. The board next meets on July 10.

Decisions about University salaries, fee levels and other 1992-93 expenses will be deferred until the University’s permanent budget is presented.

Shkurti reported that Ohio State must

prepare for further reductions of 10 percent to 20 percent in state revenue. Reductions could equal or exceed the $35 million in cuts the University already has absorbed.

Shkurti reiterated that major reductions could mean the loss of about 1,000 positions at Ohio State, and hurt the quality of services being offered. Course closings will likely continue, maintenance problems will be deferred further, and students will wait in longer lines for services.

“If we don’t have the resources, it’s hard to maintain quality,” he said.

Faculty and staff will feel more strain, Shkurti emphasized. “I think everyone is already working harder but, over time, the strain begins to show and that reduces efficiency and our ability to adapt to changing conditions.”

Referring to the blood-pressure analogy, Shkurti added, “Just because the damage to the institution isn’t immediately visible, that doesn’t mean the damage isn’t there.”

Herb Asher, special assistant to the president for state relations, said Gov. George V. Voinovich has not accepted a proposal by the higher education community to make a small “down payment” on the deficit now and wait until fall to take further action.

Higher education officials are calling for a deficit reduction of $150 million, spread widely over the budget. By June 30, the end of the current fiscal year. Then, under the proposal, the governor and legislative leaders would wait until autumn to see the impact of the economic recovery.

If the deficit problem remains, additional cuts, tax increases and program changes would have to be considered.

“Legislative leadership supports the idea and has communicated it to the governor,” Asher said. “But, thus far, the governor does not accept our version of the plan.”

Instead, Voinovich has proposed $370 million in cuts and tax increases as a step toward solving a $570 million shortage in the 1992-93 budget. Asher said that with the number of state programs and accounts the governor wants exempted from budget cuts, it is not hard to see the potential impact on higher education.

“We (higher education) would probably be hit with at least 50 percent of that $370 million if new taxes are not approved,” Asher said. “The governor is hoping that the legislature will approve his tax proposals, thereby reducing the size of the projected budget cuts by about $180 million.”

According to Asher, there is little support in the legislature for tax increases at this time, part because legislators are concerned that even with tax increases there will be budget cuts. Tax increases and budget cuts are seen as a “double whammy” by the new legislators, he said.

Asher expressed hope that the governor and legislative leadership would reach an agreement on the budget crisis that would not wreak havoc on higher education.
Do what you must to stop cuts, college presidents say

By Tim Dohlin
Dispatch Higher Education Reporter

After an hourlong meeting with Gov. George V. Voinovich yesterday, public university presidents emerged pledging support for any proposal by the state's political leadership that eases budget cuts to higher education.

Voinovich has proposed increasing taxes on alcoholic beverages and tobacco products to avoid a major cut in state money to colleges and universities. Most university presidents have been uneasy about taking the lead in advocating the tax hike, but they appeared to support the measure or any other the governor and legislators agree to.

"We will support any proposal that offers short-term relief to our situation, realizing that this is a long-term mission," said Gordon Gee, Ohio State University president. "We are encouraged that the leadership of the state are all sitting down to discuss ways to solve this problem. I think it is important to note that everyone wants a solution. The House wants a solution. The Senate wants a solution. The governor wants a solution. We have to encourage all of them to come together to come up with that solution."

If the so-called "sin" taxes are not enacted, OSU will lose about $12 million in state subsidy to the main campus, four branch campuses and the Agricultural Technical Institute. The university will lose about another $12 million in support for programs such as the Arthur G. James Cancer Hospital and Research Institute and cooperative extension services.

The presidents have complained that higher education has taken a disproportionate share of budget cuts. Feelings were further bruised when Voinovich indicated higher education is fat.

Yesterday, Voinovich told the presidents that higher education and public education are his top priorities. Gee said he believes that the governor has a newfound respect for Ohio's colleges and universities.

"I think the most important thing to come from the meeting is Governor Voinovich's clear statement that higher education is a priority in his administration and it is going to continue to be a priority," Gee said.

"I think the governor over the past several years has indicated a great level of concern about the productivity, the efficiency and the quality of higher education in this state. I believe that he now fully realizes and endorses that we have great universities and we have to support them."

Higher education has nothing to be ashamed of, said Joseph Steger, University of Cincinnati president.

"Higher education in this state has done a tremendous job of being effective, and I think the public has to be aware of that. If they are, I think they will support us."

Paige Mulholland, Wright State University president, said he entered yesterday's meeting concerned about higher education's future and left the same way.

"I'm happy to see that he holds higher education as one of his priorities in the long term. And I'm supportive of his planned program of trying to stick to those priorities and provide for them as we look to the budget in the 1993 biennium," he said. "I think the more immediate question, however, is still open."

Wright State likely will have to lay off some faculty members if higher education doesn't receive some relief, Mulholland said.

"Are we going to be in business in September? Yes sir, we are going to be in business. The question is how serious the damage is and whether it is truly long-term."

Gordon Gee
Ohio State University president
Interim budget OKs spending

By Doug Kampman and Stas Georgiadis
Lantern staff writers

An interim budget approved by the OSU Board of Trustees on the last day of spring quarter will allow the university to continue operating at current spending levels until a new budget can be adopted.

The current budget expires on June 30. Without the interim budget the university could not spend any money, said Leslie W. Flesch, assistant to the vice president for finance.

The university must wait for the state budget to be approved before it can pass a budget on its own. The state budget will not be passed until the end of June, which would not have given Ohio State much time to complete its budget, Flesch said.

The interim budget was passed by the OSU Board of Trustees to allow Ohio State to maintain current spending levels for 30 days. This would allow the university time to create a budget knowing the exact amount the state is going to cut, Flesch said.

"We're looking at scenarios that range anywhere from 7 to 15 to 20 percent cuts from the state," Flesch said. "We don't really know and that's part of the problem."

"(Offices and colleges) were asked to make cut proposals based on an expectation of three, five and seven percent cuts in budget. Apart from that, we're all waiting to see where this thing shakes out," said Edward J. Ray, assistant provost for academic affairs.

When that exact amount of the cuts is known, those proposals will be re-evaluated by each office and college for the details, Ray said.

Flesch said if the cuts are for more than the proposals have been set, a committee would evaluate further cuts this summer for the 1992-1993 fiscal year.

The undergraduate studies wing of Arts and Sciences submitted its proposed cuts at the three, five and seven percent levels. All three levels involved personnel cuts, said Robert M. Arkin, associate dean of Arts and Sciences.

"It's all personnel, personnel, personnel," Arkin said.

In the undergraduate studies wing alone, between one and seven positions could be eliminated, said Arkin.

Arkin said he has received many complaints from students; the maim complaint being that students are not getting into their required classes.

He said the majority of the students have been understanding about the cuts.

"The students have been great. They're complaining about all the right things and it is understandable," Arkin said.
Tax increase fails; cuts to continue?

By Kristin Taylor
Lantern Staff writer

Ohio State will suffer $42 million in budget cuts effective July 1 because state legislative leaders will not agree to raise "sin taxes." "We were, and are, in support of any spirit of agreement that could be reached that would alleviate cuts to the university," said Bill Shkurti, vice president of finance at Ohio State. "If they cannot reach an agreement we would prefer that the governor wait before he makes any cuts. The proposed cuts will cause serious damage to Ohio State and Central Ohio."

Ohio State was planning to trim $80 million from its budget on July 1. The cuts were 6 percent to the colleges and 7 percent to academic support, Shkurti said. Shkurti said the university would continue to plan on those cuts but an additional $22 million would be devastating. If the sin tax increase on alcohol and cigarette products was passed, higher education would not be cut and the 1993 funds would be frozen at the 1992 fiscal year levels, said Jenny Camper, deputy communications director for Gov. George Voinovich.

Ohio Senate President Stanley Aronoff, R-Cincinnati, Senate Minority Leader Habib Bagga, D-Jefferson, House Speaker Vern Riffe, D-New Bremen, and House Minority Leader Corwin Nixon, D-Lakewood, reported the results of the polls they took on their caucus' support of the sin tax in a "summit" meeting at 3 p.m. at the governor's statehouse office.

"My caucus is not interested in a sin tax only, it is a victimization of the working class people of Ohio," Riffe said.

"In my opinion that is not the right time to solve this problem. In December or January we could see if our economic position is better or worse and then we must look at Ohio's whole tax structure to establish fairness," Riffe said.

Voinovich does not agree with Riffe that legislators should wait before imposing cuts or increasing taxes until they see what the economic future holds. Voinovich does not have to have a balanced budget until June 10, 1993.

Riffe called the current tax system unfair and proposed a progressive income tax increase that would give people with $100,000 to $200,000 income per year a tax break. While Riffe's Democratic caucus nixed the sin tax increases, House Republicans said they would support the Governor's proposal. The Democrats hold the majority in the House.

The Senate Republicans, who hold the majority in the Senate, were in support of the tax increase but the Democratic minority was opposed.

"You always project the budget one year in advance. You can't stick your head in the sand like an ostrich," Aronoff said.

"Sometimes the pieces of a disagreement lead to consensus. I am disappointed that we did not come to a solution," Aronoff said.

Voinovich shared Aronoff's disappointment and called the Democratic caucus' decision "political." He cited the upcoming election for the lack of democratic enthusiasm over raising taxes.

"They won't jeopardize their elections and I don't think that's the kind of politics the people want," Voinovich said.

Voinovich also attacked Riffe's proposal to enact a more progressive income tax, that would make taxes for people in the $100,000 to $200,000 per year income bracket pay more. Voinovich does not support such a tax.

"Gov. Celeste, a Democrat, and Speaker Riffe, a Democrat, have been around long enough that if they thought our tax system was unfair, they should have made those changes," Voinovich said.

"This new tax proposal is just a smoke screen, it's not the real issue," Voinovich said.

Shkurti said he remains hopeful that the legislators will reach a compromise or that the Governor will decide to put off cuts before July 1.

"In politics, sometimes never means never and sometimes it doesn't. For the good of this institution, its students, faculty and staff, I hope the university doesn't have to stare at this loss," Shkurti said.
Colleges tremble before budget ax

By Alan Johnson
Dispatch-Busines Reporter

State colleges and universities are bracing for budget cuts that are being described as a "crippling blow." Gov. George V. Voinovich, having thrown in the towel on a $183 million "sin tax" package in the face of Democratic opposition, is preparing to slash $200 million from the state budget through an executive order effective Wednesday.

Voinovich says the cuts are necessary to help plug a $250 million hole in the budget.

About $254 million of the $170 million will come from higher education's $1.8 billion allocation for the next 12 months. That is more than the $183 million cut from all state agencies to balance the budget this year.

Ohio State University and its branch campuses face cuts of $41.2 million from its $294 million instructional subsidy, the basic pool of money received by state universities. That subsidy, in large part, determines tuition levels.

Elaine H. Hairston, chancellor of the Ohio Board of Regents, sounded the budget cut alarm yesterday.

"Ohio's higher education system is in serious jeopardy," Hairston said in a statement. "And when Ohio colleges and universities are in trouble, Ohio's future is in trouble, as well."

Voinovich said the $254 million in cuts, on top of $183 million in reductions over the past two years, will be "a crippling blow."

She said the cuts will return higher education to 1989 funding levels even though state colleges and universities have 37,000 more students than three years ago.

State support per student, adjusted for inflation, will be $3,511 in fiscal year 1993, compared to $4,007 in 1989, a drop of nearly 15 percent, Hairston said.

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"These cuts are like clear-cutting a valuable forest," Hairston said. "You get the firewood but you have nothing to build with in the future."

R. Gregory Browning, Voinovich's budget director, said he still hopes a compromise can be worked out with legislative leaders that would bring in more money through a sin tax hike.

But Browning added, "The clock is winding down. I'm proceeding as if we will have cuts on July 1. If the negotiations come to life, and we can come up with a package, that's great."

State officials remained deadlock over the budget problem following a third budget summit Wednesday involving Voinovich, Ohio House Speaker Vernal G. Riffe Jr., D-Wheelersburg, and Ohio Senate President Stanley J. Aronoff, R-Cincinnati.

Riffe and the House Democrats refused to go along with Voinovich's plan to boost taxes on tobacco and alcohol to help close part of the red ink. Voinovich likewise rejected Riffe's proposal to hike income taxes on wealthy Ohioans to raise $130 million.

Voinovich said after the meeting that he was abandoning the sin tax plan he has touted for months. He blamed Riffe and Democrats for what the administration started calling the "Riffe cuts."

Riffe spokesman Kent Carson said no further budget discussions with the governor are planned. "The governor made it pretty clear it was his way or the highway," Carson said. "The whole idea of a summit was a joke."

In a related development, the governor's lawyers have determined that he has legal authority to make the deep spending cuts. Riffe recently questioned the governor's authority because the cuts are greater than the projected deficit. Voinovich's cuts include some prospective reductions looking ahead into the fiscal year.

Kurt Tunnell, chief counsel to the governor, said after researching the issue and examining budget cuts enacted by previous governors, "We do not see any legal impediment to the budget cuts. The statute gives the governor legal authority. That is about as clear as you can get."
Get ready to hear sad story of job cuts, OSU says

By Lovell Beaulieu
Dispatch Staff Reporter

Gordon Gee, Ohio State University president, likely will paint a dismal picture today when he responds to proposed state budget cuts that could mean the loss of $41.2 million in instructional subsidies and 1,000 jobs at the university.

Gov. George V. Voinovich has said he will cut state aid to universities because state leaders do not agree on how to solve Ohio’s half-billion dollar budget deficit.

A university official said there won’t be any “dramatic surprises” in Gee’s response. But he warned that it won’t be easy for people to hear.

“Virtually every part of the university will be affected,” said William Shkurti, vice president for finance at OSU. “It would mean long-term damage to us.”

Shkurti said university officials are very disappointed that Republican Voinovich and House Speaker Vernal G. Riffe Jr. and his fellow Democrats have not yet agreed on how to raise money that could avert the layoffs and cuts in university services.

Shkurti said the key word is “yet.” But as of now, he said, the proposed cuts mean a dramatic impact on both the university and the economy of central Ohio.

“It’s foolish to think that won’t have an impact one way or the other,” he said.

Shkurti, who met with Gee late yesterday to discuss specifics of the cuts, said they would not be in academic areas. However, support services, including his own office, would be the most vulnerable.

And that eventually would affect students, he said.

“It would mean longer lines and work not getting done,” Shkurti said.

A number of the jobs lost would be vacant positions that would not be filled.

Shkurti said university officials hope elected officials will “rise above short-term and partisan considerations and achieve some sort of compromise.”

“We’re trying not to take sides over the other,” he said. “But the political leadership needs to work together for the good of the state.”
Budget war: Big cuts, heated words

OSU jobs, land might be lost, ticket prices climb, Gee says

By Jonathan Riskind
Dispatch Staff Reporter

Ohio State University President Gordon Gee said yesterday that threatened state budget cuts would mean eliminating university jobs and some services, and increasing prices on such items as football and basketball tickets.

To "safeguard the core academic mission of the university," such steps as eliminating 1,000 jobs could be necessary, Gee said. He wouldn't identify the specific jobs. Some are vacancies that will not be filled, officials have said.

OSU stands to lose $41.2 million in state subsidies of instructional services. Gee pegged the cost of the proposed cuts to OSU's $1.8 billion budget at $57 million, including direct funding to parts of the university in addition to the subsidy.

Gov. George V. Voinovich, having given up on a $1.3 billion "sin tax" package in the face of Democratic opposition, says he will slash $370 million from the state budget — $224 million from higher education's $1.8 billion allocation for the next year — next week to help avoid a $520 million deficit.

Budget cuts could mean layoffs at Ohio EPA / 1C

OSU and other colleges around the state are bearing a disproportionate brunt of the proposed budget cuts, Gee said.

"A short-term solution of immediate budget reductions vs. the long-term damage to the university ought to be weighed very carefully," Gee said.

Saying "funding (the teaching of) Shakespeare" is his priority, Gee said he also is considering:

- Eliminating OSU's $1.3 million subsidy of the WOSU radio and television stations. That is 20 percent of the stations' budget.
- Charging a surtax of perhaps $5 to $10 on football and basketball tickets.
- Ending attempts to land a nationally televised presidential debate in the fall at OSU's Mershon Auditorium.
- Selling or leasing campus land or land near the campus, in Upper Arlington or on the Northwest Side.
- Ending a $280,000 subsidy to

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the University Press, which could shut down the academic publishing house.

Gee said he also may propose raising the tuition hike cap to 9.5 percent, from 7.5 percent. He said he would not advocate tuition increases higher than 9.5 percent.

"We could raise tuition to the 25 percent or 30 percent level, and that would start to cover the loss," Gee said. "That is not the way to do this. We are not going to build a great university on the backs of our students."

Gee coined a way of describing the university’s status if the cuts take effect. Noting that OSU began more than 120 years ago as a totally state-funded institution with no tuition, he said it fell to "state-supported" in the 1930s when budget cuts forced it to start charging tuition. In the 1980s, state funding fell below 25 percent of OSU’s total budget, which Gee said meant the university had become “state-assisted.”

"And I can tell you, if these budget cuts go through, we’ll no longer be state-assisted, we’ll be state-located," Gee said.

Gee drew support from Columbus Mayor Greg Lashutka, who called for state politicians to delay the cuts or agree on a tax.

"I believe it would have a dramatic effect, a chilling effect," he said. "Delay the cuts or raise revenues so as not to have such a death knell to the university that provides for our quality of life and economic vitality."

The governor would prefer not to cut aid to higher education, and he continues to believe that taxes on alcohol and cigarettes are the answer to avoiding deep cuts, Voinovich spokeswoman Jenny Camper said.

But Voinovich isn’t willing to wait any longer for the economy to improve. He believes the deficit must be slashed now, Camper said.

Camper said Voinovich still hopes a compromise can be reached to avoid putting the cuts into effect on Wednesday, the first day of the state’s new budget year.
Ohio State prepares for proposed cuts

WOSU might lose funding from OSU

By Holly Dotin
Lantern staff writer

The loss of the university's annual $1.3 million subsidy would not likely force the WOSU radio and television stations to shut down, said Herb Asher, a special assistant to OSU President E. Gordon Gee.

Without the university's support, Asher said, WOSU would have to attract other sources of funding, which means the stations probably would have to enhance their fund-raising efforts.

Asher said the $1.3 million annual subsidy to WOSU amounts to between 20 percent and 22 percent of the station's annual budget.

"We'd still have WOSU stations, but they'd be diminished," Asher said.

Gee announced the proposed cut to WOSU during a news conference Friday. The proposed cut is among a number of cuts Ohio State will be forced to endure if the state of Ohio slashes an estimated $57 million from the subsidy the state gives the university.

"We're still working hard to head off the budget cuts, but we want to make sure that the legislators of Ohio and the citizens of Ohio hear about the consequences of the cuts ahead of time," Asher said. "Even if they happen, we're still going to be working to change that decision."

The governor has said he will cut the state's budget considerably in an effort to balance it for the new fiscal year. The cuts will be effective July 1, Asher said.

Gee said if the new cuts occur, Ohio State will lose $57 million in instructional subsidies and line-item appropriations.

Asher said instructional subsidies, which are primarily used for teaching expenses, make up about 76 percent of all the money the state gives the university. If the governor's new cuts go through, Ohio State will lose about $45 million in instructional subsidies, he said.

Line-item appropriations are funds used for a more specific purpose, such as clinical and medical activities for the College of Medicine, Asher said. He said the university could lose about $13 million in line-item funds under the new cuts.

Dale K. Ouzts, general manager of WOSU, could not be reached for comment, but he told The Columbus Dispatch that the station would deal with the cuts by shortening its operating hours.

Ouzts said both the AM and FM radio stations would go from operating 24 hours to 18 hours a day. The WOSU television station would cut its broadcasting schedule from 20 to 16 hours a day.

Ouzts told The Dispatch that the station did not plan to eliminate any staff members because it had already reduced its staff by 15 people during last year's cuts.

"We've been around 70 years," Ouzts told The Dispatch. "The university may not be able to support us anymore, but WOSU won't go away."

University Press might be affected by budget cuts

By Jessica Mornin
Lantern staff writer

Ohio State's University Press would have a tough time continuing without the $260,000 subsidy it receives annually from the university, Alex Holzmann, assistant director of the University Press, said during the weekend.

OSU President E. Gordon Gee said Friday that the University Press could fail victim to budget cuts that could cost Ohio State an estimated $57 million dollars in the next fiscal year, which begins July 1.

Holzmann told the Lantern that a little early to have a major reaction to the possible closing because it is still a hypothetical situation.

"We are all waiting to see what happens before the governors and legislators to decide what will happen next," Holzmann said.

The University Press exists to publish scholarly monographs, Holzmann said. These books are of narrow interest and are used to give scholars the opportunity to have their work published. It also gives scholars a chance to develop research.

Because these books are not profitable commercially, university presses are the only places these books can be. Holzmann said there are about 100 presses of this kind at universities nationwide. OSU authors comprise 30 to 40 percent of the authors published at the OSU University Press.

"There are many valuable activities at OSU, but we have to be able to keep our labs and classrooms open and that's a higher priority," said Herb Asher, a special assistant to Gee.

"These budget cuts have consequences."

Asher said the university has been up front with the campus and community about a lot of valuable things that could be lost.

Holzmann said if University Press loses the backing of the university, it would be difficult to continue publishing. He said he hopes the director of the University Press and the OSU administration will be able to work something out.

Closings the University Press is not the only action President Gee is considering. The elimination of the university's financial support for WOSU, a surtax on football and basketball tickets, and an increase in parking and other fees are just a few of the measures that might have to be taken.
OSU feels impact from budget cuts

By Gloria Profusek
Lantern staff writer

Students will pay more for less if budget cuts announced last week hit as hard as expected, said President E. Gordon Gee. Specifically, Gee said, students could see an annual tuition increase in September of 7.5 percent to 8.5 percent.

Students won't be the only ones hurt by the proposed cuts. Gee said budget-cut scenarios indicate the cuts in state support of higher education will have a devastating impact on faculty and staff as well.

The scenarios are under study now that Gov. George Voinovich has announced plans to balance the state budget by cutting state spending by $370 million.

Under the governor's plan, higher education would suffer cuts totaling $224 million. Ohio State's share of the cuts would amount to an estimated $87 million in instructional subsidies and line-item appropriations.

"If these cuts are enacted, the damage to higher education, the people who benefit from it and the individuals who work to make our campus great will be immediate, long-term and dramatic," Gee said at a news conference on Friday.

Gee said cuts will force a drastic reduction in Ohio State's teaching, research and service capability because of the elimination of 1,000 positions. The university must now consider other cost-reduction measures and determine fundraising activities to support core academic programs, Gee said.

Gee said the university will consider terminating Ohio State's pursuit of the presidential debate, selling or leasing university assets, adding a surtax on football and basketball games, increasing parking and other fees, eliminating financial support for WOSU radio and television, and closing the University Press.

"There will also be a tuition increase at the moment," Gee said. "Tuition increase is contemplated at the 7.5 to 8.5 percent level. There's consideration to raise tuition to about 9 to 9.5 percent level."

A reduction in courses and personnel could extend the average four-year undergraduate program to five years, said William J. Skibski, vice president for finance.

Skibski announced Thursday in an official press conference that between 16,000 and 20,000 students annually could be closed out of courses if the university has to scale down to absorb state budget cuts.

"Do not want to be in the position of sending a lot of people out the door in terms of layoffs," he said. "But at the same time, if these most drastic cuts go in, we will have no choice."

University administrators have already developed some plans in terms of what they will be forced to do.

"We have tried to limit the damage to core academic activities from previous budget cuts, and we have made many, many difficult decisions to reduce expenses," Gee said. "But our ability to protect the academic core is limited and cuts of the magnitude ... make it impossible to avoid significant damage to academic quality."

"Some things are more important than others, and now the very important is going to squeeze out the important," Gee said.
OSU gets the shaft again

By Kristin Taylor
and Gloria Profusek
Lantern staff writer

Ohio State was hit with another round of budget cuts Wednesday — the third time since Gov. George Voinovich took office.

"Nobody's seen the trouble I've seen, but Jesus," Voinovich said regarding his third budget cut while in office.

Voinovich announced a $170 million cut to higher education at a news conference Wednesday morning. Higher education will receive 54 percent of the budget cuts announced.

Ohio State will lose about $30 million in instructional subsidies. This is a 9.2 percent cut from the 1993 fiscal year funding level, said Bill Shkurti, OSU vice president for finance.

The subsidy cuts are less than the $42 million, or 15 percent, originally projected because June revenues were $31 million more than projected by Office of Budget and Management and agency spending was $80 million less than allocated as well. Of this $91 million balance, Voinovich applied $53.7 million to relieve higher education cuts.

House Speaker Vern Riffe, D-New Boston, cited this miscalculation as evidence that if the governor would wait,

"Nobody's seen the trouble I've seen, but Jesus."

—Gov. George Voinovich

the economic situation might improve without drastic cuts, said Kent Carson press secretary to Riffe.

Riffe sent the governor a letter early this week urging the governor to wait until December or January to assess the need for action, Carson said.

Riffe refused last week to support the governor's proposed "sin tax" increase because he said it would overburden the working class.

The governor recognized today that the "sin tax" was only a band-aid for a larger problem, but would have delayed budget cuts had the tax increase passed.

"I'm disappointed in the speaker. He is driven only by concern to maintain his speakership," Voinovich said.

Senate President Stanley Aronoff, D-Cincinnati, also sent the governor a letter requesting that he freeze higher education spending at the 1992 fiscal year levels. His proposal would have meant a 7.5 percent cut from the 1993 fiscal year funding levels.

"At least Stan helped. Speaker Riffe, right from the beginning, did nothing but dodging and weaving," Voinovich said.

OSU area Rep. Mike Stinziano, D-Columbus, said he thought the cuts were unnecessary at this time.

"Higher education only accounts for 13 percent of the state budget and received 54 percent of the cuts. This is disastrous for OSU and the economy of greater Columbus," Stinziano said.

Ohio State will also take line item cuts of $15 million which will still be about a 15 percent cut from the 1993 fiscal year funding levels.

See BUDGET/ Page two
More budget cuts

Funds for student organizations on campus have been permanently reduced, but it's too soon to tell what effect the latest budget cuts will have on the funds, said Luke Evans, coordinator for registration and support services of the Office of Student Organization Services.

"As far as the budget cuts go, we don't know what's going to happen," Evans said. "That's going to be worked out in the next 30 days."

There are 518 registered student organizations on campus, Evans said. They can all apply for funds as long as they meet certain criteria.

Evans said there are three basic categories of funding— operating/contingency funding, special events funding and travel funding.

"The idea is for the fund to serve as many students as possible across campus," Evans said. Funding will be provided for special events as long as the event has broad university appeal, Evans said. Special events include things as bringing a speaker to campus and the Renaissance Festival.

-Holly Dotin
OSU buckling down to meet budget cuts

By Tim Doulin
Dispatch Higher Education Reporter

Ohio State University will consider eliminating hundreds of jobs and trimming academic programs and support services to help handle the loss of more than $40 million it had expected from the state.

Higher education absorbed $170 million, or 54 percent, of the $315.7 million in spending cuts to state agencies and programs announced yesterday by Gov. George V. Voinovich. Higher education makes up 13 percent of the state budget and shouldered 39 percent and 29 percent of two previous budget cuts in less than two years.

"The governor said it is hard to believe this is the third time he has had to make a budget cut since taking office," said OSU lobbyist Herbert B. Asher. "It is hard for us to believe that this is the third time higher education has taken a disproportionate share of the cuts."

Preliminary figures from the Office of Budget and Management show OSU will not receive an expected $29.4 million in instructional subsidy to the main campus and four regional campuses or more than $41 million in line-item support to the Arthur G. James Cancer Hospital and Research Institute and other programs.

Colleges and universities will receive about $88.7 million less in instructional subsidy than they received in fiscal 1992. OSU will receive about $14.65 million less in subsidy than last year and more than $5 million less in line-item support.

In a statement released yesterday, OSU President Gordon Gee, who was in France, said, "I remain equally resolved that these cuts will be allowed to do the least amount of damage as possible to core academic activities such as teaching, research and the quality of student life.

"We are making many tough decisions internally to increase our efficiency and productivity, to lower costs and raise revenues." Specifics on how the university will handle the cuts are expected to be announced when the OSU trustees meet July 10, said William J. Shihuri, OSU vice president for finance. "Our rough estimate is 500 to 700 positions will be eliminated. We hope by the July 10 meeting to have an estimate as to how many will involve layoffs," he said.

Additional layoffs could take place at the Ohio Agricultural Research and Development Center and in line-item funded programs, Shihuri said.

In anticipation of the cuts, Gee said last week that the university was considering such measures as selling land and adding a surcharge to basketball and football tickets.

"We are looking into those things, but that is not going to happen right away," Asher said. "We are going to be looking at making decisions about programs and people before we start talking about surcharges on tickets and disposing of land."

Many people believe talk of selling such properties as the OSU Airport and golf course was a ploy by Gee. University officials acknowledged that significant roadblocks stand in the way of unloading such properties.

The 235-acre golf course and most of the 1,376-acre airport are titled in the name of the state, making sale of the properties would require approval by the state legislature, university officials said.

In addition, the Federal Aviation Administration would have a say in the fate of the airport, the fourth busiest in the state. OSU officials also do not know whether money from state-titled property would stay at the university or go back to the state.

"We are looking at the legal questions," Asher said.

OSU also backed off its claim that it might abandon attempts to land one of the nationally selected presidential or vice presidential debates in the fall.

The university was assured yesterday that the $500,000 pledged by Leslie H. Wexner, founder and chairman of The Limited and an OSU trustee, for hosting a debate would cover virtually all of the costs, OSU spokesman Malcolm Baroway said.

Based on that information, the university still is bidding to have a debate held in Mershon Auditorium, Baroway said.

"OSU was not the only school hit by the cuts. Columbus State Community College expects to get about $4 million less from the state than promised for fiscal year 1993, President Harold Nestor said.

"We have decided not to take any action until we know exactly the money we will receive," he said. "I'm in agreement with my colleagues that cutting higher education and limiting access when global competition is very keen is a mistake and it will be detrimental to all the colleges and universities."
State job cuts will ripple through economy

By Barnett D. Wolf and Phil Porter
Dispatch Business Reporters

The loss of jobs as a result of state spending cutbacks will have a "significant ... negative impact" on Columbus as the cuts ripple through the economy, Mayor Greg Lashutka said yesterday.

Officials estimate between 900 and 1,700 state government and Ohio State University jobs will be lost in central Ohio as the result of Gov. George Voinovich's decision to slash state spending by $315.7 million.

"In Columbus, it's likely to kick us in the teeth pretty good," said James Newton, a professor of economics at Franklin University and president of Economic Perspectives Inc., Delaware, Ohio.

Lashutka said the expected reduction of jobs at OSU means a "significant loss of income for the city," and the problem "will be compounded" by reducing the number of state government jobs in Columbus.

A loss of 1,000 full-time jobs would cost the city some $500,000 in income taxes, estimated William E. Holley, executive vice president for economic development for the Columbus Area Chamber of Commerce.

"That does not include other impacts to the economy, such as the so-called multiplier effect," in which every lost job results in additional job losses and reduced retail sales, Holley said.

But economists were reluctant to estimate the size of the ripple effect. "Anyone who says they know what the effect will be should be checked out for controlled substances," said Howard Marvel, an economics professor at OSU.

Even so, the likely job reductions could mean an increase of 0.1 percent to 0.2 percent in the unemployment rate of Franklin County, which in May had the lowest jobless rate in the state at 3 percent.

According to the Legislative Budget Office, the average state worker as of March earned $13,857 per hour or $36,062 per year with benefits. At OSU, the average is about $30,000.

A loss of 1,000 full-time jobs would cost the city some $500,000 in income taxes.

OSU officials are still attempting to determine the exact number of jobs that will be eliminated, but they're putting the number of lost positions at 600 to 700.

As for state government, the likely job cuts in Columbus range from estimates of "hundreds" by the Office of Budget and Management to as many as 1,000 by the Ohio Civil Service Employees Association.

The actual number will depend on how state agencies and universities choose to cut spending, said Sam Nemer, an OEM economist.

Even though the state budget is being cut by $370 million, Paul DeMaro, assistant director of OBM, said more state money will be spent in fiscal 1993 than 1992, so $370 million is not being deleted from the economy.

A shortfall in income tax last year forced Columbus to lay off some employees, and the latest state cutbacks will "accelerate that next year," Lashutka said. "We're going to have to steer through murky waters" in developing a budget to send to City Council in November.

While $500,000 does not seem like much in terms of Columbus' $300 million annual budget, the mayor said since spending already has been cut to the bone, the dollars just translate into hundreds of lost jobs.

Although the short-term effect will be harsh, Huntington National Bank economist James Coons said the reductions could have a positive long-term effect.

"It frees up money that can be used in the private sector," which he said is much more efficient with its resources.
OHIO STATE REALLOCATES FUNDS TO PROTECT STUDENT INSTRUCTION

COLUMBUS -- The Ohio State University Board of Trustees emphasized protecting key academic programs and student services in the 1992-93 fiscal year budget adopted Friday (7/10). The $1.278 billion budget gives priority status to opening up 16,000 additional seats for students in previously closed classes, supporting the undergraduate curriculum, and providing scholarships for high ability students.

To fund those and other priorities and to compensate for a cut in state support of about $44.8 million, reductions averaging 5 to 7 percent were made in the base budgets of units across the university and tuition was raised by 7 percent.

"Above all else, our goal is to protect Ohio State's academic core," said William J. Shkurti, vice president for finance. "This means no pay raises, the loss of up to 1,000 jobs, and a 7 percent tuition hike. And, even after that, we still need to find up to another $10 million to meet the rest of the state cuts."

The trustees authorized President E. Gordon Gee to identify an additional $10 million in budget cuts or revenue increases by mid-January.

- more -
The reduced state aid includes an expected $28.8 million loss in instructional subsidies and a $15 million loss in special programs funded by the state in separate line item accounts.

The university is compensating for roughly $23.5 million of this shortfall through internal reallocation of unit budgets, Shkurti said.

In outlining Ohio State's priorities, Gee acknowledged the frustration felt by students and their parents when there is not enough room in required and recommended courses for all the students who wish to enroll in them.

"We have an obligation to do all we can within the constraints of our budget to give some relief in this area," he said. "To that end, we are setting aside $1.5 million to better meet the needs of high demand courses. This translates into about 16,000 seats in these classes."

In addition, fees were added or raised for some services in the offices of Admissions, the Registrar, and Student Affairs to generate $500,000 to protect services directly affecting students. Examples are increased prices for transcripts, admission applications and lockers, charges for activity passes for dependents of employees, and team fees for intramural sports.

The General Fund, which supports student instruction and related expenses, will decrease by $9.9 million from last year, even though the overall university budget is 3.2 percent higher than last year's total of $1.23 billion. The total increases income from the hospitals and other restricted areas, such as auxiliaries and sponsored research. These units are self-supporting and can neither contribute to nor receive money from the general fund, which supports the basic academic portion of the university.

Gee said the tough decisions adopted Friday will be felt well beyond the university's campuses, but that Ohio State will work tirelessly to advance the quality of the university.

"There is no lessening our resolve not only to sustain this great university, but to continue to move it forward." he said.

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Contact: Joan Huber, senior vice president for academic affairs and provost, 614-292-5881, or William Shkurti, vice president for finance, 614-292-9232.
OSU board gives budget cuts OK

By Tim Dubin
Dispatch Higher Education Reporter

Most Ohio State University faculty and staff members will go without pay raises this year, at least 100 main-campus staff members face job losses, and students will pay at least 7 percent more in tuition.

Gordon Gee speaking of OSU cuts

"I would rather not make the kind of reductions we now face, but I have no choice. . . . The budget . . . will protect the academic core."

percent to 7 percent in base budgets of university units, although some were hit harder than others. The graduate school administration, for example, had its budget slashed 15 percent while no cuts were made to the honors center.

OSU set aside about $1.5 million to help alleviate the growing problem of students being closed out of courses. The money will be used to pay for additional sections of courses in high demand by students.

"I would rather not make the kind of reductions we now face, but I have no choice," said OSU

Please see BUDGET Page 2A
President Gordon Gee.

"Make no mistake, the budget we are passing will protect the academic core."

Most of the 20,000 regular university employees will go without pay raises, including Gee who earns $160,425 a year. It is believed to be the first time that has happened since the Depression.

About 3,500 union employees who are working under previously negotiated multiyear contracts will receive raises of up to 4 percent, and about 100 faculty members who received merit promotions will get pay increases of about 6 percent.

"In cases where the university has discretion, there will be no pay increases," said William J. Shkurti, vice president for finance.

"In fact, for those people getting no raises, the take-home pay will go down because additional money will be deducted for health insurance and other things."

Shkurti added that the university had been "able to do some kind of salary increase every year since the Great Depression."

About 500 to 700 faculty and staff jobs will be eliminated on the main campus. All but 100 of them will be eliminated through attrition.

Seven members of the Office of Continuing Education already have been let go, but the university is in the process of deciding who else will be cut. Most layoffs will occur over the next three to six months.

The board did not vote to eliminate specific departments or programs, such as the OSU's Emergency Medical Service and Fire Prevention department, which was told earlier this week it would likely be cut.

"Those matters will be handled through administrative channels and then brought forward to the board," Shkurti said.

Another 300 positions will be eliminated on branch campuses and from those receiving separate funding from the state. Among the hardest hit will be the Cooperative Extension Service and the Ohio Agricultural Research and Development Center.

Tuition will be increased 7 percent across the board. An Ohio resident undergraduate attending the main campus will pay $2,748 a year, an increase of $180, and graduate students from Ohio will pay $3,894, up $255. Non-resident undergraduates will pay $8,142 a year, an increase of $534, and non-resident graduate students will pay $10,689, up $660.

Tuition increases could be increased another 2 percent, if the state decides to raise the tuition cap to 9 percent or $225 a year. That could happen as early as next week. Bumping tuition an additional 2 percent could generate another $2.5 million, Shkurti said.

The plan should cover the bulk of the cuts, but OSU is readying contingency plans to increase revenues and reduce expenses by $10 million. That could result in the elimination of another 250 positions, the sale of university assets and elimination of departments.
Board of trustees approves new budget

By Gloria Profusek
Lantern staff writer

Ohio State's 1992-1993 budget plan is a give-and-take proposal that creates a win-win situation for OSU students, faculty and staff.

The university's fiscal year 1992-1993 budget of $1.28 billion was approved Friday by Ohio State's Board of Trustees. The budget outlines plans for resolving the $44.0 million shortfall in state support.

William J. Shkurti, vice president for finance, said budget cuts will be implemented in a two-phase spending reduction process to offset the $20.0 million cut in state instructional subsidy.

The first phase of OSU's budget reduction plan will be implemented before September, Shkurti said. It will reduce Ohio State's 1992 base budget by about $20 million.

Phase two will be implemented before mid-January. This phase will identify additional cuts or income scenarios of up to $10 million.

"We have stopped short of developing a full $33 million in cuts," Shkurti said. "The moves (proposed) will save $23 million, but we could have come up with another $10 million."

The reduction in state support forced some departments to face cuts more than $1 million, Shkurti said. Those departments include the College of Humanities, College of Math and Physical Science, College of Engineering and the College of Medicine.

Business and Administration also received a substantial cut to its budget. Its $16.7 million budget was reduced by 7.3 percent or $2.68 million.

The Graduate School, Cognitive Science, Continuing Education and Teaching Excellence units received percentage cuts of 15 percent, 10 percent, 26.16 percent and 24.7 percent, respectively. Collectively, those units lost $1.19 million.

The Current Funds Budget report stated that further reductions include the immediate elimination of between 500 to 7000 positions, a tuition increase of 7 percent, an increase of 6.3 percent in student fees, and a salary freeze for faculty, civil service and administrative and professional employees.

All 300 faculty and staff positions will be eliminated and between 500 to 4000 undergraduate and graduate student assistantship positions will be eliminated. Another 500 additional positions will be eliminated when phase two goes into effect.

"There will be layoffs involved throughout the university over the next couple of months," Shkurti said. "We will try to place people in positions being eliminated in other parts of the university."

The Board approved a 7 percent across-the-board tuition increase to generate about $14 million in revenue for Ohio State beginning Autumn Quarter 1993.

With the 7 percent increase, tuition See BUDGET/ Page two
Officials make 3-prong attack on fiscal fizzle

Ohio State’s instructional subsidy for fiscal year 1993 has been reduced by $29.8 million. An additional $15 million has been cut from line items such as some College of Agriculture programs.

To offset the cuts in instructional subsidy entirely by raising tuition would require a 20 percent increase. Instead, there will be a 9 percent tuition increase and a two-phase spending reduction. For several line-item programs, deep cuts will be implemented.

Figures in this summary are estimates and subject to change.

**Institutional Subsidies: Phase I**

- Reductions of $23 million
  - No pay raises for most faculty and staff. Immediate loss of 500-700 positions, including:
    - 100 regular faculty, 200 regular staff (with 50-100 layoffs — not including reductions for agriculture and line items), and 200-400 student positions including, graduate assistantships.
    - Reductions of varying sizes in programs across the University, including the regional campuses. At the Columbus campus, for example:
      - 24 percent reduction to Center for Teaching Excellence (but no cuts to services in direct support of teaching).
      - 21 percent reduction to continuing education, which eliminates non-credit programs.
    - 15 percent reduction to Graduate School administration.
    - 12 percent reduction to Development, which will reduce ability to generate external funding.
    - Elimination of general funds support for the Hospitality Management Program in the College of Human Ecology.
    - Reducing the number of additional Young Scholars from 400 to 300.
    - Dropping floor cleaning for hard surfaces from weekly to quarterly. Carpets in public areas cleaned semi-annually or as needed.
    - Cleaning of entryways, corridors, stairwells and classrooms every other week instead of daily. (Offices already become cleaned only weekly.)
    - Elimination of mowing of 16 acres of grass and reducing grounds maintenance and litter control by 40 percent. Elimination of 35 of 66 flower beds.
    - Elimination, consolidation or restructuring of other administrative units.
    - Increasing students fees.
    - Applications, alumni and users of athletic facilities will pay $350,000 in fees for the following services:
      - Medical, Dental, Health Insurance.
      - Continuing Education.
      - Faculty Development.
      - Athletic Facilities.
      - Student Health Center.
    - Applications, alumni and users of athletic institutions will pay $350,000 in fees in the offices of the Registrar, Admissions and Student Affairs.
    - Increased charges for transcript requests, application fees and participation in intramural athletics.

**Institutional Subsidies: Phase II**

Further identification of ways to increase income or reduce expenses. This phase will be implemented no later than mid-January. It involves identification of up to $10 million in additional income or spending reductions. Alternatives to further reductions to academic units are under consideration. These include:

- Elimination of up to 250 additional positions.
- Elimination or reduction of general funds support to WOSU stations.
- Sale or lease of University assets.
- Surcharge on admission to athletic events.
- Merger, consolidation or elimination of additional administrative units.

**Summary of Departmental FY 1993 Budget Cuts**

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<th>COLLEGES</th>
<th>Budget Base</th>
<th>Percent Cut</th>
<th>Budget Cut</th>
<th>ACADEMIC UNITS</th>
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<th>Percent Cut</th>
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<td>$10,051</td>
<td>10.4%</td>
<td>1,037</td>
<td>Young ScholarsProgram</td>
<td>1,177</td>
<td>0.00%</td>
<td>0</td>
</tr>
<tr>
<td>Total College</td>
<td>$29,421</td>
<td>5.12%</td>
<td>$1,270</td>
<td>Total Academic Units</td>
<td>$34,086</td>
<td>9.26%</td>
<td>$1,769</td>
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</tbody>
</table>

**APAC INSTRUCTIONAL SUPPORT AND BOARD OF TRUSTEES**

| President(7) | $1,762 | 7.50% | $132 | HumanResources(9) | $5,200 | 7.30% | $380 |
| LegalAffairs(8) | $760 | 10.00% | 75 | Communications | $1,500 | 8.00% | 122 |
| Finance | $5,916 | 7.50% | 444 | Development | $5,933 | 12.00% | 712 |
| Research | $11,876 | 5.00% | 594 | Business and Administration | $7,193 | 7.70% | 2,680 |
| StudentAffairs | $9,148 | 5.50% | 503 | Board of Trustees | 260 | 6.50% | 16 |

**Total Academic Support Units and Board of Trustees**

| President(7) | $5,019 | 7.50% | $377 | President(7) | $7,958 | 7.50% | $377 |

**How budget decisions are made…**

- University administrators weigh the following criteria when deciding what gets cut out.
- **Student demand/instructional responsibility** — undergraduate, graduate and professional.
- **How many credit hours are taught by faculty or instructional staff.**
- **Advising responsibilities**.
- **Program excellence**.
- **Level of quality of research/teaching/service.**
- **Centrality to University mission**.
- **Role in core curriculum**.
- **Breadth of service to University interdisciplinary involvement, and present and future contributions**.
- **History of budget management**.
- **Quality of proposal with respect to the academic core of the unit.**
- **Relation to strategic plans**.
- **Relation to program review plans of action**.
- **Impact on University**.
- **Course close outs**.
- **Recruitment and retention of high ability students**.
- **Research capacity and generation of research dollars**.
- **Generation of subsidy dollars**.
- **Impact on service capacity to the state and professions**.
- **Employment of graduate assistants, students on wages and staff**.

**Instructional Subsidies and Line Items**

The Board of Regents approved the following budget cuts last week.

**INSTRUCTIONAL SUBSIDIES**

- Columbus $272,898,225 | 10.5% | 28,613,762
- Lima 2,103,343 | 10.5% | 220,851
- Mansfield 1,944,070 | 10.5% | 204,211
- Marion 1,555,658 | 10.5% | 163,344
- Newark 2,116,880 | 10.5% | 222,272
- Wooster (ATTI) 3,904,362 | 10.5% | 493,960

**LINE ITEMS**

- Ohio Sea Grants 207,000 | 9.5% | 19,751
- Supercomputer Center 3,960,000 | 19.5% | 770,200
- OCES 15,656,185 | 19.5% | 3,026,856
- LEP 594,000 | 100.0% | 594,000
- OARDC 22,285,761 | 19.5% | 4,948,308
- ClinicalTeaching 14,581,362 | 10.5% | 1,531,043
- James Cancer Hospital 2,348,775 | 19.5% | 458,011
- Clinic Support 851,832 | 19.5% | 166,602

**Source:** Office of Budget Planning and Management

**Budget base is FY 1992 appropriations as of 6/1982**
Making sense of percentage mess

By Tom Spring

Ohio State’s instructional subsidy is being cut 10.5 percent — or is it 5 percent? Trying to figure out the reductions in state support to higher education, and Ohio State in particular, can be confusing.

The 10.5 percent figure is based on what the Ohio Legislature appropriated last summer for fiscal year 1993. Herb Asher, special assistant to the president and the University’s chief lobbyist, stresses the significance of the revised appropriation, because it becomes a new, lower base from which discussions begin next year on the 1994-95 state biennial budget.

The 5 percent figure, on the other hand, represents a reduction from what the University actually received for the year that ended June 30 — a year that featured major reductions Dec. 31 as the state instituted cuts to balance that budget.

A caveat must be added, however. The percentages of reduction are estimates and based on instructional subsidies. Those subsidies are based on actual summer and autumn 1992 enrollments and will not be known until sometime in October at the earliest.

In addition, there has been some discussion among higher education officials of a compromise method of subsidy distribution. The new method would compare what universities received last year and what they are getting this year.
OSU to aid laid-off staff, faculty

By Cathy Baughman
Lantern staff writer

Ohio State will try to provide individualized counseling and support groups to hundreds of faculty and staff who will lose their jobs after the state budget cuts.

Linda Tom, vice president for human resources, said many people will be affected by the budget cuts, and the university wants to make the transition as smooth as possible.

Linda Stoer-Scaggs, chairwoman of the University Faculty/Staff Assistance Program, said her department will be able to assist people for short-term counseling and help them find support groups for long-term care, if needed.

Faculty and staff are welcome on a drop-in basis for individualized counseling, Stoer-Scaggs said.

“Our goal is to help people find other resources and options in their life,” she said. We will let the individual know they are not alone and help them look at other possibilities, she said.

Tom said this is a tough time for Ohio State, and it is the university's goal to make the transition as smooth as possible for those employees directly affected by the budget cuts.

Stoer-Scaggs said the counselors will devote themselves to this referral and assessment program by providing as much service as possible to affected employees. The counselors are certified staff members with master's degrees, she said.

Tom said there is a process and a list of procedures college deans and department heads must follow to evaluate the needs and goals of all the departments and decide what and who is vital in making each program work at a minimal level.

In the first phase of budget cuts, 500 positions will be eliminated or not filled, Tom said.

The human resources department will review each department and college to make sure certain guidelines have been followed, Tom said.

It is important to keep the morale of the university as high as possible, and once people realize cuts must be made, the university will go on with business as usual, Tom said.
City, economy will feel pinch of belt tightening at OSU

By Barbara Carmen, Tim Doulin and Jonathan Riskind
Dispatch Staff Reporters

Ohio State University's money troubles are coming to town.

From the mayor's office to neighborhood front porches, central Ohioans are jittery about the impact of recent state budget cuts that prompted the university to zap $20 million from its budget for the Columbus campus.

Overall, OSU's six campuses will take a $45 million hit from state funding levels expected for fiscal 1993, which ends June 30. The school is eliminating up to 1,000 jobs, 700 on the main campus.

"You have such a large organization that means so much to the community that when it faces trouble, it's hard for that trouble not to cross the street into the city," said Mark Hatcher, director of The University District Organization.

OSU, long a bastion of vitality for central Ohio, faces cutbacks that pose threats on several fronts:

- Efforts to lure new businesses could be hurt. Industries and professional organizations look to universities for a pool of qualified employees and a brain bank for research and development. "For recruiting businesses to the city, and for retaining business, the university is obviously a very valuable asset," Columbus Development Director George Arold said.

- Spending money will be tight for students and laid-off employees. "The local economy will be affected in that the people who would have filled those (700) jobs won't be buying houses or shopping in stores or buying cars," said William J. Shihuri, OSU vice president for finance.

- Fewer jobs mean lower tax coffers. For the city of Columbus, losing 700 jobs paying an average salary of $30,000 means $229,000 less in annual income taxes.

"If you lose that spending power, that hits you all around," Deputy City Auditor Joe Huston said. "The people who work at the university spend money in Columbus. It's a ripple effect." Many services cut by the university will have to be picked up by others. For example, a proposal to eliminate the $300,000 annual budget of the university-run Emergency Medical Services means Columbus Fire Division emergency squads will have to take on more runs.

"My squads in that area are already maxed out," Fire Chief H.J. Datko said. "I just cannot absorb any more." OSU's ability to act as a magnet to draw bright young people, many of whom later settle in Columbus, will diminish if tuition increases turn students away. "I grew up in Cleveland. As much as I like Cleveland, I'm in Columbus, Ohio," said Columbus Mayor Greg Leach.

The concern is almost palpable among some groups and leaders because Ohio State is a good neighbor that supports numerous projects, such as the Student Union, that make the city more livable. When that neighbor has financial worries, others also worry, Hatch said.

For Hatcher, the university "is a $25,000 annual stipend OSU provides in two-thirds of the group's annual budget. With that money, the group helps the city map out neighborhood planning guidelines that determine zoning and quality of life. It organizes neighborhood beautification efforts and targets community pride campaigns. The group has not been notified its money will be cut, but members are nervous.

William J. Lhota, chairman of the Columbus Area Chamber of Commerce, predicts OSU's budget cuts will reach far beyond the immediate slashes that will bring layoffs and fewer services. Lhota is worried about long-term effects of cutting education.

"My concern is a global concern," Lhota said. "The emerging industries are all brain power industries: computers, machine tools, aircrafts, biotechnology. Anything that negatively impacts the educational level and the higher educational level of our citizens puts us at a disadvantage."

Lhota believes OSU will continue to help draw new business. The cuts probably will not soon place OSU in the category of a "second-rate" institution in the eyes of the corporate world. In fact, some companies concerned with a state's tax structure may be impressed that the state is willing to make such cuts to balance the budget, he said.

Of the 700 main campus jobs being cut, about 300 are regular faculty and staff positions. The rest are relatively low-paying student positions, including graduate assistantships.

Most of those 700 positions will be eliminated through attrition. Only about 75 staff members are expected to be let off.

"State Sen. Eugene J. Watts, R-Bucyrus, said the cuts are painful but "are not at the level of catastrophe."

Watts said the effect will be spread across the state. He noted the OSU-run Ohio Agricultural Research Development Center in Wooster will suffer a large part of the cuts and affect the OSU College of Agriculture.

Cuts hurt everyone

University officials, however, contend the local economy will feel the pinch. Most OSU employees did not receive a pay raise this year, meaning their take-home pay will be less because additional money will be deducted for health insurance and other things.

"They will still be here paying the rent and those kinds of things," Shihuri said. "But they will think twice about buying a new car and going to a nice restaurant."

OSU employs about 29,000 people and has an annual payroll of $491 million. More than 1,300 employees make more than $50,000 a year. OSU employees paid about $26.5 million in Columbus and Ohio withholding taxes in 1991, the university said.

Many of the employees live in the northwestern part of the county, Shihuri said. "I don't want to make the argument that the development in that area would stop, but it could be that growth won't be as great as it otherwise would be," he said.

Research is at risk

OSU generates more than $155 million in external research a year, mostly through grants from the federal government, private foundations and corporations. OSU argues that Ohio businesses benefit from that research. The average faculty member generates about $40,000 in external support for research, Shihuri said.

"One of the areas in which we bring money back into the state is federal research. The fear is cuts on OSU and other public universities will set us back," Shihuri said.

The state cut in half a $16 million appropriation for the state's Research Challenge Program, which is intended to improve and expand research at Ohio's colleges and universities. OSU will lose about $4 million in funding for the program, officials said. The money helps the faculty compete for additional funding.

"For every $1 we spend in research challenge money, we bring in $10 or more," said Edward P. Hayes, vice president for research at OSU. "Over five years, that is going to have about a $40 million impact."

Fewer research dollars mean fewer salaried graduate students, technical staff members and postdoctoral fellows, Hayes said. "Of course, they pay taxes and buy things in the community."

Graduate students and postdoctoral fellows carry technology into Ohio's private sector after leaving the university, Hayes said.

"Wow, there will be fewer trained people in high-technology areas to go into Ohio industry and share that knowledge and that is a very important thing that we transfer knowledge to the state," Hayes said.

Nationally, high-technology companies have looked at the higher education environment in deciding where they will locate, university officials said.

"Many employers who are here come in part for the relationship and location of the university," Shihuri said. "You just don't know how many employers may be looking at coming to Columbus, then will decide not to."

City could feel strain

Lhota fears OSU cuts will put a strain on city services at a time when the city itself is making layoffs.

"With cutbacks at the state (government), we have a double whammy to the city," he said.

"We're not sure of how much impact the cuts will have yet. We're still evaluating it. But if they're talking about cutting the police force, who knows? They could cut anything."
The Voinovich administration and the Ohio General Assembly are trying to help some money-strapped state colleges and universities by modifying this year's distribution formula to take the edge off severe budget cuts.

State funds could be doled to Ohio's 62 higher education institutions under a compromise formula worked out between associations representing the universities and the community and technical colleges.

State Budget Director R. Gregory Browning yesterday said his agency has an attorney general's opinion affirming the administration's authority to change the distribution.

The revised formula will be sent through the legislature. Matthew V. Filippic, a vice chancellor of the Ohio Board of Regents, submitted it to an Ohio Senate Finance subcommittee yesterday.

Filippic said the normal distribution formula, driven by enrollments, magnifies large cuts received by universities with stable enrollments, including Ohio State University. "This seems to be the most rational solution to the problem," Filippic said. "The pain will be distributed in an equitable way."

Instructional subsidies have been cut by 3.2 percent from last year, to $1.157 billion for this fiscal year.

William J. Napier, a vice chancellor of the regents, said the original formula would be put into play. Then half the gains made by the growing institutions would be sent to the stable institutions to compensate for losses.

The result is that based on preliminary enrollment estimates, OSU will receive $246.2 million instead of the $243.9 million allocated after the cuts imposed July 1 by Gov. George V. Voinovich. OSU received $256.8 million last year.

"We are supportive of the change, over the short run, as a way to fairly allocate resources in a difficult budget year," said William J. Shkurti, OSU vice president for finance. "Over the long run, we still need to take a look at the formula and the way it works."

Columbus State Community College, one of the fastest-growing institutions in the state, will receive $18.4 million, about $700,000 less than under the normal distribution formula but $50,472 more than it received last year.

David Patton, Columbus State spokesman, said his institution supports the change if it will help keep higher education stable, but he expects enrollment to increase by 18 to 20 percent in the fall, and thus the compromise could cost the school more.

"If they apply the 50-50 concept, we will go along with it, but we won't be real happy with it if we are cut beyond the 10.5 percent we've already been cut," he said.

Sen. Theodore M. Gray, R-Upper Arlington, chairman of the Finance Committee, said he expects the revised formula to be part of Senate Bill 359, a budget corrective bill aimed for passage in the fall.

A similar compromise had to be arranged last year after the budget passed in July. Lawmakers and the administration took $11.9 million intended for grants to part-time students and redistributed it to help cover losses by the big universities.
Keep your own ships afloat, say Huber, Shkuruti

By Tom Spring

University colleges and offices will have to live within their means.

That’s the latest word from Joan Huber, senior vice president for academic affairs and provost, and William J. Shkuruti, vice president for finance. Academic colleges, departments and offices that incur a deficit will have to develop reduction plans and meet their targets, or risk being subjected to corrective actions and selective controls over their spending.

In recent years, a handful among about 120 departments have run into the red at the end of a fiscal year, according to Huber. A report listing the exact number is expected in September.

The number includes the Office of Academic Affairs, which Huber has headed since March. Huber reduced staff as one way to erase the office’s deficit.

"President Gee and I agreed when I took on this job that we would reduce the number of associate provosts from five to four, and this would require that we simplify the tasks that have been assigned to associate provosts," Huber says. In addition, two secretarial staff positions were abolished.

She is anticipating additional organizational changes to reduce spending.

"We’ve had to streamline what this office had been doing. It was all good work, but the necessity of work can be ranked. We had to do more important tasks and stop doing some of the less important tasks."

Continued on page 5.

Continued from page 1.

Three of the associate provosts retired, one stayed in the provost’s office and one elected to go back to teaching. One staff member found a new position on campus within four days. The other is still looking.

Shkuruti says that while there were University policies on deficits in the past, they were never in writing and enforcement was uneven.

Under the new rules, units with cash deficits exceeding annual continuing resources at the end of the fiscal year will have to develop an approved deficit reduction plan by Dec. 1. The rule applies to those whose deficit exceeds resources by 10 percent or $100,000, whichever is less.

The offices of Academic Affairs and Finance will approve the college plans. Plans for vice presidential areas must be approved by Finance and the President’s Executive Committee.

Units without an approved plan and those failing to meet a previously defined reduction target will be considered to be in financial stress and subject to corrective actions.

Corrections may include selective controls on hiring, travel, or equipment and furniture purchases until a deficit reduction plan is approved or modified. The University will charge interest on loans covering the deficit.

Units that fall under the deficit criteria will be notified by Sept. 1. A report of units in financial stress will be presented to the Fiscal Affairs Committee of the Board of Trustees by Jan. 1. Academic Affairs will be the first to submit a plan.

Shkuruti says some colleges and departments incurred deficits as a result of unforeseen shifts in enrollment or cuts in external funding.

While the problems are understandable, the vice presidents say further deficits will only worsen Ohio State’s already severe budget problems.

Shkuruti adds, "We recognize these (deficits) may happen in the short run, but over the long run resources have to fit expenditures or the whole University is going to be in trouble.

"We aren’t at that point and we don’t want to get there."
OSU’s Gee is calm despite prediction of more state cuts

By Tim Doolin
Dispatch Higher Education Reporter

Ohio’s university presidents are being warned to brace for another round of cuts in state support in January, but Ohio State University officials aren’t pushing the panic button.

In a meeting earlier this week, Matthew Filpke, Ohio Board of Regents deputy chancellor, briefed the presidents on the state’s sluggish economy and recommended taking steps to prepare for further reductions in state subsidies.

“They ought to be doing something,” Filpke said yesterday. “For a manager of an institution, it is reasonable to be planning for some sort of cut.”

He said that July and August state revenues were lower than expected and economic forecasts are not promising. However, he would not speculate on the size of the cuts to higher education.

“There isn’t any way to do that. To answer that question, you have to know how the economy will perform and the amount of revenue that will be coming into the state over the next couple of months,” Filpke said.

Although there are many unanswered questions about the economy’s future, “we know enough to be concerned,” Filpke said.

“The last month or so there have been a series of pessimistic reports on the economy. If it doesn’t grow, even sluggishly, there will be problems,” he said.

But Gordon Gee, Ohio State University president, expressed optimism about the future of the state’s economy.

“It is wise to be in the business of ‘forewarned is forearmed’ but my belief is we are going to get the support we need from the state,” Gee said.

He said he is always concerned about the budget but is still dealing with the $170 million cuts in state support to higher education announced in July.

Those cuts cost OSU about $45 million in expected revenue for the fiscal year, including about $30 million in money for instruction.

Earlier this summer, OSU announced a reallocation of its internal budgets to cover about $23 million of the lost instructional subsidies. Among other things, OSU eliminated about 700 jobs on campus, mostly through attrition.

OSU is considering further budget cuts or revenue increases to be announced by mid-January.

“We are working to solve that problem, and then we will work with the state so not to incur any further budget cuts,” Gee said.

Higher education has lost about $274 million in state support from three budget cuts since February 1991. University presidents have complained that higher education has been forced to absorb a disproportionate share of the cuts.

Although higher education constitutes 13 percent of the state’s spending, the state colleges’ and universities’ share of the three cuts have been 39 percent, 29 percent and 54 percent, respectively.

Voinovich has indicated that future budget cuts would be applied more broadly.

“I guess because we have taken a disproportionate share of the cuts in the past, I would not expect any more cuts,” Gee said.

Colleges and universities have tried to deal with past cuts by leaving faculty and staff vacancies unfilled and eliminating some support programs on campuses.

“With further cuts, I have to believe a lot of institutions are getting close to not only laying off support staff, but faculty,” Filpke said.

“They would delay doing that because you need faculty to teach students. But you also have to pay the bills.”
New committees to tackle short- and long-term plans

By Tom Spring

Ohio State has developed two ways to meet its short-term and long-term program and budget needs: groups to identify ways to balance the current budget, and a new University Priorities Committee to link budgets with academic planning.

Work teams, headed by vice presidents, will identify ways to trim an additional $7.5 million. The cuts are part of a plan approved by the Board of Trustees in 1991-92. The $7.5 million does not include further reductions that may occur if state tax revenues don't meet expectations.

The work teams' recommendations will be reviewed by the University Senate Fiscal Committee, the University Staff Advisory Committee and the Priorities Committee before presentation to the Board of Trustees in January.

The teams will evaluate:
- Benefits administration.
- There is no intent to reduce employee benefits, according to William Shkurti, vice president for finance. Savings will come through improved administration of insurance programs.
- Revenue increases. There may be improved yields or returns from land, and income from other assets such as surcharges on basketball tickets.
- Reductions in spending. Cuts may include selective reductions, and consolidation or elimination of academic and academic support units.

In addition, a University Priorities Committee will oversee and coordinate the implementation of the academic planning process, which will be linked directly to budget planning. The group will serve in an advisory role to review long-range issues.

"We (administrators) need some group to consult, not only when we're thinking about consolidation or reorganization, but also when we're thinking about adding new programs or increasing the funding of existing programs," says Joan Huber, senior vice president for academic affairs and provost.

Huber appointed and chairs the Priority Committee comprising 10 veteran faculty with University Senate or Senate committee experience, two staff members who have served on the University Staff Advisory Committee, the leaders of two student organizations, and four administrators.

The committee will consider academic or academic support programs that involve large sums of money, multi-year obligations, or both. It also is expected to review mission and vision statements, and the process to determine additional budget cuts:
Controller: Budget cuts cost dearly

By Steve Sterrett

The University has lost 1,233 positions in the current academic year as the result of the series of cuts in state support that began in January 1991.

Janet G. Achterman, University controller, reported to the Board of Trustees Dec. 4 that the figure represents positions that were both filled and unfilled. There were 130 employees laid off.

Based on a survey of deans and vice presidents by the offices of Academic Affairs and Finance last month, the jobs eliminated included 243 faculty, 47 lecturer, 404 staff and 539 student positions.

The survey also found that 245 courses had been delayed or eliminated, 47 programs reduced in size and 15 programs eliminated. The results are increased class size, fewer graduate teaching associates and less time for advising.

In addition, the survey detailed the effects on affirmative action with fewer positions available and limited recruitment funds; recruitment and retention of faculty with fewer positions and less incentive for faculty members to stay; staff support and climate with deteriorating customer service and low morale; and the physical environment with buildings in disrepair and limited daily maintenance.

Despite this situation, Achterman emphasized, the University is functioning and students are still being served well. “The strain on the system, however, is taking its toll,” she said.

Achterman said Ohio State’s response to this situation should be to continue long-range planning, to consider the recommendations of the statewide and institutional Managing for the Future task forces, to convince the state to re-establish higher education as a priority, and to protect the academic core.

The University also should “encourage risk-taking and innovation” by campus units, create incentives for cost-reducing changes, set priorities for the next academic year, “continue differential reallocation,” and “commit permanent funds to address closed courses,” she said.

Four cuts in state support to Ohio State since January 1991 have totaled $78,740,000.
OSU granted $4.4 million more, Columbus State loses $500,000

By Tim Doulin
Dispatch Higher Education Reporter

Under a compromise proposal, Ohio State University is to receive about $4.4 million more than expected in state support, and Columbus State Community College is to get about $500,000 less.

The Ohio Board of Regents yesterday released $1.157 billion in state instructional subsidies, the primary source of state funding to public universities and colleges.

Because of cuts in the higher education budget earlier this year, the amount of money dispersed among the schools is about 10.5 percent less than originally budgeted for the 1993 fiscal year.

The cuts prompted the regents to modify the subsidy formula, which is based primarily on student enrollment. The formula benefits schools with growing enrollments but magnifies large cuts received by schools with stable enrollments, primarily universities.

This year, the regents put the normal formula into play and then redistributed half the gains made by the growing institutions — primarily two-year colleges — to institutions with stable enrollments to help compensate for losses.

"This is certainly no time for rejoicing because these numbers are so far below what they ought to have been given where this budget started," said regents Chairman Raymond T. Sawyer.

"I hope everybody has been able to express themselves to legislators and education leaders in hopes of avoiding any further cuts to higher education."

Under the modified formula, which is awaiting approval by the General Assembly, OSU's Columbus campus is to receive about $245.3 million, or about $2.4 million more than under the normal system. The Lima, Newark, Mansfield and Marion regional campuses are to receive a total of about $7.1 million, or about $2 million more than expected.

"That does help a little," said William J. Shkurti, vice president for finance at OSU. "We have had so many budget cuts and problems that every little bit helps. That compromise (formula) is important to us."

OSU's total subsidy of about $252.4 million is still about $15.6 million less than the university received last year, Shkurti said, and it still faces a $7.5 million shortfall.

That number might grow after the university calculates its tuition income for the year, Shkurti added. OSU's enrollment was slightly less than expected this fall.

Columbus State will receive about $18.5 million. The $500,000 loss in funding means Columbus State will offer fewer course sections, said Dave Patton, a spokesman for the school.

"When this happens, we know it denies access to perspective or existing students. How many is hard to say," he said.

Columbus State is to receive about $100,000 more than last year, but enrollment at Columbus State is up about 8 percent this fall, Patton said.
College officials relieved tax package passed

By Tim Doulin
Dispatch Higher Education Reporter

Ohio State University and Columbus State Community College officials sighed in relief and gave thanks after the state legislature approved tax increases totaling about $195 million.

The tax package approved Thursday is expected to enable the state to balance its budget and possibly avoid further reducing state support to public colleges and universities, which have had tax dollars slashed three times in fewer than two years.

"This is like a tourniquet," said Gordon Gee, Ohio State University president.

"It stops the hemorrhaging and allows us to plan a little bit for the future." Higher education would have faced the loss of about $47.5 million, had the tax package been voted down. Gov. George V. Voinovich has promised that passage of the tax increases would save public colleges and universities from further spending cuts. Public institutions lost about $170 million in support earlier in the year.

"I'm glad to see anything that enhances state revenue to keep us from taking further cuts," said Harold Nestor, Columbus State president.

Officials at both schools said that they still face tough budget decisions. OSU has been making do without about $80 million in anticipated state support during the last 18 months. That includes about $45 million cut in July.

OSU has dealt with the bulk of this summer's cuts by reducing each department's budgets and eliminating about 1,000 jobs, mostly through attrition.

The university, however, still is working on cost-saving and revenue-generating measures to cover a remaining $7.5 million shortfall. Gee said the university will announce in February plans to handle that problem.

"We are still struggling to see how we will meet that $7.5 million, but this stabilizes our situation," Gee said.

"I've been asked if this is a vote for taxes. I sat there and listened to the debate on both floors of the legislature, and I really think people felt education had suffered enough, and they really felt that they needed to start investing in education."

Higher education isn't in line to receive any money generated from the tax package. Voinovich, however, has hinted at asking voters for a tax increase in the next biennium that would specify money for education. The governor said a lot depends on whether he receives an education reform package to his liking.

Nestor hopes that at some point the state will restore about $7 million that Columbus State has lost in expected state support during the last two years.

"We are hopeful that the enhanced revenue to the state will provide for the growth that is coming up in the next year," Nestor said. "There has to be a bottom to these cuts."

Columbus State also is in line to receive about $3.6 million out of the $1 billion capital improvements appropriation the legislature approved with the tax increases.

Columbus State will use about $2 million of it to buy land west of Cleveland Avenue to expand its campus.
Spending reductions to offset state cuts

OSU budget short $7.5 million; plan to be announced

By Jill O'Neil
Lantern staff writer

Ohio State is still $7.5 million short in offsetting this year's $29.8 million reduction in state support. But a formal proposal outlining phase two of spending reductions will be announced mid-January, said William Shkurti, vice president for finance at Ohio State.

Although Shkurti refused to disclose any specific cuts being focused on, he did refer to last October's budget briefing presented to OSU's Board of Trustees that outlines three areas for possible reductions.

The first area examines faculty benefits and looks for ways the university can save money by improving administration of insurance programs without reducing any benefits, Shkurti said.

The second area involves raising additional revenue. The surcharge on the basketball tickets this year generated an extra $400,000, was the first step in this area, but it was not enough to make a substantial difference in the deficit, Shkurti said.

The third area focuses on specific spending reductions that would be made in this area.

"The $7.5 million is equivalent to a two percent reduction in every college and administrative unit, but because we cut $23 million in July, there would be too much harm done to Ohio State if these reductions occurred across-the-board," Shkurti said.

Currently, study groups headed by several departmental vice presidents are sifting through the target areas and will report their findings back to the finance committee. Based on these findings, a formal proposal will be drawn up and announced in mid-January and voted on, if necessary, at the Board of Trustees meeting Feb. 5, 1993, Shkurti said.

Back in July, Ohio State's Board of Trustees approved a two-phase spending reduction plan where immediate reductions of $23 million occurred, and additional reductions totaling $10 million were to be identified by midyear.

The increase in tuition caps last fall from 7.5 percent to 9 percent raised an additional $2.5 million, cutting the deficit from $10 million to $7.5 million.

If the proposal passes, implementation of the cuts will occur anywhere from mid-February to the end of this fiscal year, Shkurti said.

State subsidy formula saves OSU $4.4 million

By Tracey Edwards
Lantern staff writer

Ohio State officially received $4.4 million in December from the state of Ohio as a result of a change in the subsidy formula used to calculate funding for public colleges.

The extra money was already included in OSU's 1993 budget, said William Shkurti, OSU vice president for finance.

"The university didn't actually receive $4.4 million more, it was just saved from having to make an extra $4.4 million in budget cuts," Shkurti said.

Although the new formula did not become law until December, it was agreed upon in July.

The Board of Regents, state legislative leaders, Gov. George V, Voinovich and presidents of Ohio colleges made a "gentlemen's agreement" to change the budget formula.

The old subsidy formula rewarded colleges and universities for growth in enrollment and would have cost Ohio State $10 million because it is not increasing enrollment, Shkurti said. The new subsidy formula is a compromise where half of the college's instructional subsidies are based on enrollment and half are based on how much the institution received the previous year.

Core student programs and services would have been cut more if the compromise formula had not been passed by the legislature.

The fiscal budget for Ohio State runs from July to June. The following year's budget is usually planned in June, but Shkurti waited until after the July meetings to plan the 1993 budget.

"At that time I was sure the new subsidy formula would be passed because there was widespread support for it," Shkurti said.
Tax package eases concern over further budget cuts

But University budget remains $7.5 million dollars short for ’93

By David Tull

There’s no “end of the rainbow” in sight just yet, but at least the mid-December state tax package will give Ohio State a bit of financial breathing room.

Before the celebrations begin, however, the University still must find ways to cover a $7.5 million shortfall, remaining from last summer.

The Ohio General Assembly approved a tax bill Dec. 17 that will bring in about $195 million to balance the state’s budget. Less than a week earlier, state Budget Director R. Gregory Browning had warned that without the new tax package, education would bear more than 80 percent of possible spending cuts, with about $47.5 million coming from higher education.

President Gee called the tax measure a “tourniquet that stops the hemorrhaging and allows us to plan a little bit for the future.”

“We’re never home free because of the uncertainty over the economy,” says William J. Shkurti, vice president for finance. “But I think the odds of an additional cut this fiscal year, the year ending June 30 (1993), have diminished substantially.”

Both Gov. George V. Voinovich and legislative leaders have publicly expressed an intent to avoid further cuts in higher education, Shkurti says.

With the tax bill a reality, what should University employees look for? “We’re hoping the economy continues to improve and we don’t fall into a triple dip recession,” says Shkurti. “The tax package they passed was based on good numbers — the best estimates they have — and they have every reason to believe that it was sufficient to get us through the rest of the year.”

Now, University fiscal officers are working on plans for the $7.5 million in necessary cuts. “Material that was made public in the fall explains that, as an alternative to cutting 2 percent across the board, we’re going to do it selectively, through a combination of restructuring, of improved benefits administration, and selective reductions in academic support programs and in selective revenue increases,” says Shkurti.

Plans for these cuts are to be submitted to the Board of Trustees at its Feb. 5 meeting. “These plans will be shared with the campus community before they go to the board,” Shkurti says. “We’re working on that right now, and the University community will receive information in mid-January.”

It’s just enough to cover current spending levels

William J. Shkurti

The problem is that new cuts come on top of “$23 million in reductions” already made. “It’s going to be a real challenge to find ways that don’t do additional damage to the University. The first priority is to protect the core academic programs and key students services,” Shkurti says.

Shkurti’s office also is working on budgets for the year beginning July 1. He cautioned that, although the tax bill “gets us through the year, it doesn’t mean there will be a lot of money next biennium. It’s just enough to cover current spending levels. We will be working very hard with our friends in the legislature to try to increase the amount of support to the University.”
Board of Trustees discusses proposal to eliminate deficit

By Douglas Wu and Jill O'Neill
Lantern staff writers

The Fiscal Affairs Committee of the OSU Board of Trustees Tuesday discussed a preliminary proposal to eliminate the $7.5 million deficit in this year's budget.

If all the proposed cuts are accepted by the Board of Trustees at its next meeting in February, the university will still be about $1.2 million short.

"Obviously, some of these cuts are very controversial, but a 2 percent, across-the-board cut would be worse. Some (of the cuts) will probably fly, some may not," said William Shkurti, vice president for finance.

The committee discussed the possibility of bringing back the daytime bus service in the fall, with a $20-per-quarter fee. This program could generate an estimated $250,000 in fiscal year 1994.

A proposal to increase athletic surcharges, which would raise an additional $100,000 in fiscal year 1994, was also debated. The proposal recommends that the charge be paid by the public and not by students and faculty. Janet Pichette, vice president for business and administration said.

Credit cards might not be accepted for tuition payments in fiscal year 1994 to save money on surcharges to credit card companies. Currently, only two of the Big Ten universities accept credit cards.

Shkurti said if auxiliary units, such as OSU Hospitals, the Athletic Department, and Traffic and Parking, are willing to pay their own surcharges, they could accept credit cards.

Duplicate university services, such as the numerous copy centers, might be consolidated or eliminated. Shkurti said. This cutback would save an estimated $65,000 in fiscal year 1993 and $290,000 in fiscal year 1994.

Non-instructional units might be consolidated to achieve greater efficiency, said Ed Ray, associate provost for budget/resource management.

For example, the Student Financial Aid Office was recently consolidated with the Admissions Office to create a more cooperative situation. Ray said.

Consolidation would make the non-instructional units run more efficiently and reduce administrative costs, possibly saving the university an estimated $830,000 this year and $1.7 million next year.

Although the formal-savings proposal was to be announced mid-January, Shkurti said the announcement could be made anytime before the Board of Trustees meets in February.
Board of Trustees discusses proposal to eliminate deficit

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Lantern staff writers

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OSU mulls ticket, bus fees

Charges are options to balance the budget

By Tim Doul
Dechp Higher Education Reporter

Charging more for tickets to athletic events, charging to ride campus buses and drawing on medical benefit reserves are some of the options being considered to solve lingering budget problems at Ohio State University.

OSU must come up with about $7.4 million in cost-saving and money-making measures to balance its 1994 fiscal budget, officials say. The university also is considering another set of measures totaling $7.8 million to help its fiscal 1994 budget.

Many of the things being considered are controversial, William J. Shikurti, vice president for finance at OSU, told a university Board of Trustees' fiscal affairs committee.

"Some of these may fly and some may not," Shikurti said yesterday. "We have a challenge ahead of us. The cuts will not be easy because the easy reductions have been made."

Some of the options are in a proposal to generate about $1.9 million in revenue for the fiscal 1994 budget.

That would include athletics surcharges to generate about $500,000 and campus bus fees to raise about $250,000.

Shikurti was not specific about the possible athletic ticket surcharge for 1994, saying the Athletic Department would have a say in how the money is raised.

Last fall, OSU placed a $2.50 "academic surcharge" on OSU men's basketball tickets sold to everyone except students. The move was designed to raise about $451,000 for the general fund this fiscal year.

"A lot depends on what athletics recommends," Shikurti said.

"They could recommend that we continue the basketball surcharge. They could recommend surcharges on other sports, whether it is football or whatever. A lot depends on what they think is the right mix or the fairest way to go," he said.

Under a restructuring of campus bus service, the university is considering selling bus passes for $20 a quarter. Rides currently are free.

The university likely would restore some or all of the daytime bus routes along the perimeter of the main campus. The routes were discontinued last winter quarter in a cost-saving measure.

"The thought was that, if you are going to ask them to pay for something they didn't pay for before, they ought to get something back," Shikurti said.

The university is considering a number of options to meet the $7.5 million shortfall in the current budget.

Those options include using $2.8 million in medical benefits reserves, realizing about $1 million from energy-saving measures and delaying some capital improvements projects.

Shikurti stressed that the proposals are not final and first must be approved by the trustees. A budget proposal is expected to be presented when the full Board of Trustees meets next month.

OSU is trying to recover from the loss of about $45 million it had expected from the state for fiscal 1993. Gov. George V. Voinovich announced cuts this summer to help balance the state budget.

The university announced spending cuts in July and increased revenue measures to cover most of the shortfall, including eliminating about 1,000 jobs and cutting the budgets of academic departments an average of about 5.1 percent and of support units an average of 7.5 percent.

OSU delayed covering the rest of the shortfall, hoping the university's finances would improve.

Please see OSU Page 2B
Big, small savings add up to $7.5 million

By Tom Spring

Reducing the reserves needed to cover employee medical claims and reallocating unrestricted gift income are two of the means Ohio State may use to solve a $7.5 million short fall in the 1992-93 budget.

The measures are alternatives to reducing General Fund payments by 2 percent to academic and academic support units, William Shkurti, vice president for finance, and Ed Ray, associate provost, told the Board of Trustees Fiscal Affairs Committee Jan. 12.

Shkurti cautioned that the proposals are preliminary and not yet University policy. He said feedback is sought from the campus community about the proposals before a final list is drafted and presented to trustees for their approval at the Feb. 5 board meeting. Written comments may be sent to Joan Huber, senior vice president for academic affairs and provost, or to Shkurti.

“We’re not going to cut instructional units or libraries,” Shkurti said, “so, there is not a whole lot left.”

However, several small recommendations to change the methods of doing business could add up to produce significant savings this year and, in some cases, even greater on-going savings next year.

The proposals identify $6.3 million in one-time savings for the balance of the current fiscal year and almost $7.9 million for fiscal 1994.

The proposals include:

- Examining whether Ohio State has set aside more funds than necessary for medical claims, $2.85 million in one-time savings.
- Seeing whether unrestricted gift funds can be redirected to higher priorities, $1 million each in 1993 and 1994. For example, a lot of these funds in the past have been used to fund Eminent Scholar positions. Those positions have now been funded and no additional money is required.
- Saving money in utility and new facility spending.

See $7.5 million, page 4

Not quiet on the Western front

Economic impact:
Study shows state’s reliance on University work force, research

By Steve Sterrett

President Gee never hesitates to tell anyone who will listen that universities are the engines of innovation for the nation’s economy.

A new study now confirms the economic benefits which Ohio State brings to the Buckeye state.

At the request of Gee, faculty and graduate students in the School of Public Policy and Management prepared an economic impact study of the University.

OSU Technology Transfer Activity
Fiscal Years 1987–1991
$7.5 million...

Continued from page 1

$1 million. For example, money was set aside this year for an electric rate increase that has not yet occurred. Additional savings were realized when a cool summer reduced expected electrical usage for air conditioning.

- Adding surcharges to athletic tickets, $400,000 this year and $500,000 next year. Non-student fans paid an extra $2 for men’s basketball tickets last fall.

- Reducing expenses by $225,000 this year and almost $1,795,000 next year. These proposals include eliminating duplicate services such as some copy centers, and not hiring non-enrolled students, for whom the University must pay into retirement funds.

- Saving money in the area of non-instructional units reporting to the provost, $830,000 this year and $1.7 million next year. These measures include reorganization. An example is the move to merge the Office of Student Financial Aid with the Office of Admissions (See story on page 1.)

Last summer, Ohio State adopted a budget that included $10 million in savings, to be identified by January, in the form of increased revenues or reduced spending.

The University recouped about $2.5 million through a raise in tuition. That became possible when the Legislature lifted the tuition cap shortly after the Ohio State budget was adopted.

Six task forces were created to look at ways to come up with the remaining $7.5 million.

Groups reviewing the proposals are the University Senate Fiscal Committee, deans, the Faculty Compensation and Benefits Committee, the Staff Advisory Committee, and the University Priorities Committee. President Gee’s Executive Committee will make a final review prior to the Feb. 4 Board of Trustees meeting.

Bucky...

Continued from page 1

the fullerene surface scarred with some of the compound transferred to the surface of the ball.

“In many solid lubricants, some deterioration of the surface is necessary for long wear life,” Bhushan says, adding that when this happens, “you form a very tenacious transfer from one

Times, are showing both the clusters of molecules and the soccer ball-shaped configurations of the individual carbon atoms that make up a single fullerene molecule. This is the first time clear images showing the fullerene structure have been produced.

Although there are perhaps 20 to 30 different forms of fullerene that have been produced by researchers to date, the most stable
Ohio State Approves Measures to Eliminate Budget Shortfall

COLUMBUS -- The Ohio State University Board of Trustees Thursday (2/4) approved changes in the university's budget to resolve a $7.5 million shortage.

William J. Shkurti, vice president for finance, announced that with the changes, Ohio State will balance its General Funds Budget for the year ending June 30.

"We absorbed the rest of the cuts without eroding the academic core or putting an undue burden on our students," Shkurti noted.

The challenge of budget balancing remains a continuing concern, however, because commitments and mandated expenses for fiscal 1994 likely will exceed expected resources.

In adopting the university budget last July, trustees agreed to postpone a decision on a $10 million shortfall to give administrators time to find ways to raise or save the money in areas outside teaching and research. About one-fourth of the amount needed came through an increase in tuition that went into effect last fall.

On Thursday, the board authorized budget savings totaling nearly $7.7 million. More than half of this amount will be covered by changing the way the university's employee benefits program is administered. That alone is

-more-
expected to save $4.4 million this fiscal year and $960,000 next year. A major feature of the change is the reduction of reserves, set aside to cover unexpected claims. University officials determined that the reserves were larger than necessary for a program of its size.

Other measures adopted included redirecting some unrestricted gift monies and licensing revenues ($1 million this year and $1,750,000 next year), reducing utility and facility expenses ($1 million this year), adding a surcharge on basketball tickets ($400,000 this year), and eliminating a second ombudsperson office ($50,000 this year).

A number of other proposals were approved for savings in fiscal 1994. They include changes in employment practices to save on retirement expenses ($300,000), athletic ticket surcharges ($250,000), a parking surcharge ($200,000), and savings from requiring business units on campus to absorb their own credit card expenses ($140,000).

A measure to delay capital projects to save $1 million will be held in reserve in the event other cost savings become necessary before the fiscal year ends.

The resolution authorizes officials to continue to examine other cost savings proposals such as alternative service delivery systems, elimination of duplicative services, and reducing subsidies to some units. Decisions on these items are expected in another 60 to 90 days.

Officials have proposed eliminating approximately $250,000 in subsidies out of the total $1,086,000 now provided to a variety of organizations, such as the Air Transportation Service, Alumni Association, Child Care Center, Crime Patrol, Summer Intern Program, and University District Organization. However, no decisions will be made until the relationship of each organization's subsidy to the university's mission is evaluated.

In previous budget cutbacks, Ohio State has raised tuition, abolished more than 1,000 positions, and frozen pay for most university employees at 1992 levels.

Contact: William Shkurti, (614) 292-9232.
OSU's plan to head off shortfall goes to trustees

By Tim Doolin
Dispatch Higher Education Reporter

Charging visitors more to park on campus and drawing on medical benefit reserves are part of a proposed budget plan that is expected to be presented today to the Ohio State University Board of Trustees.

The plan is expected to generate about $7.5 million in cost-saving and moneymaking measures the rest of the fiscal year and another $5.3 million for fiscal 1994.

The plan includes an "athletics surcharge" that will generate about $250,000 in the next fiscal year.

The university has backed off reducing or eliminating a $338,000 subsidy to its child-care center and charging students to ride campus buses, saying those issues need more study.

The proposal was discussed yesterday during the trustees fiscal affairs committee meeting and is subject to approval by the full board.

"We have tried to come up with a plan that protects academic instruction and key services to students," said William J. Shkurti, vice president for finance at OSU.

The proposed measures would fill a $7.5 million shortfall in state support in the current budget. The measures affecting the fiscal 1993 budget include:

- A $4.4 million savings primarily by drawing from medical benefits reserves.
- Reallocation about $1 million in unrestricted gift money to the general fund to help support academic scholarships.
- An $830,000 savings by consolidating four academic support units — the Center for Teaching Excellence and Academic Computing, student financial aid and admissions, continuing education and university college, and the Young Scholars program and the Office of Minority Affairs.

Some of the measures would be carried over to fiscal 1994, resulting in more savings and revenue to the university.

The university had generated about $400,000 this fiscal year by adding a $2.50 surcharge on nonstudent men's basketball tickets. The athletic department is being consulted on how to raise about $250,000 next fiscal year.

Shkurti said the money could be raised a variety of ways, including maintaining a surcharge on men's basketball tickets, raising the price of football tickets or increasing greens fees and membership costs at the OSU golf course.

Another $200,000 would be generated next fiscal year by charging an additional 25 cents to visitors parking in campus parking garages and lots.

A protest rally staged in the administration building last month and letters from parents prompted the university to table the proposal on the child-care center.

"The provost and I recommended to the president ... that it would not be in the best interest of the university to eliminate that subsidy," Shkurti said.
University proposes plans to cut $7.5 million deficit

By Jill O'Neill
Lantern staff writer

After months of debate, OSU administrators have come up with a plan to get rid of the university's $7.5 million budget shortfall.

The good news for students: you won't be directly hit — for the time being.

However, university officials are still considering cuts in areas that might affect students' pocketbooks.

Today, the OSU Board of Trustees is expected to pass the proposal outlining cuts that would take effect before June 30. The proposed cuts total $7.7 million and mainly target administrative costs, said William Shkurti, vice president for Finance.

The proposal recommends that $4.4 million come from the faculty and staff's Benefits Administration. Money would be saved in this area by eliminating two administrative positions, and reducing the reserves level for medical, dental, vision and life insurance plans.

The report states that milder than expected weather this year and facility opening delays saved the university some $1 million.

Reallocating money from the university's gift fund to pay for academic scholarships, usually funded through the general fund, will spare the university another $1 million, the report states. The university is unrestricted when allocating gift money, which includes donations such as the Mershon Fund, Shkurti said.

The consolidation of units within the Office of Academic Affairs will save $830,000 in overhead administrative costs. Consolidations include: the Center for Teaching Excellence with Academic Computing; Student Financial Aid office with the Admissions office; Continuing Education with University College; and Young Scholars with the Office of Minority Affairs.

The report recommends that plans to remodel the temporary ombuds office in Drake Union be terminated to save $50,000, Shkurti said.

These areas, along with others such as athletic surcharges and a restructured bus service, are currently under investigation for a possible $2.1 million savings in fiscal year 1994, Shkurti said.

Some of the more controversial cuts, including the elimination of credit cards to pay fees, and reducing the child care subsidy, are not entirely safe for fiscal year 1994, Shkurti said.

Recommendations for cuts in fiscal year 1994 and years thereafter include a 25-cent parking surcharge that will generate $200,000.
Plan will eliminate $7.5 million deficit; offices consolidated

By Douglas Wu
Lantern staff writer

A plan to eliminate the university's $7.5 million budget shortfall became effective Thursday.

Without debate, the nine members of the OSU Board of Trustees unanimously approved the plan submitted by university administrators that will eliminate the shortfall without cutting core academic services.

The deficit-reduction plan is expected to save $7 million this year. Some of the cuts will save Ohio State about $5 million a year in the long term.

The plan, which was unveiled Wednesday, calls for Ohio State to reduce its budget by cutting funding to the OSU staff's Benefits Administration, consolidating some nonacademic support offices, and reallocation of some of the university's general fund expenditures.

"We have reallocated budget priorities to protect the academic core," said William J. Shkurti, vice president for Finance.

Ohio State expects to save $4.4 million by eliminating two administrative positions from Benefits Administration and by setting aside less money for claims processed against its health, dental, vision and life insurance plans.

The plan also calls for the university to save $830,000 this year by consolidating four offices: the Office of Financial Aid with Admissions, the Office of Continuing Education with University College, the Center for Teaching Excellence with the Office of Academic Computing, and the Young Scholars Program with the Office of Vice Provost for Academic Affairs.

Under the plan, academic scholarships will be funded by the university's gift fund, rather than from the general fund, which will save the university $1 million.

Finally, the plan states that Ohio State will save $50,000 by terminating the Ombudsman service at Drake Union. The university saved $1 million this year because of milder-than-expected weather and facility openings delays.

Shkurti cautioned board members that further cuts might be needed next year.

See TRUSTEES/ Page two

He mentioned a few strategies the university might implement to meet next year's expected budget shortfall.

Ohio State might prohibit students from paying their fees by credit cards next year, but the university still "needs more time to think it over," Shkurti said.

He said plans to cancel one of the university's four commencement ceremonies have been scrapped because of the ceremonies' popularity, with an estimated 83 percent of all graduating students attending commencement.

As a last resort, Shkurti said that next year the university might consider cutting all academic and nonacademic budgets by 1 percent across the board. Another option might be to delay planned construction projects, he said.

In other business, the board:

- voted to hire engineers and architects for the College of Business's proposed $87 million business complex. Dave Cole, professor of finance and chair of the building committee, said the business complex will be five buildings and possibly a 150-room hotel located at Tuttle Park Place between W. Lane and W. Woodruff Avenues. Currently, the College of Business is housed in Hagerty Hall on the South Oval.
- established four new endowed chairs for the departments of history and business.
- banned smoking in the Ohio Stadium and St. John Arena. The resolution, an update of a 1987 resolution that established the university smoking policy, prohibits "smoking in university buildings including the stadium and arena," said Linda Tom, vice president for Human Services.
Clarification

* In the Feb. 5 Lantern, there was an error in the story about the deficit reduction plan. The ombuds service has not been terminated, but the remodeling project has.
OSU hopes for 2 percent boost from state budget

By Gina O'Brien
Lantern staff writer

The self-proclaimed education governor came through Thursday for Ohio State, proposing an instructional budget increase of at least 2 percent for state colleges and universities.

Gov. George Voinovich unveiled his proposed budget for the 1994 and 1995 fiscal years, subject to approval from the Legislature this summer.

William Shkurti, vice president for Finance, said Voinovich's proposed subsidy for higher education was better than he expected. Ohio State sustained a $29.8 million cut in state support this year.

"A 2 percent increase is better than no increase," Shkurti said.

Under Voinovich's proposal, all state colleges and universities will receive annual increases of at least 2 percent in their subsidies for the next two years. Institutions would receive more than this amount if their enrollments increase.

Another proposal calls for prohibiting state colleges and universities from increasing tuition by more than 4 percent. This year, Ohio State increased tuition by 9 percent.

Financial aid has been targeted for annual 4 percent increases. Aid for eligible students attending public, private and proprietary institutions of higher education will increase under the proposal.

This budget represents an increase of $312 million over last year's overall state budget for higher education, a growth of 9.3 percent. This will fund the instructional subsidies, financial aid, research and education initiatives and the OhioLINK/Library Storage initiative, a computer network that will link the state's libraries.
Governor gives more to some of higher ed

By Tom Spring

After two years of budget cuts, Ohio State and higher education should begin to get more funding from the state in fiscal 1994 and 1995.

Under Gov. George V. Voinovich's biennial budget recommendations, central university campuses would see increases averaging 4.6 percent both years. However, many regional campuses, including Ohio State's, would see funding drop in 1994.

The biennium begins July 1, 1993.

Ohio State will receive between 2 percent and 3 percent more per year in instructional subsidies. Statewide, instructional subsidies are pegged at $1.2 million in 1994, and $1.3 million in 1995. That's up from this year's $1.16 million and averages out to a 5.7 percent increase in fiscal 1994 and 5.5 percent for 1995.

There is a minimum guarantee of a 2 percent increase per university. The budget is designed to stop funding cuts and provide higher education with enough money to fund inflation and enrollment growth, Voinovich said at a press conference in Columbus Feb. 4. A tuition cap of 4 percent also is included.

In separate statements, President Gee and Elaine Hirston, chancellor of the Board of Regents, praised the governor's

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Continued from page 1

budget for stopping the slide caused by recent budget cuts, but added that more must be done.

Gee said the recommendations represent a good start to the budgetary process, but noted that many four-year universities will receive increases of less than 3 percent.

"As the budget now moves to the legislature, we must make our case for additional state support for colleges and universities and for provisions to raise the minimum increase that colleges and universities will receive," Gee said.

Hirston said that while she appreciates the stability the budget provides, more funding is needed to recover from the more than $270 million in budget losses suffered by higher education over the past two years.

Actual instructional subsidies depend on enrollment. The amount per student can and does change as the legislature makes adjustments.

The House began hearings on the state budget last week with the goal of presenting a bill to the Senate in March.

An analysis by the Ohio Board of Regents concludes that Ohio State's Columbus campus would receive increases in instructional subsidies of 2.3 percent and 2.8 percent for the two years. That compares to a drop of 4.5 percent from 1992 to this year.

Ohio State's subsidies are roughly $245 million, down from $257 million last year. The projected subsidies are $251 million for 1994 and $258 million for 1995.

The Agricultural Technical Institute, which saw funding drop 3.8 percent this year, is in line for increases of 3.3 percent and 4 percent.

The other regional campuses, though, would receive less money, not more. Lima, which saw state funding fall 7.3 percent this year, would see another drop of 7.7 percent in 1994 and then a modest 1.3 percent increase from that amount in 1995.

The Mansfield campus would receive an even steeper cut, 10.4 percent next year, and then a 5.2 percent gain in 1995. This year's budget was cut 5.3 percent.

Marion is slated for a 7.5 percent cut in 1994 and a 2.2 percent increase in 1995.

 Newark would lose 7.3 percent in 1994 and then receive a 7.8 percent increase in 1995. The 1995 amount, however, would still be about $1,000 less than it received this year.

As for funding of specific programs, Gee said, "We especially appreciate the governor's support for our agricultural line items and for the research challenge program. We look forward to enhancing these recommendations in the General Assembly."

Agriculture, hard hit in recent years, would receive 5 percent each year for both the University Extension Service and the Ohio Agricultural Research and Development Center.

The research challenge grant program would get 3.5 percent increases. In 1995, an academic challenge grant program would be funded at $4 million, which will be used to help institutions focus on missions and plans to achieve those missions, according to the Board of Regents.

Clinical teaching and support are slated for 3.5 percent increases.

The James Cancer Hospital and Research Institute would see its state subsidy fall 10 percent each year, down from nearly $1.9 million this year to $1.5 million in 1995.

The Ohio Supercomputer Center would receive in 1994 the same $3.2 million it received this year, and then $3.5 million in 1995, for an 11.3 percent increase.

Student financial aid is increased, too, but a proposal for a grants program for part-time students was not funded.
Ax falls again, but cuts balance budget

By Tom Spring

In the future, faculty and staff will deal with some reorganized offices, visitors will pay more to park, and employees will have one, rather than two, ombudsmen offices.

Those and other changes will help balance the 1993 University budget and save additional dollars in the years to come. The Board of Trustees approved the budget changes Feb. 4 to resolve a $7.5 million shortage.

William J. Shkurti, vice president for finance, announced that with the changes, Ohio State will balance its General Funds Budget for the year ending June 30.

"We absorbed the rest of the cuts without eroding the academic core or putting an undue burden on our students," Shkurti noted.

The challenge of budget balancing remains a continuing concern, however, because commitments and mandated expenses for fiscal 1994 likely will exceed expected resources.

Trustees made no decision about reducing subsidies to the Child Care Center and other programs. They will wait until University officials evaluate the relationship of each organization's subsidy to the University's mission, Shkurti says. He expects decisions on the proposals will be made within the next two to three months.

In late January, parents and other concerned faculty, staff and students protested a mid-group proposal to make the Child Care Center self-sustaining over a three-year period. Protesters said the proposal would hurt women; would most affect parents with lower incomes; and is contrary to what commissions on dependent care have recommended.

New recommendations have been made to identify and evaluate ways to reduce overhead costs, increase private fund raising or increase charges to those most able to pay. Administrators now are looking at eliminating approximately $250,000 in subsidies out of the more than $1 million now provided to a variety of organizations, such as the Child Care Center, the Transportation Service, Alumni Association, Crime Patrol, Summer Intern Program, and University District Organization.

Last week, the board authorized budget savings totaling nearly $7.7 million. More than half of this amount will be covered by changing the way Ohio State's employee benefit program is administered. That alone is expected to save $4.4 million this fiscal year and $960,000 next year.

A major feature of the change is a reduction of reserves set aside to cover unexpected claims. That will result in a premium holiday for employees and a one-time reduction in the University's contribution. University officials determined that the reserves were larger than needed for the program. A story about the premium holiday appears on page 3.

Other measures adopted included:

- Redirecting some unrestricted gift monies and licensing revenues — $1 million this year and $1.75 million next year — to replace General Fund monies used for academic scholarships.

- Saving $1 million in utility and facility costs, a result of warmer than expected weather and delays in the opening of some facilities.

- Instituting a one-time surcharge on men's basketball tickets. Already implemented, the surcharge is generating $403,000 this year for the General Fund. Proposals are to be developed for an athletic ticket surcharge to generate at least $250,000 next year.

- The second Ombudsman office, at Drake Union.

See Ax falls, page 9

Continued from page 1

will be closed, saving $30,000 in remodeling expenses.

A measure to delay capital projects to save $1 million will be held in reserve in the event other cost savings become necessary before the fiscal year ends.

A number of other proposals were approved for savings in fiscal 1994. They include:

- Raising visitor parking rates by 25 cents on the first hour in ramps and lots, to generate $200,000.

- Reducing retirement contributions by $300,000, by not paying retirement costs centrally for student employees who aren't enrolled at Ohio State. In 1992, the Internal Revenue Service ruled that Ohio State must contribute the Public Employees Retirement System 13.3 percent of earnings for student employees who are not in school. Enrolled students may opt to be exempted from retirement payments.

- Departments and offices wishing to hire non-enrolled students can continue to do so provided that they use their own funds to pay the retirement costs. However, Shkurti and Jean Huber, senior vice president for academic affairs and provost, have recommended that incentives be established to give priority to Ohio State students. They also are recommending that some post-doctoral fellows be required to enroll at Ohio State.

- "Transferring the payment of bank fees on credit cards from the General Fund to auxiliary units — such as the bookstores — that accept such cards, to save $140,000. Plans also call for the elimination of credit card payments for fees and tuition, beginning next fall, to save an additional $360,000. A new tuition payment plan will be adopted to provide a workable alternative for many students.

The resolution authorizes officials to continue to examine other cost savings proposals such as alternative service delivery systems, elimination of duplicating services and reducing subsidies to some units. Decisions on these items are expected in another 60 to 90 days.

A proposal to reduce commencement to twice a year was scrapped.

In previous budget cutbacks, Ohio State has raised tuition, abolished more than 1,000 positions, and froze pay for most university employees at 1992 levels.

In adopting the University budget last July, trustees agreed to postpone a decision on a $10 million shortfall. About one-fourth of the amount needed came through higher tuition last fall.
Consolidation of six support units may save millions for university

By Jill O'Neil
Larremore writer

"There will no longer be a Student Financial Aid office at Ohio State. But don't worry — it's just merging with the Admissions office!"

In a plan passed earlier this month, university officials estimated that by consolidating six academic support units, $800,000 would be saved this year and $1.8 million in following years.

However, university officials will not confirm any specific dollar amounts because consolidations are currently under investigation. While officials have stressed that their goal is to provide better services at the same cost, no one is sure how they plan on achieving that goal.

The consolidations include:
- Continuing Education with University College
- Young Scholars with Minority Affairs
- The Office of Admissions
- Student Financial Aid with Admissions
- Academic Computing Services
- Student Financial Aid with Admissions

"Until we have the money in our hands, there are no guarantees. However, we have a lot of confidence in Academic Affairs to go forward and make cuts," said Leslie Flegel, assistant to the vice president for finance.

"We've been conducting a top-down review of our non-instructional operations to ensure that we are not overusing resources," said William Shumski, vice president for finance.

The provost's office requested that each department involved in the consolidation find where it can make cuts and report back to the provost by June 15, 1993, said Don Dell, associate provost.

"We said 'do what you can to work as cost effective as possible to the nitty-gritty level.' We didn't give them any dollar amounts," said Edward Ray, associate provost.

"If we know (where to cut), we would have just done it," Dell said.

"Because several capital projects were delayed until next year, the university has a $1 million cushion to cover any areas that do not yield their estimated savings for this fiscal year. If the units cannot save $800,000 this year, the difference will be paid by the provost fund," Shumski said.

"The ties in the consolidations are one-time savings, but if the estimated $1.8 million is not identified, there is a possibility that a 2 percent across-the-board reduction to all non-instructional general fund units, such as college offices, might occur next year," Shumski said. This would generate $1.2 million in permanent spending reductions.

"I think these targets ($800,000 and $1.8 million) were based on the assumption that some of the senior overhead could be consolidated ... less layers of management," Shumski said.

"We made a comment on which "layers" were going to be eliminated because the results have not yet been turned in.

In three of the four consolidations, the units will no longer report directly to the provost, thus allowing more time for the provost to deal with other operations to create greater administrative efficiency, Dell said.

"Besides administrative cutbacks, savings might come from combining services such as advertising and phone costs or removing duplication within the units," Ray said.

Other cutbacks could include receptionists and office supplies such as copiers, that the units need, said Beth H. DeWitt of Campus Planning.

Two consolidations have been announced by Academic Affairs:
- The Office of Admissions into Financial Aid
- Continuing Education into UVC

The heads of these departments have begun to discuss spending reduction possibilities.

What's the new Office of Admissions and Student Financial Aid was created, Jim Mager was named director, and began his new post Jan. 5. He was previously the Director of Admissions.

Although Mager is studying areas where greater efficiency can be achieved, he would not confirm that this consolidation will actually save the university money.

"I think our case is a little different because we're not just cutting as much," Mager said.

"Using employee training as an example, Mager explained that the admissions office hires a lot of seasonal employees that are usually released in May when peak periods are over.

"However, the busiest time of year for financial aid begins in May, and Mager said he wants to keep the admissions office's staff on to help out because they already know how to use the university's computers. In doing this, they would save time and money by not having to train new employees."

Mager said that at this time he did not expect any elimination of jobs at his office because the office has so much to do.

Mae Stewart, dean of University College, said it was much too soon for him to tell where any cuts would come from within his offices. He said it might be one person in charge of a unit instead of two, but would not confirm if this would be the case.

Although they are being called consolidations, this does not mean university office spaces will actually become vacant, DeWitt said. It is too soon to tell if there will be any space gluts or shortages.

"I think these consolidations are wonderful. I see the programs benefiting from the additional strengths," she said.

Referring to the Young Scholars merger with Minority Affairs, she said this move would tie both functions together to have a central point of view.
Ombuds offices will merge

By Gina O'Brien
Lantern staff writer

Ohio State's plan to eliminate the University Ombudservices' satellite office should not have a negative impact on students but, it might leave some staff members on campus inconvenienced, said an Ombudservices representative.

The Ombudservices' McCampbell Hall satellite office will be consolidated with the main office in the Ohio Union.

This is one of many consolidation efforts the university has imposed to cut costs.

Ombudservices had planned to move the office from its temporary location at McCampbell Hall into the Drake Union. But the decision to consolidate the two offices cancelled the renovation plan and will save Ohio State between $50,000 and $75,000, said Dalene Hoppe, assistant university ombuds.

The satellite office is geared more toward helping students. It was put into the medical area for convenience because there are so many staff members there, Hoppe said.

Ninety-two percent of the Ombudservices' business is done by phone, so "it doesn't matter where we're located," said Michael Russel, assistant to the ombud.

Reactions from medical staff members are mixed.

"If I had a problem, I would like to have something close by," said Kevin Cornell, R.N. in OSU Hospitals Surgical Intensive Care Unit.

"I don't even know where the Ohio Union is," Cornell said.

"It wouldn't be a problem for me and my staff," said Willie Brown, supervisor of environmental services for the University Clinic.

"The ombud and I talked and agreed that the secor office had served its purpose," said William Shkurti, vice president for finance.

Shkurti said they thought it would make more sense to consolidate the two offices.

The second office was very convenient, but it will be just as easy to park at the Ohio Union, Russel said.

"We needed to have more exposure to staff and faculty and we accomplished that," Russel said.

Most of the students and staff utilized the service at McCampbell but will find it just as convenient for them to come to the Ohio Union office Hoppe said.

The service will try to offer more phone interaction because most problems are solved easily over the phone, Russel said.

No positions will be eliminated. Two full-time and one half-time employee will be relocated to the Ohio Union office, Russel said.

By consolidating the two offices, some operations might run smoothly because having one office is easier to run communication beteen the two offices has been difficult, Russel said.

The satellite office is "usually" open from 8 a.m. to 5 p.m. because there are only two and a half staff members, said an Ombudservices representative.

"In light of everything around here budget-speaking, can't say it's unfair," Hoppe said.

University Ombudservices has been at Ohio State since 1971, and the satellite office has been in operation for three and a half years, Hoppe said.

The satellite office will be open until June 30.

U.S. plane hijacked by Haitian soldier

MIAMI (AP) — A Haitian soldier hijacked an American missionary group's plane at an airport in Haiti and diverted it to Miami on Thursday, but surrendered when the plane landed.

The hijacker had given his gun to the crew during the flight, a federal law enforcement source said on condition of anonymity.

The plane was carrying nine passengers and two crew members plus the hijacker and a woman hostage he had seized on the ground, a Haitian government official said. Everyone but the hijacker was American, other sources said.

Moments after the plane landed at Miami International Airport, the man walked out the door of the plane with his hands behind his head as about 10 uniformed officers crouched nearby. The man then laid down on the tarmac and the officers surrounded him.

The hijacker had shot a hole in the ceiling of the plane before it took off from Cap Haitien in northern Haiti, but no injuries were reported, said Kathleen Bergen, spokeswoman for the Federal Aviation Administration in Atlanta.

The plane, an aging twin-prop DC-3, refueled without incident in Providenciales Island in the Turks and Caicos before flying to Miami, Bergen said. It had to refuel because of a shortage of aviation fuel in Cap Haitien, which is about 600 miles from Miami.

The gunman gave his weapon to the crew more than two hours after he commandeered the plane, the source said. About two hours after that, the plane, which was met in flight by a U.S. Customs Service jet, landed in Miami. FBI agents and a SWAT team were waiting.

It wasn't immediately known whether the hijacking was related to Haitian refugee crisis.
OSU offices, colleges to pay debts

By Tim Doulin
Dispatch Higher Education Reporter

Colleges and academic offices at Ohio State University that have a total of more than $41.5 million in debts will be expected to pay the money back to the university — in most cases within five years.

University officials said the 11 colleges and four units are developing plans to pay off the debts, which generally accumulated over five years beginning in the mid-1980s.

The university covered the debts by reallocating money from its central fund.

"These are accumulated debts that now need to be cleared up," OSU President Gordon Gee said. "We have a series of deficit-reduction plans that are being put together."

Such debts are not uncommon, Gee said.

"A lot of universities and companies work this way. However, we are in a time where we can no longer carry those kinds of debts. I think it is bad business and bad public policy to carry those debts, and we need to clean them up," Gee said.

"These are cash, one-time deficit issues. It meant, in order to meet certain priorities, we used cash that could have been used elsewhere. It was an internal reallocation."

The debts represent about 3 percent of the university's $1.3 billion budget. Despite the debts, the university has remained financially stable overall, university officials said.

The reasons for the debts vary.

OSU debts

Colleges and their approximate debts are:

- Agriculture, $8.2 million
- Humanities, $7.8 million
- Medicine, $4.8 million
- Engineering, $3.7 million
- Dentistry, $2.5 million
- Mathematics and Physical Sciences, $1.8 million
- Law, $710,000
- Business, $455,000
- Arts, $237,000
- Veterinary Medicine, $202,000
- Education, $100,000

Academic support units owing money are:

- Student affairs, $3.6 million
- Academic affairs, $3.4 million
- Business and administration, $2.4 million
- Human resources, $1.4 million

G. Michael Riley, dean of humanities, said the college went into debt when funding failed to keep pace with a sharp enrollment increase during the 1980s. Riley was told last week that he would not be reappointed dean of the college, but he would not speculate whether the debt contributed to his losing the
position after 10 years.

A tight budget the last couple of years has prevented some from paying off the debts, some of which have been on the books for more than a decade.

"When you go through a budget process where there is a reduction of programs to meet state shortfalls, it certainly diminishes the ability to meet the debts," said Russell J. Spillman, vice president for student affairs.

Most of the colleges and units with debts have been operating balanced budgets the last couple of years, said William J. Shkurti, vice president for finance at OSU.

"These are debts, not deficits. A deficit is where you are continuing to spend more money than is coming in, and there should not be a unit on campus doing that now," Shkurti said.

Students have not been affected by the debts, Shkurti said. However, departments and academic units that have met their budgets have grumbled that they have been asked to carry the less fiscally responsible.

"It is important to clear up this matter in terms of management of the budget process so that everyone is operating from the same rules. It is as much for confidence in the budget process as anything," Shkurti said.

The university hopes to have the payment plans ready when the OSU Board of Trustees meets next month, Shkurti said. Some debts may take longer than five years to pay off, and some may not be paid in full.

"The general guideline is that we want the unit that incurred the debt to pay the money back when it makes sense. In general, we would like to have the debts paid off over five years," Shkurti said.
Decision will spare child care subsidy for now

But program is among 6 units that still must cough up total of $250,000

By Tom Spring

It's not exactly a reprieve from the governor, but the Child Care Center has been spared from having its subsidy eliminated. University administrators, however, do plan to consider a reduction in the $338,000 operating subsidy.

A proposal to drop the subsidy entirely has been scrapped, according to Joan Huber, senior vice president for academic affairs and provost, and William Shkurti, vice president for finance. "We do not feel this action would be in the best interest of the University," they told President Gee in a letter earlier this month.

"It could cause the program to lose federal subsidies that, combined with necessary fee increases, would then make care unaffordable for a significant portion of the University community."

That, they said, would undermine Ohio State's commitment to working parents.

Eliminating the subsidy was one of the many recommendations made by task forces studying ways to reduce expenses to help balance the University budget.

Many recommendations adopted by the Board of Trustees on Feb. 4 are expected to save nearly $7.7 million through June and another $5.4 million in fiscal 1994. Others, such as the subsidy issue, are still being studied.

Those proposals could save an additional $2.2 million next year.

Administrators say the Child Care Program — and other agencies receiving subsidies — should be expected to continue or improve services with fewer resources, just as the other academic support units have done.

The Office of Human Resources is evaluating ways to reduce administrative overhead costs. Increase private fund raising, or increase charges to those most able to pay.

In the letter to Gee, Huber and Shkurti added, "We feel the time is long overdue for the University to address the growing disparity between the demand for human resources support services, such as child care and elder care, and the institution's dwindling financial resources available to meet that demand."

The Child Care Program, Alumni Association, Air Transportation Services, University District Organization University Community Business Association, and the Community Crime Patrol receive more than $1 million from the General Fund. The overall goal is to reduce the subsidies by $230,000.

In regard to the crime patrol, the Office of Business and Administration will determine whether there are overlapping or duplicate services that could be eliminated.

Huber and Shkurti have recommended that all funding be discontinued for the Governor's Summer Internship Program. Ohio State had provided free housing for the interns who work eight-week stints in state government.

Ohio State also will look at the $324,000 in annual rent subsidy it makes to the Midwest Universities Consortium for International Affairs (MUCIA).

Officials dropped a proposal to reduce commencement fees twice a year. The vice presidents noted that 83 percent of students eligible to graduate attend commencement.

An idea to reallocate savings from bonds that were recently refinanced at lower interest rates was also scratched. Officials expressed concern about arbitrarily reallocating savings from bonds to the General Fund instead of to the units that paid for the bonds.

Other proposals also are being studied by the vice presidents, who will report back in April with their recommendations on cost-saving measures. Proposals are:

• Eliminating payment of fees and tuition by credit card and adopting a new tuition payment plan.

• Reducing services duplicated by more than one office, or adopting alternative methods of delivering the services.

• Instituting a $30 per quarter fee for bus service, if there is enough interest.

• Raising money through a surcharge on athletic tickets. A fee on basketball tickets raised about $400,000 this year.

• Reducing General Fund support for the Development Office.

• Adding a surcharge on tickets to the Farm Science Review, which attracts more than 100,000 visitors annually. However, the College of Agriculture, which is in debt, was considering a similar plan.
Gee wins support for
Voinovich proposal
not enough to stop
increasing tuition

COLUMBUS (AP) — Regents Chancellor
Elaine Hairston and three university
presidents won support Thursday for
increased higher education funding in Gov.
George Voinovich's two-year budget.
"They have taken all the cuts they can. If
we can find any additional money, they
need to grow a little bit," said Rep. Wayne
Jones, D-Cuyahoga Falls, chairman of the
House Finance Education Subcommittee.

Hairston; Frank Horton of the
University of Toledo; E. Gordon Gee of
Ohio State; and Carol Cartwright of Kent
State University appeared and testified on
Voinovich's $3.68 billion proposal.

The total reflects an 11.7 percent
increase from the present two-year budget,
but Hairston said it is still $272 million
below basic funding levels of three years
ago, when state subsidies began to decline.
Voinovich's proposal "stabilizes higher
education's higher education free-fall," she
said. But it is not enough to reduce
pressure for tuition increases which limit
education opportunities in Ohio, she said.

The governor blames the lack of
education funds on a sluggish economy that
forced him and the Legislature to cut
spending by about $600 million and raise
taxes by $1.1 billion just to balance the new
budget.

Jones said he sees the possibility of
eliminating waste in certain non-education
parts of the budget, such as a consolidation
of worker training programs that now exist
in several state agencies.

Others note that more money might be
available if the economy continues to
improve and state fiscal experts decide it is
increased state funds
safe to increase revenue projections over
the next two years.

The budget deadline is July 1.
Horton, who also is chair of Ohio's Inter-
University Council, and Gee said it is
shortsighted to cut university funding at a
time when everyone is hoping and working
for an upturn in the economy.

"Higher education has lost priority at the
very time that our economic future is
indelibly tied to our ability to master new
ideas, new knowledge and new
technologies," Horton said.

Cartwright reviewed steps taken at Kent
State and elsewhere in the system to more
effectively manage available resources.

"Ohio is very cost effective in its delivery
of higher education," she said.

She said Ohio is 33 percent below the
average administrative expenditures per
student among universities in 13 contiguous
states.

Gee said Ohio State has had to cut costs
by combining its admissions and financial
aid offices, eliminating duplicative
emergency medical services and deferring
building maintenance although some
decisions might "come back to haunt us."
14 units decide how to pay off outstanding debts

By Gemma McLuckie

Five-year plans to reduce debts owed by 11 colleges and three academic support units will be submitted to the Board of Trustees today, March 11.

The colleges and units owe a total of $41.5 million. This represents about 3 percent of the University's annual budget.

"These deficits by and large represent old debts, which means they reflect the cumulative effects of several years," says William Shkurti, vice president for finance. "Repayment of these debts is necessary to assure management accountability to the budget process, but it will not result in a financial windfall to the University because it is money we owe ourselves.

"Most of the units are now operating on a balanced basis and will be expected to pay their accumulated deficits over the next five years," he adds.

Shkurti and Ed Ray, associate provost, will present reduction plans to the trustees' Fiscal Affairs Committee, which meets today at 4:15 p.m. in the Fawcett Center Alumni Lounge.

Colleges and support units that are developing plans to pay back their debts are: Arts, Humanities, Math and Physical Sciences, Business, Agriculture, Engineering, Education, Dentistry, Law, Medicine, Veterinary Medicine, Academic Affairs, Student Affairs, Human Resources, and Business and Administration.

There are a variety of reasons, besides the actions of managers, for why departments find themselves owing money, Shkurti points out. "Deficits can result from circumstances such as unexpected enrollment changes, unfunded requirements, or temporary delays in the receipts of revenues."

Two colleges with the largest problems are examples. Humanities has had to deal with jumps in enrollment and added demand for required liberal arts classes to fulfill the General Education Curriculum. Agriculture has been hit by deep cuts for units funded through line items in the state budget, such as University Extension and the Ohio Research and Development Center.

Details of the plans were not available before the onCampus deadline. Particulars will appear in the March 25 issue.
PAY RAISES RECOMMENDED AS OHIO STATE BUDGET PRIORITY

COLUMBUS -- Two Ohio State University officials are recommending that compensation for faculty, staff and student employees be the highest priority for additional funding in the next biennium. They shared their views with members of the Board of Trustees Thursday (3/11).

The recommendation from Edward Ray, associate provost, and William J. Shkurti, vice president for finance, was the top budget priority among the university's Executive and Priorities committees, deans and department chairs, and major faculty and staff committees. Pay levels were frozen last year for most university employees.

In a memo to President E. Gordon Gee and Provost Joan Huber, Ray and Shkurti said that protecting faculty quality is the single most important thing Ohio State can do to support education, scholarship and public service.
Investing in keeping high quality faculty is less expensive than recruiting replacements, they said, and maintaining quality of staff is crucial to the challenges of doing better with less. They added that providing wage increases at least equal to inflation to student employees is essential to enabling them to stay in school.

-more-
RAY and Shkurti said that the absence of pay raises for a second straight year would erode employee purchasing power below acceptable levels and create serious morale problems.

The next highest priorities identified and recommended, in order, were academic enrichment funds; purchase of modern computing hardware and software; funds for research space, equipment, library support and other infrastructure; and affirmative action and diversity.

Other priorities included reducing a severe backlog on maintenance and repairs, and improved funding of student services, student recruitment, and supplies and services.

Shkurti and Ray say it is unlikely that more than a small portion of the priorities can be funded in 1994.

PLANS APPROVED TO REDUCE COLLEGE DEFICITS

During the Fiscal Affairs Committee meeting, trustees also heard about plans to reduce college and office debts that have been funded in recent years by the central administration.

Plans to repay the debts have been approved for 10 of 11 colleges and four offices. The College of Law has yet to submit a plan.

The largest debt, $9.8 million, is owed by the College of Agriculture. The bulk of it, $8.5 million, came from the Ohio Agricultural Research and Development Center. A line item in the state budget, OARDC has seen its funding level fall in recent years. The money is to be repaid to Ohio State's central administration by 1998, depending on the funding level provided by the state in the next biennium.

The next largest debt, $7.8 million, is owed by the College of Humanities, which has had enrollment growth outstrip funding in recent years. Under the approved deficit reduction plan, the college will repay $1.8 million by 1998, with the central administration funding the rest.

Shkurti noted that the $44 million total deficit represents accumulated shortfalls in individual accounts over several years and does not represent the overall status of the university, which has a balanced budget.

CHANGES IN ENROLLMENT SUBSIDY FORMULA COULD HURT OHIO STATE

Ohio State will receive significantly less money from the state in the long run, if changes are approved in the way instructional subsidies are distributed, Shkurti noted.
For example, the Board of Regents has recommended to the Ohio General Assembly changes that would allocate funds for plant, operation and maintenance based on enrollment, rather than on square footage of facilities as has been done for many years. Shkurti says that alone will result in $11.5 million fewer dollars for Ohio State over the long run, although it won't be felt immediately.

Changes in funding for instruction and enrollment would cost another $2.3 million, he estimated, although other mechanisms could help offset those reductions by about $7 million.

The Office of the Board of Regents has estimated Ohio State would receive about $251 million in instructional subsidies in fiscal 1994 under the governor's budget proposal, up from roughly $245 million this year.

CAPITAL PLANS EXCEED LIKELY RESOURCES

Trustees also discussed 1995-96 capital budget plan issues. Shkurti noted that current commitments and high priority projects will require $152 million in additional state funds.

Because a large number of projects were only partially funded or funded for planning purposes only in the December 1992 capital budget bill, Ohio State would need about $100 million in the next biennial bill to meet the commitments of the last one.

However, Ohio State has never received that much in one bill. Last year's allotment totaled $62.1 million. Thus, the projects will have to be prioritized for the available funding.

Shkurti noted that other capital needs have been created as a result of some of the current projects, and could cost as much as $300 million. These are renovations of Hagerty, Page and Vivian halls and the Botany and Zoology Building. Those buildings will be completely or partially vacated after construction of a new College of Business complex, a new Food Science and Technology facility and the Life Sciences Building.

House adds to the pot; line items may get more

By Tom Spring

House Democrats have drawn up a state budget that would put more money in the coffers of Ohio State.

The Democrats' plan awards more money than the governor has proposed for agricultural extension and research and some clinic activities the next two years.

The funds are part of an additional $51 million earmarked for higher education over and above the executive budget submitted by Gov. George V. Voinovich. All of the additional money was tagged for specific line item spending accounts, rather than for instructional subsidies.

There was a possibility that the bill, in amended form, might pass the House by March 31.

"We very much appreciate the support that the House demonstrated for a number of Ohio State line items, including OSU Extension, the Ohio Agricultural Research and Development Center, the Ohio Sea Grant program, the Center for Labor Research, the Japanese Institute, and the clinical subsidy for dentistry and veterinary medicine," says Herb Asher, special assistant to the president and the University's chief government lobbyist.

"Each of these programs provide many benefits not only within the University, but to citizens throughout the state of Ohio. We are very grateful to the House of Representatives."

The lion's share of the new money: $24 million, was reserved for financial aid to part-time students, a new program sought by the Ohio Board of Regents but unfunded in the governor's proposal.

Under the new plan, University Extension would receive an additional $620,000 the first year and $1.3 million extra the second year.

That would bring total funding to $15.4 million in fiscal 1994 and $16.8 million in fiscal 1995, for an increase of more than 8 percent per year. This year's allocation is $14.1 million.

OARDC could see a jump this year of 13 percent, from the current $17.9 million to $20.6 million in fiscal 1994, and another increase of 7.6 percent in 1995 to $22.3 million.

That reflects $1.8 million added by House Democrats in fiscal 1994, and $2.5 million the following year.

Continued from page 1

OARDC's budget was cut nearly 20 percent last year as part of statewide budget reductions resulting from a slow economy.

Under the House Democratic plan, clinics in the colleges of Dentistry and Veterinary Medicine would receive an additional $269,000 the first year and $284,000 the second year beyond the $601,140 and $712,225 earmarked by the governor.

Sea Grant would get $235,000 annually, up from $188,000. The Institute for Japanese Studies would get $150,000 for the biennium, basically a continuation of its current funding. Japanese Studies received $75,000 this year from the same, but was left out of the governor's new budget.

Finally, the House funded the Center for Labor Research, 1314 Kinnear Road, at $800,000 per year. The center had not been included in the governor's budget.

Although funding for higher education rises in the House Democrats' budget bill, the overall spending plan is about $200 million less than the $30.8 billion measure Voinovich, a Republican, submitted earlier this year. Democrats reduced money for welfare, based on Legislative Budget Office estimates. If passed by the House, the next step for the budget is the Ohio Senate. Senate Republicans, who hold a majority, have generally increased funding for higher education above the gubernatorial and House levels. Each chamber usually makes adjustments to the spending bill as newer economic information becomes available during the budget process.

After the Senate concludes its deliberations, a joint House-Senate conference committee will have the responsibility of ironing out differences between the House and Senate versions of the budget. The new budget period begins July 1.

Asher says he hopes that more dollars will be added to the instructional subsidy, the cure of higher education funding, by the time the budget process is concluded.
Budget process forces tight timetable

Senators hear reports on faculty salaries and honorary degrees

By Gemma McLuckie

As with any household, the University must live within its means. But Ohio State won't know its means until the last minute, the University Senate learned at its meeting April 3.

In a report about the timing of the state's 1994 budget, William J. Shkurti, vice president for finance, told the senators, "The state budget will not be passed until late May."

The timing puts University fiscal officers into a tight spot, he explained, because the Board of Trustees will vote on Ohio State's budget in early June.

"This (situation) puts a strain on everyone," he said. Colleges and academic support units will not really know what funding they have until the fiscal year is almost over June 30, he explained. Because University reserves have been used up to meet previous budget cuts, there is no margin for error, he added.

Money matters also came under scrutiny when Prem Goel presented the Faculty Compensation and Benefits Committee findings on salaries.

FCBC recommended increasing faculty salaries 7.14 percent for 1993-94, and 6.5 percent a year for the following five years. The 7.14 percent raise would be divided into an across-the-board increase of 3.14 percent, merit increases of 3.5 percent, and equity and market adjustments of .5 percent.

Central administrators will consider the committee's suggestions and data when they decide about faculty raises.

FCBC data, Goel reported, indicates two downward trends: the buying power of salaries is below the 1976 level, and Ohio State's pay is not keeping up with salaries paid by peer institutions.

The trends "will show up when we start to lose faculty," Goel said. "Unless you treat faculty right, someone out there will." He is chairman of FCBC. He said younger and senior faculty could be lured to other universities or into industry.

He said half the faculty earns less than $50,200 per year, and one-fourth of faculty receive less than $40,000.

"Arts and humanities faculty are on the bottom of the statistics," Joy Reilly, a member of FCBC, told the Senate. "There are faculty, associate professors with tenure, who earn less than $40,000."

In other matters:
- The chairman of the Committee on Honorary Degrees urged senators to tell their colleagues to submit names for consideration. Rolf Barth said Ohio State should present more honorary degrees, but there is a lack of nominations.

Also, the selection process is a cumbersome one, he noted.
- The Senate passed changes to the rules concerning academic centers. The rules had been approved in January 1992, but were revised. The Committee on Academic Freedom and Responsibility last year had questioned the role of faculty in establishing and terminating centers, who had oversight for the centers, and how often they would be reviewed. These questions are answered in the revisions, reported Robert L. Arnold, chairperson of the Council on Academic Affairs.
- Senate meets again 9 a.m. May 1 in 103 Kottman Hall.
DECISIONS MADE ON RESOLVING $7.5 MILLION BUDGET SHORTFALL

COLUMBUS -- The Ohio State University is taking final steps to resolve a $7.5 million shortfall in its budget.

Joan N. Huber, senior vice president for academic affairs and provost, and William J. Shkurti, vice president for finance, reported to the university's Board of Trustees Friday (5/7) on progress in meeting the $7.5 million reduction in the budgets for the current 1992-93 fiscal year and the 1993-94 fiscal year, which begins July 1.

As approved by the trustees in February, this year's deficit reduction plan includes reducing the level of reserves needed for university employee health benefits, reprogramming gift monies, one-time savings in utility and facility expenses, a surcharge on basketball tickets, and closing a second ombudsperson office.

Because not all of the savings are ongoing, officials have been studying additional measures to save $7.5 million in the next year.

For the 1993-94 fiscal year, the proposed reductions include:

- A 1 percent reduction in non-instructional units' budgets ($1.3 million)
- Continued savings in benefits administration ($960,000)
- Continued reprogramming of gift money ($1 million)

- more -
Continuation of the surcharge on basketball tickets ($400,000)
- Reductions in subsidies to the Child Care Center ($65,000 of the total $338,000), Governor's Summer Intern Program ($35,000), Alumni Association ($30,000) and smaller amounts to various others
- Expanding campus bus service and charging riders $20 a quarter for bus passes ($250,000)
- Reprogramming revenues from licensing agreements ($750,000)
- Selling a university airplane ($105,000)
- Discontinuing acceptance of credit card payments after Jan. 1, 1994 ($500,000).

"We recognize many of these actions will cause some hardships for many of our students, faculty and staff and for visitors to the university," Shkurti said. "However, the elements of this plan are much less damaging than the alternatives of additional tuition increases or additional budget cuts for instructional units."

Altogether, Ohio State's 1992-93 state funding cuts totaled $33 million. After initial cuts were accommodated by increasing tuition, eliminating nearly 1,000 job positions and freezing pay levels for most faculty and staff, the university lost another $7.5 million in state subsidy for each year of the biennium. It is this last $7.5 million which is being addressed in the plans outlined by Huber and Shkurti.

Contact: Joan Huber, (614) 292-5881
William J. Shkurti, (614) 292-9232
Colleges looking to repay debts over next 5 years

By Stephaniie Warmuth
Lantern staff writer

Colleges that owe debts to the university will try to repay their debts by cutting expenses — without harming students.

However, representatives from some colleges have said they might need to close students out of classes or cut faculty and staff positions over the next five years in order to repay the debts.

For instance, the College of Medicine plans to repay its $4.8 million debt by eliminating several of its faculty and staff positions, said Dean Manuel Tzagournis.

But Tzagournis said the college hopes to make up for this loss with increased donations. He said with more donations from alumni and friends of the university, the college could continue to support the salaries of its faculty and staff members.

The college also plans to increase some fees, such as lab fees, he said.

"We are trying to eliminate the deficit without affecting the teaching and research programs," Tzagournis said.

The College of Medicine and fourteen other OSU colleges and offices owe the university a total of $44 million. Ohio State has covered the colleges' overexpenditures, which accumulated over the past five to eight years, by using money from the university's central fund.

But the university expects the colleges and offices to repay their debts. Eleven of them have reached agreements with Ohio State for repayment. Of these, nine will be held responsible for repaying their own debts by cutting expenditures over the next five years, from July 1, 1993 to June 30, 1998. Ohio State will help repay debts accumulated by the College of Humanities and the Office of Human Resources.

Four colleges and offices do not have approved plans yet: the Ohio Agriculture Research and Development center, the College of Engineering, the Wexner Center and the Ohio Union. William J. Shkurti, vice president for Finance, said these plans will be finalized within two months.

Shkurti provided no specifics on the pending plans, but he said Ohio State wants them to take responsibility for their own debts.

"It is the general operating principal of the university that the entity that made the debt is responsible for picking it up," he said. "I don't envision the university picking up any more of the debt."

Shkurti said the colleges and offices with debts would have to do without some luxuries, but he said this would not adversely affect students' ability to get into courses.

"Our objective going in was not to have students disadvantaged and burdened in cleaning up the debt," said Edward Ray, associate provost for Academic Affairs.

Ray said he thinks the consequences of repaying the debt on students will be minimal.

"It would be cavalier to assume it would have no negative impact in terms of the students' ability to enroll in courses," he said.

Students may be closed out of some classes in the College of Humanities because it is repaying $1.8 million of its $7.8 million debt.

The college will try not to let this happen, said Phyllis Newman, the college's fiscal officer. She said some students could be "delayed" in getting into certain classes, but this will not affect courses for majors or for graduation.

Newman said the college will repay its debt with whatever money becomes available. She said DEBT Page two
Administrators update trustees on $7.5 million budget shortfall

By Tom Spring

The University is taking final steps to resolve a $7.5 million shortage in its budget.

Joan N. Huber, senior vice president for academic affairs and provost, and William J. Shkurti, vice president for finance, reported to the Board of Trustees May 7 on reductions in the budgets for the current 1992-93 fiscal year and the 1993-94 fiscal year, which begins July 1.

For the 1993-94 fiscal year, the proposed reductions include:

• 1 percent cuts in non-instructional units’ budgets ($1.3 million)
• Continued savings in benefits administration ($960,000).
• Continued reprogramming of gift money ($1 million).
• Continuation of the surcharge on basketball tickets ($400,000).
• Reductions in subsidies to the Child Care Center ($65,000 of the total $338,000), Governor’s Summer Intern Program ($35,000), Alumni Association ($30,000) and smaller amounts to various other units.
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Budget cuts in OSU’s future; deans asked to reduce costs

By Katherine Johns
Lantern staff writer

Ohio State will once again be forced to tighten its belt. Five percent to 6 percent budget cuts will be implemented for the fiscal year beginning July 1, said William Shkurti, vice president of finance.

Decreased enrollment, reduced state funding and overspending for student-financial aid and minority scholarships were major factors in creating the current financial crisis, Shkurti said.

Shkurti said although there is $7 million more in the 1994 budget, inflation has raised costs by $32 million. The $25 million gap must be financed by the university’s general fund, he said.

Deans in each college have been instructed to submit a budget cut plan by June 21 that allows for a 10 percent reduction in spending. It has not yet been determined how much will be taken from each department, Shkurti said.

Options colleges are considering include mergers and elimination of programs and positions.

President Gee addresses the new bleak budget situation in his latest “Open Letter” in today’s Lantern. In the letter Gee lists salary increases as being among the budget priorities, but falls short of an explicit commitment.

A faculty salary increase of 1 percent costs about $4 million, and salary increases at the rate of inflation would cost almost $12 million, Gee writes in the letter.

The university is trying to minimize the adverse effects of the cuts on students. “We’re trying to avoid the closed-course problem, which is an area we’ve made great progress in this past year,” Shkurti said.

Student-financial aid and minority scholarships may face cuts, but the university will honor the commitments it has already made, he said.

Officials are looking to 1995 as the year the budget crisis will be resolved, Shkurti said. More aggressive recruiting and increased state support are two ways of increasing income without hurting students, Shkurti said. State support is proportional to the number of students enrolled.

Because the budget cuts are drastic, the university is looking at ways to help give departments more time or perhaps short-term loans, Shkurti said.

President Gee has scheduled an open meeting to discuss the cuts from 11:30 a.m. to 1 p.m., May 26 in Weigel Hall.

“We want to share information with the campus, so they can help us in making the hard choices,” Shkurti said.
OSU braces for more cuts

By Tim Doulin
Dispatch Higher Education Reporter

Projecting a possible $25 million shortfall in revenue in the next budget year, Ohio State University is asking deans and vice presidents to prepare for spending cuts averaging 3 percent to 5 percent.

Coming on the heels of two years of budget reductions, another round of cuts could mean faculty layoffs, eliminating programs and canceled classes, said deans and vice presidents.

"We are down to the core of our program because of cuts, not just two years ago and 6 percent last year," said Donald Harris, dean of the College of the Arts.

"We will be obliged to terminate faculty," he said.

OSU’s budget goes into effect July 1. The university’s latest financial distress signal comes just as legislators enter the final stages of preparing the overall state budget.

Under the state budget proposal that passed the House of Representatives, OSU would receive a 2 percent increase in state subsidy support, or about $4 million more than it received this fiscal year, the university said. Republicans in the state Senate are seeking a subsidy increase of 3 percent.

But university officials have said more money is needed to handle rising expenses, declining enrollment and employee raises coming due this year.

In an “open letter” that appeared yesterday in the campus newspaper, The Lantern, OSU President Gordon Gee said the university is facing "a possible $25 million revenue shortfall."

Yesterday, Gee said the university will try to close the gap, but he offered few details on how it would be done. However, the university is lobbying legislators for more support, he said.

One concern is declining enrollment. Enrollment on the main campus fall quarter was 52,183, down 2,180 from fall of 1991 and the lowest enrollment in 10 years.

Gee said the university might bring in about $10 million less in tuition and fees next year. "Our enrollment is one of the most uncertain variables we are facing," Gee said.

Another variable is planned pay raises, which could cost as much as $12 million, Gee said. He said he is committed to giving pay raises to OSU employees this year, something most had to do without last year.

Meanwhile, deans and vice presidents have been asked to submit budget plans with

Please see OSU Page 2D

Robert M. Arkin, associate dean of undergraduate studies in the College of Arts and Sciences, said academic and career counseling services might be reduced.

"Any cutback will affect personnel. And fewer personnel means it will take longer to serve the students," Arkin said.

Some deans said the magnitude of the projected cuts comes as a surprise and has a demoralizing effect on workers.

"We have been strategizing about the budget future for some time, but the projections are more profound than we thought they would be," said Nancy Zimpher, dean of the College of Education.
Gee to reveal plan for budget

Projected $25 million shortfall leads to faculty hiring freeze

By Stephanie Warsmith
Lantern staff writer

In an open meeting today, OSU President E. Gordon Gee will announce the university's plans to implement a series of budget freezes, including a temporary ban on the hiring of faculty and staff.

Gee outlined these plans Tuesday in an administrative meeting to about 100 faculty and staff members gathered at Ohio Union.

Gee's announcement comes in the wake of a projected $25 million shortfall in revenue and expenditures for the next fiscal year, which begins July 1.

By Stephanie Warsmith
Lantern staff writer

In the meeting, Gee called for a 90-day freeze on faculty and staff hiring and a freeze on increasing the salaries of top administrators, including vice presidents and deans.

The university has also requested the deans in each college submit a budget plan that allows for a reduction of up to 10 percent in their spending.

"Our expenditures must be brought into line with our revenues," Gee said. The administration is examining many possibilities to increase revenue and reduce expenditures.

In addition, Gee reiterated his commitment to increase faculty salaries and alternatives to layoffs. "We have to show a commitment to our faculty, or our best people will think about going elsewhere," he said.

In order to bring in more money, the university is planning to increase enrollment, said Edward Ray, associate provost.

Though Ohio State has pared down expenses recently in the interest of recruiting more high ability students, Gee said this needs to be re-evaluated.

Reducing enrollment is an issue the administration "should have thought about more," Gee said. Still, he maintained, the university will continue to have selective admissions. More details were not immediately available.

In addition to increased enrollment, the OSU administration plans to increase income by seeking increased state support and identifying other sources of revenue, Ray said.

Another source of revenue could come in the form of tuition increases next year. Ohio Gov. George Voinovich and the Ohio Senate have proposed a tuition cap of 4 percent, meaning tuition could be increased by up to 4 percent. Meanwhile, the Ohio House of Representatives has proposed an increase of 4 percent or $150 per quarter, said Herb Asher, special assistant to Gee.

Asher said the OSU administration will continue to work to get more funding from the state and "some flexibility in the tuition cap."

The university's budget shortfall has been attributed to a variety of factors. For example, Gee has said the university's multi-year commitments, such as minority and financial-aid scholarships, and the university's declining enrollment, are to blame.

Gee said Ohio State will not extend new multi-year budget commitments to items such as scholarships until the university can review its finances and determine just how much it can allocate for these expenditures.

In addition, the university is uncertain how much it will receive in state subsidies for the next fiscal year. The budget under consideration in the Statehouse calls for an increase of 2 to 3 percent to the OSU budget. This is less than the rate of inflation, Gee said.

In planning for projected budget cuts, OSU Provost Joan Huber said department chairs should consider three criteria: centrality, quality and student demand.

"There is nothing magic about these criteria," Huber said. "We can't go in thinking everyone will come out happy and smiley. Those that get cut will claim we used the criteria inadequately."

"Some years OSU colleges expressed concern at the idea of a reduction of up to 10 percent of their budgets. A 10 percent cut would be a remarkable reduction in support," said Phyllis Newman, fiscal officer for the College of Humanities. She said the college has taken an 8 percent cut in the last two years.

Newman said the college cannot back out on its funding commitments to graduate students and faculty. That limits the arbitrations where cuts can be made, she said.

"If the governor were providing more support, we wouldn't be in this situation," Newman said.

She said the budget cuts will impact the quality of education at Ohio State. For example, she said the College of Humanities has tried squeezing 706 students into history classes, but the experiment didn't work.

"It takes years to develop quality and no time to destroy it," Newman said.

Francis Beyagh, dean of the College of Law, said the university should consider alternative ways to make cuts, such as generating revenue. Beyagh said he has told Gee and Huber his suggestions, but the ideas have "not been enthusiastically received."

"We would not adversely affect academic enterprises and would generate additional revenue," Beyagh said.

He said he has not been given an adequate explanation of why the professional schools can't pursue this possibility.

The open forum will begin at 11:30 a.m. today in Weigel Hall. Gee will be discussing the budget issues with the community. Other OSU officials such as Huber, Asher, Ray and William Sharrit will also attend the meeting. Gee said the forum is being held so he can hear the questions and concerns of those in the community.

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Projected Income Increase

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Midpoint: +$11.4m (4.6%) Range represents difference between House and Senate Proposals

Lantern Graphic Source: Office of Finance

Projected Spending Increase

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Lantern Graphic Source: Office of Finance
Gee defends high-paid help

OSU's president announced a hiring freeze to combat an expected $25 million deficit.

By Tim Doulin
Dispatch Higher Education Reporter

President Gordon Gee came to explain how Ohio State University plans to cover an expected $25 million deficit in its next budget and ended up answering questions about hiring highly paid administrators.

Gee told about 350 students, faculty members and staff members at a budget forum in Wigel Hall yesterday that OSU will begin a 90-day freeze on hiring and most major purchases immediately and will freeze salaries of top administrators indefinitely.

Health, safety and other positions he described as necessary are exempt from the hiring freeze, he said.

University officials blamed the predicted shortfall in the budget, which begins July 1, on a number of things, including less-than-expected state support and declining enrollment. Enrollment hit a 10-year low on campus last fall and is down about 3,000 students from last year at this time.

"We are facing a serious budget challenge," Gee told the audience. "But I am prepared to make the decisions necessary for our future. I expect support for these decisions."

Gauging by the response of the audience yesterday, many support Gee's measure to freeze administrative salaries. In a question-and-answer session, Gee was pressed about salaries of vice presidents and deans.

OSU recently hired Richard Sisson, an administrator from the University of California, at Los Angeles, as provost at $161,000 a year. That's about $19,000 more than the salary of his predecessor, Joan Hutter, and 820 more than Gee's salary. OSU hired Gregory Williams as the law school dean this spring at $160,000 a year, about $24,000 more than his predecessor's salary. In April, Randall B. Ripley was named dean of the College of Social and Behavioral Sciences at $145,008 a year. That's $48,248 more than he made as acting dean of the college.

"It doesn't seem to help faculty's, or anyone else's, morale around here when salaries of the chief administrative officers seem to be so far out of line with everyone else," one audience member said to Gee.

The remark drew enthusiastic and sustained applause from the audience. Also drawing applause was a suggestion by another audience member that OSU freeze the salaries of those making more than $60,000 to $70,000 a year and put more money into the salaries of lower-paid faculty and staff members.

Last year, some state legislators criticized Gee for hiring a number of senior administrators at six-figure salaries while
complaining about cuts in state support to higher education. Gee told the audience yesterday that he had a number of administrative positions to fill when he came to OSU in 1990 and decided to go after the best people for the jobs.

"We tried to recruit folks who will make a difference in the institution," Gee said. "The difference between what the old persons were paid and the new persons were paid was somewhere in the neighborhood of a couple of hundred thousand dollars, but we are talking about a $25 million problem here."

The major complaint the university receives from the public is not about salaries, he said, but whether or not the university is "teaching and teaching well."

Gee said he and all vice presidents and deans will not get pay raises this year. He left open the possibility that other administrators will go without raises.

He is committed to giving faculty and staff members a pay raise. Gee said, something most university employees went without last year.

"We have seen a surge in efforts to attract some of our best teachers and scholars to other institutions," he said. "We cannot allow Ohio State to lose these talented faculty."

Deans and vice presidents have been told to expect to cut their budgets an average of 5 percent for the fiscal year that starts July 1. Some administrators said last week the cuts cannot be made without layoffs.

Gee said the university hopes to keep layoffs to a minimum, "but we need to come to a level of faculty and staff that can be supported by our revenue and enrollment. That is an ultimate bottom line."

The university is estimating a spending increase of about $382 million in the next budget with a 3 percent to 4 percent "cost of living" pay raise accounting for about $11 million of that total. Other spending increases are coming from areas such as health insurance and benefits, student financial aid, utility and facilities costs and funding of some scholarship programs.

The university is expecting an increase in income of about $7 million. Most of that would come from additional state support and from increased tuition and fees.
Senate bill adds $7.2 million for instructional subsidies, guarantee

As OnCampus went to press, the Ohio Senate was preparing for a floor vote on the biennial state budget.

The Senate Finance Committee unveiled a bill May 24 that adds $7.2 million to instructional subsidies and guarantees all state-supported universities at least a 3 percent increase. The version passed by the House earlier this year guaranteed a 2 percent increase.

"We felt it was necessary to provide at least a 3 percent guarantee to our colleges and universities, many of which felt the brunt of budget cuts in the last biennium," said Sen. Gene Watts, chairman of the subcommittee on education and a history professor at Ohio State.

"We certainly appreciate the increase in the guarantee from 2 percent to 3 percent and welcome the much needed additional support for Cooperative Extension and OARDC," Herb Asher, special assistant to the president, said. "As the budget moves to the conference committee, we will continue to work to increase the dollars in the instructional subsidy."

Asher noted that while the subsidy guarantee would increase funding for Ohio State, the committee lowered the tuition cap from the House level, which would serve to reduce income raised from in-state students.

Subsidy amounts are tied to enrollment levels. The guarantee is designed to help ensure that those universities with stable enrollments also receive additional funds.

After the full Senate votes, probably today, May 27, the measure will go to a committee of House and Senate conferees to iron out differences in the amounts and language governing how money is spent.

The budget the House sent to the Senate contained an additional $51 million for specific line item accounts beyond Gov. George V. Voinovich's recommendations. Of that amount, $24 million was earmarked for financial aid to part-time students at Ohio universities.

However, the Senate committee transferred money from the part-time program in fiscal 1994 to increase the number of people eligible for full-time Ohio Instructional Grants. The part-time OIC program was fully funded at $12 million in fiscal 1995, Watts said.

The senator said the delay in funding the part-time program would give the Board of Regents time to get the program up and running.

The two-year budget period begins July 1.

Agriculture gets boost in Senate proposal

The College of Agriculture's picture is beginning to brighten considerably.

Barring last-minute changes, senators added $2.5 million over the biennium for the Ohio Agricultural Research and Development Center. That includes $21.1 million for fiscal '94, compared to the current-year funds of $17.9 million.

In addition, funding for Ohio State University Extension was increased to $34.2 million over two years, with $16.1 million for fiscal '94. This year's budget is $14.1 million.

Asher said the increased funding shows that legislators recognize that agriculture is Ohio's largest industry and that Ohio State has the state's only public agriculture college.

State funds for OARDC and Extension were cut nearly 19 per-
Administrators call a halt to hiring and most purchases

By Tom Spring

The administration at Ohio State is taking several steps to try to reduce budget problems now and in the coming biennium.

To reduce current expenditures, University officials have placed a freeze on the salaries of top administrators, including vice presidents and deans.

In addition, a 90-day freeze is being imposed on the hiring of faculty and staff.

According to Edward Ray, senior associate provost, exceptions will be made on a case-by-case basis. For the most part, approved exceptions would apply only to hospital and security positions, personnel critical to student services, and individuals on outside contracts.

Other measures being enacted include:

• A 90-day freeze on all non-nominated major purchases.

• A freeze on all multi-year commitments beyond current obligations.

• Targeted cost reductions in other areas.

Steps being taken to help reduce future budget problems include aggressively pursuing more state support, and increasing enrollment through intensified recruitment of transfer and graduate students, and improved delivery of financial aid.

Projections for next fall's freshman class of 5,400 are "on target and may be exceeded," Ray said.

Ohio State recently consolidated the offices of Admissions and Financial Aid to improve the delivery of financial aid to students. Prospective students had complained about red tape and delays in getting funds.

One of the criticisms of the delivery system had been that many students who applied to Ohio State for admission and financial aid received their aid commitment from other universities much earlier. Some enrolled at those institutions.

The University also will look at other income sources to see if additional revenues may be raised.

William J. Shkurti, vice president of finance, said he wants to link program planning directly to budget planning in the coming biennium so that Ohio State can match its expectations with available resources.

In the past, Ohio State has taken on projects without assurance of funding sources. These include multi-year spending plans for programs such as the General Education Curriculum, Young Scholars and scholarships for high ability students.

"These are all good programs that pursue worthwhile objectives, but plans for increased spending in all of these areas need to be weighed against other legitimate demands on limited resources," Shkurti said. "That is why we have an academic planning process."

By matching program and project expectations to the available resources in future budgets, Shkurti said Ohio State will be able to pay its employees competitive salaries, reward colleges having quality academic programs, and improve support services without financial disruptions.

One recent report shows Ohio State faculty salaries below the average of the 12 universities of the Committee on Institutional Cooperation, which includes Big 10 schools and the University of Chicago.

Other surveys show administrative and professional staff salaries are about 8.1 percent below an average of other higher education employers and regional employers. Civil service salaries on average are 6 percent below the overall market average and about 7 percent behind state government workers.
Budget Briefs
Some reactions and thoughts

Is higher ed a budget ‘balance wheel’?
According to Hal Hovey, assistant professor of public policy and management, who teaches a course on public budgeting and spending decisions, higher education is the "balance wheel" of state budgets across the nation.

When cuts must be made, he said, "Legislators probably should cut higher education disproportionately because it has the capability to raise revenues through higher charges. The flip side is that in good times extra dollars go to higher education. This pattern to some extent has been followed."

The picture changes when legislators limit the amount state universities can raise tuition, as is the case in Ohio, said William J. Shikarri, vice president for finance.

Hovey and Shikarri spoke May 13 at a campus forum on financing higher education. The program was sponsored by the School of Public Policy and Leadership and the departments of Educational Policy and Leadership, Finance, and Political Science.

"When higher education cuts were made in 1982, OSU could raise tuition 1 percent," Shikarri said. "Now it is capped at 4 percent to 5 percent. The last two years have been the first times the state had tuition caps when making cuts."

Hovey said that is unique. "Historically, the state and national patterns have been that you have (million) caps in good times, but not in bad times."

The tuition cap will continue again this year. The House version set the maximum tuition and fee increase for 1994-95 at 4 percent or $50, whichever is greater. Ohio State, as a low-tuition university, could raise fees 5-4 percent.

Enrollment down 3,000 at Columbus
Spring quarter enrollment is down nearly 3,000 students from a year ago on the Columbus campus. This quarter, 46,975 students are attending college, compared with 49,929 in spring quarter 1992.

That has major implications for balancing a budget, according to William J. Shikarri, vice president for finance. Shikarri estimated the impact of lost tuition on main campus at up to $6 million.

Enrollments at the Lima, Mansfield and Marion campuses are down 51, 53, and 21 students, respectively, from a year ago. However, those drops were largely offset by Newark, where enrollment is up 85, and Wooster, where enrollment is up 22.

1993 freshmen have 'class'
In the freshman class coming in autumn 1993 will be even more University Scholars, reported James Magruder, director of admissions and financial aid. This year there were 403. Next year, more than 450 are expected to enroll. To be a University Scholar, a freshman must have graduated in the top 3 percent of his or her high school class and have achieved 29 or more on the ACT, or 1260 or more on the combined SAT.

Also, Ohio State expects to hold its ranking as first in the Big Ten for National Merit and National Achievement scholars. In 1992, the University enrolled 106 of the high-ability students.

The class is expected to exceed the goal of 5,400 students projected for the fall.

No decisions on differential pay raises
University officials announced earlier this quarter that pay raises will receive top budget priority for the coming year.

However, rumors have circulated on the Columbus campus that either faculty will get a higher percentage raise than staff or that faculty and administrative and professional staff will receive a higher percentage raise than civil service staff. Civil service employees received a 1.5 percent increase last year.

Apparently, a differential pay raise remains a possibility. William J. Shikarri, vice president for finance, said May 20 that administrators are still discussing that idea, but had not come to any decision. No decision is expected until late June.

The University Staff Advisory Committee has gone on record opposing differential pay raises. In an April 29 memo to President Gee, Cheryl Yeck, committee chairman, said, "Although USAC fully understands the issues and concerns of the various constituencies of the OSU community, we cannot support an initiative that provides for differential salary increases."

President Gee and Shikarri said a pay raise at the current rate of inflation would require about $10 million to $12 million.

Except for classified staff and those employees who have received promotions, most faculty and unclassified administrative and professional staff have not received a pay raise since 1991.

Compiled by Tom Spring
We're girding for next budget cut

Academic and support units prepare for an average of 5 percent reductions

By Tom Spring

Vice presidents and college deans on the Columbus campus are preparing for budget cuts that could average 5 percent and total $25 million for fiscal year 1994.

The cuts are partially the result of reduced enrollment that has lowered revenue from tuition. In addition, income from the sue and other sources, including units on campus that generate income, may be less than anticipated.

“Spring quarter enrollment is down 3,000 from last year — 1,000 from last fall,” said William J. Shirkurt, vice president for finance. Lower enrollment, he said, was unexpected when budget projections began in February. The drop in attendance means a reduction of $6 million in revenue from tuition payments.

The state subsidy for fiscal 1994 could be $5 million less than projected in February. At the same time, the University may pay $4 million more in increased utility costs and $5 million for increased financial aid.

As a result, Joan N. Huber, senior vice president for academic affairs and provost, asked deans May 18 to prepare recommendations for possible budget cuts at the 3 percent, 5 percent and 10 percent levels. The budget period begins July 1.

According to Huber, Ohio State is facing the possibility of making a cut of about 5 percent on average in budgets to solve lingering fiscal problems. Provide pay raises and meet commitments for next year that cannot be reduced.

Vice presidents also are planning reductions for support units.

University officials will continue to discuss the size and type of pay raises, the extent to which long-term commitments can be down-sized, other sources of income, and the criteria for making differential cuts in departmental budgets, according to Huber.

Differential cuts mean that the percent of reduction will vary from unit to unit.

Central administration already has placed a 90-day freeze on hiring and most purchasing, and is taking other measures.

The House-passed sue budget bill provides a 3 percent increase in instructional subsidies as a minimum guarantee and a tuition cap of 5.4 percent. The Senate version provides a 3 percent subsidy guarantee but a 4 percent tuition cap. Both versions, when combined with $1 million in other revenues, would produce an estimated $17 million, according to President Gee

However, the reduced income from declining enrollments and other sources could whittle that gain to only $7 million.

Meanwhile, projected cost increases could total $22 million, Gee said. The projections assume a modest pay raise and additional funding for other priorities such as scholarships and the General Education Curriculum.

Because of the possible $25 million gap between revenue and expenses, layoffs remain a possibility, although Gee has made it clear he will explore other options first.

Gee met with department chairs earlier this week and held an open forum for faculty and staff May 26 to discuss the financial situation.
Blade: Gee throws down a gauntlet

Ohio State University President Gordon Gee is engaging and articulate, and often when he has to say makes for arcing comment.

While the growth of Ohio State University at the expense of regional universities like the University of Toledo and Bowling Green State University cannot be denied, Dr. Gee made an interesting point during a visit to Washington, Ohio State, he said, would reserve $200 million more annually if this state provided the same amount of money per student as the state of Michigan gives its showcase public university.

"If I had $200 million, Michigan wouldn't even know what hit them," Dr. Gee told a member of the House Republicans Washington Bureau after appearing before a House of Representatives subcommittee.

"The people of Michigan have made a very definite decision that they believe their universities are important, and they support them at a substantially higher level than the state of Ohio." Michigan has long supported spending for higher education at a higher level than Ohio. Even though universities are not universely regarded as good stewards of the resources they receive, they cannot help but feel some lack between the amount of money spent by a state and the quality of the education institutions within the state.

Ohio consistently appears in the middle or lower half when state rankings on educational performance are performed. For example, Ohio spends $3,500 annually per student, ranking 12th among the 50 states. This state ranks 26th in support for higher education from tuition and state students; Michigan's rating from these two sources is ninth.

And what it comes to the percentage of high school students who complete a four-year degree — maybe in this day and age we should say five-year degree — Ohio ranks 39th among states in the percentage of residents who have some college attendance.

Dr. Gee has a point. University of Michigan alumni no doubt would disagree unanimously, but when OSU receives only a fifth of its $1.3 billion annual budget from the Ohio General Assembly, the question becomes: what could OSU, or the University of Toronto, or Bowling Green State University, or the National College of Ohio, or, for that matter, any institution of higher education in Ohio, do if they were supported at the same level as Michigan institutions in Michigan, a state which has known plenty of economic adversity in recent years?

Gee: Ohioans must learn to live like Californians — or even better.

Dear colleague,

Once again, we face difficult financial problems. And, once again, I am determined to sustain the academic core of the University and minimize the burden of budgetary decisions on our students.

But my resolve does not stop there. I believe that the academic core is absolutely essential that we find a way to achieve a reasonable salary increase this year. We have not been able to do so last year, and for us to go another year without an increase would undermine our ability to continue providing the high-quality education we now provide.

Supporting these goals — sustaining the academic core, maintaining the burden on students, and providing a reasonable salary increase — will require many difficult decisions. We have been engaged in on-going consultation with deans and other faculty about possible decisions and their ramifications, and we are in the process of soliciting input from faculty, staff and students.

Our discussions on campus are taking place against a backdrop of deliberations in the Statehouse over a state budget proposal that provides for a possible 2 to 3 percent increase in state support to Ohio State — a level below the rate of inflation. That, along with on-going obligations of staff, possible salary increases, and a decline in state-fund revenue, would leave us with a shortfall of about $25 million.

This situation continues even after we have achieved nearly $200 million in state funding reductions since February 1991. While this has not been done without pain and sacrifice, careful management from many sources of the University has enabled us to sustain, and even enhance — some important activities, such as student financial aid and reducing closed courses.

We will continue our efforts to protect our academic quality and to ease the burden on students. Open communication and careful management will continue to be hallmarks of the process in which we are engaged.

But our responsibility to be good stewards of public funds requires that we prepare plans that will allow us to live within our means. To this end, we have asked the deans and other administrators:

- Outline ways that we can achieve an across-campus, average general fund budget reduction of 5 percent while maintaining core academic programs.
- Establish criteria to make differential cuts to achieve the required reduction of 5 percent.
- Review multi-year obligations.
- Explore other spending reductions.
- Identify possible other sources of income.
- Consider the size and composition of a raise package.

The weeks ahead will be challenging ones for all of us. We will keep you informed of our progress as best we can. I have great confidence that the University community will, once again, join together in a spirit of cooperation and determination that will enable us more than to meet this challenge and toward our goals of academic excellence and long-term fiscal stability.

E. Gordon Gee

Please send your comments to E. Gordon Gee, Office of the President, 205 Bricker Hall, 190 N. Oval Mall, OHIO STATE UNIVERSITY

Projected Income Increase

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<th>FY 1993-94</th>
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*Range represents difference between House and Senate Proposals

Projected Spending Increase

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<th>Other Benefits</th>
<th>Student Financial Aid</th>
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Why the Change In Projections?

- Decline of 5,000 in spring quarter '93 enrollment
- Growth in state aid less than projected due to uncertainty in state and national economies
- Additional costs for student financial aid and other items such as utilities

What Are We Doing About It?

Reduce Expenditures

Short Term
- A 90-day freeze on faculty and staff hiring, with necessary exceptions
- A 90-day freeze on all non-mandated major purchases
- A freeze on top administrative salaries including vice presidents and deans

Long Term
- A freeze on all multi-year commitments beyond current obligations, pending review
- Cost reduction targeted in other areas
- Alternatives to layoffs developed to reduce the workforce

Increase Income
- Aggressively seek more state support
- Increase next year's enrollment through more aggressive recruiting activity
- Improved delivery of student financial aid services
- Identify other income sources

Long-Term Plan for Financial Equilibrium

- Continue biennial budget/planning cycle with a commitment to:
  - Open consultation and dissemination of information
  - Make compatible academic plans and financial decisions
  - Develop a University-wide enrollment plan
- Pursue established priorities for the next two years including:
  - Compensation
  - Academic enrollment
  - Computing
  - Resource infrastructure
  - Affirmative action and diversity

Comparison of Change in Annual Fees

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May 25, 1993
OSU addresses concerns about layoffs, cutbacks

By Stephanie Warsmith
and Lisa Satterfield
Lantern staff writers

In a budget meeting with about 500 students, faculty and staff Wednesday, OSU President E. Gordon Gee said there will be some layoffs because of the budget cuts.

"There will be some loss of jobs, but I hope it won't be massive," he said.

However, Gee said he asked the vice president for human resources to develop alternatives other than layoffs to reduce the OSU workforce. He said the administration will look at many different alternatives, but did not elaborate on what they might be or how many people would be laid off.

Faculty, staff and students expressed a variety of concerns about the current budget crisis, including its possible impact on them.

"I am worried about the budget cuts, and the impact they will have on students," said James Garlund, dean of math and physical sciences. "If it were the first time we had experienced cutbacks, then we would be able to deal with them, but there is not any fat left to cut anywhere." Mary Daniels, vice president for student affairs, agreed.

"The budget problems will have an impact on the entire university," she said. She said some things will be protected and retained, and other services will be reduced and eliminated.

In the meeting, Gee called for a 30-day freeze on academic and staff hiring and a freeze on increasing the salaries of top administrators, including vice presidents and deans.

Gee also announced that the Board of Trustees has extended the deadline for departments' proposed budgets to Aug. 2.

"This will allow time for informed management decisions that will minimize the hardship imposed on students," Gee said.

The university has requested the deans in each college to submit a budget plan that allows for a reduction of up to 10 percent in spending.

The request to the deans is in reaction to a projected $25 million shortfall between revenue and expenditures for the next fiscal year beginning July 1.

Wayne E. Carlson, director of the Advanced Computing Center for the Arts and Design, said the university has not done a good job of evaluating programs that could be combined or deleted. He also said he is concerned that any budget cuts could be detrimental to the computing program he directs.

"All departments should be concerned," Carlson said. "We have suffered enough differential cuts that we need to put all departments in jeopardy."

During the meeting, Gee outlined five priorities for the university to pursue in the next two years. They are: compensation, educational enrichment, computing research infrastructure and affirmative action.

David Harrison, program coordinator of Minority Affairs, said affirmative action should be a priority under the next budget.

According to the Senate Committee on Women and Minorities, less than 4 percent of OSU faculty and 6 percent of OSU students are African-Americans, he said.

"Ohio State is a great institution. But in order for it to remain great, it must fulfill the needs of all Ohio citizens," Harrison said. He said the administration should address the needs of African-Americans, Asian-Americans, women, Hispanic-Americans and Native Americans.

A financial concern expressed by Lakshmi Dutta was that budget money is being allocated to top administrators, while staff members face the brunt of the cuts. The university is "balancing the budget on the backs of the staff," she said.

"Dutta, a staff member of the College of Social Work.

"Cheryl Yance, chair of the University Staff Advisory committee, also expressed concern about how OSU staff will be treated in the wake of budget cuts. She said the committee is concerned about layoffs and salaries for staff members. They are drafting a letter of recommendation for Gee.

"Faculty salaries are generally higher, but we have a substantial number of staff who are making considerably less, and we have to be concerned about them just trying to keep up with the cost of living and keep their families running," Yance said.

"Ed Schlecht, a staff member in mathematics, said he was not surprised that the discussion in the meeting on the budget was vague. But he thought it was interesting that the budget has suddenly become a hot topic.

"What surprised me most was the potential enormity of the problem. I had not expected it to be so large," said Audrey Haynes, an OSU graduate student in political science.

Haynes said the administration should continue its communication with the university community on the budget issue in the future. "I appreciated the fact that Gee would give people an opportunity to discuss it," she said.

"Amy Ax, an OSU junior majoring in journalism, said she knew the university had budget concerns, but she did not feel they were adequately addressed at this meeting.

After his address, Gee took questions from the audience in reference to the budgets of academic support units, administrative support units and the cost of administrative searches. Gee said OSU academic support units are going through the same budget process as academic units. In the past two years, they have had larger cuts than the university's academic units and it will be the same this year, he said.

Gee was asked why the university spends the amount it does to search for administrators, such as the more than $200,000 paid to a private consulting firm in the recent provost search.

He also was questioned about the salaries for the chief administrators being "out of line with everyone else." For example, top OSU administrators can earn over $160,000 a year.

Gee said the university needs to try to continue to recruit the best people, and noted that the salaries of administrators have been frozen in order to benefit the university in the short term. He did say however, that the university should "be careful about using outside search firms."
Correction

* In the ACTION article in Thursday's Lantern, it was incorrectly reported that there were 1,082 blacks with doctorates in 1991. That is the number of blacks who graduated with doctoral degrees in 1991.
* Also in Thursday's Lantern, Mary Daniels should have been referred to as assistant vice president for student affairs.
Gee to discuss budget with faculty, students

By Stephanie Warsmith
Lantern staff writer

OSU President E. Gordon Gee will meet with student and faculty members of 13 OSU colleges to discuss the budget today.

The colleges that will be represented include education, arts, social and behavioral sciences, engineering, human ecology and math and physical sciences.

Gee said the colleges he will meet with were determined by time and availability, and he already visited a number of colleges last month.

He will meet with students and faculty in the Ohio Union Buckeye Suites B-C at 12:30 p.m. The meeting is sponsored by USG and is open to all students.

Laura Walton, who is affiliated with USG, said the group is hoping for a large student turnout.

"This is a great opportunity for students to meet with Gee one-on-one and tell him if they think he is doing a great job or a lousy job," Walton said.

The university requested that the deans of each college to submit a budget plan that allows for a reduction of up to 10 percent in their spending. Gee said these

meetings give him the opportunity to address the questions and concerns of faculty, staff and students.

In a meeting with representatives of the College of Mathematics and Physical Sciences Wednesday, Gee addressed faculty concerns about hiring freezes, how budget cuts will be decided and whether or not cuts will extend into the next fiscal year.

Gee said departments could discuss possible exceptions to the 90-day hiring freeze he imposed last week with their deans and the Office of Academic Affairs.

Centrality, quality and enrollment are the three criteria that will be used to determine what areas will be cut, Gee said. "Everything we do at this university is important, but some things are more important than others," he said.

Gee said the budget cuts will be a two-year process, but the administration is hoping to make a lot of progress this year. "We are committed to getting as many issues as possible behind us this year with the least amount of harm," he said.

William Saam, an OSU physics professor, said his department is concerned about the budget because it

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has already cut back its programs and hiring. He said the hiring the department had planned this year was not implemented because of budget constraints.

"The budget cuts will seriously affect hiring and the ability to replace faculty that have been lured away by other institutions," Saam said. He said the physics department lost two faculty members to other institutions this year.

The budget cuts might also hurt the department's ability to provide good graduate and undergraduate education and might affect funding for computers, Saam said.

Saam said there will be cutbacks virtually everywhere.

Tom Santner, chair of the Department of Statistics, is also worried about the impact the budget cuts will have on his department's ability to hire faculty. He said 20 percent of the department's budget is put into salaries, so any budget cuts could have a major impact on the its

hiring capacity.
Special interests not protected from budget ax

By J.D. Shipengrover
Lantern staff writer

OSU President E. Gordon Gee discussed Ohio State's latest budget crisis Thursday afternoon during an open meeting.

Ohio State is facing a projected $25 million deficit for next year. Because of this shortfall, the university has asked the deans of every college to submit a budget plan that allows for a reduction of up to 10 percent in spending.

For a short-term solution to the budget woes, Gee stressed that the university needs to be restructured. In the long-term, Gee said it will be necessary to examine some of the specialized educational programs that represent roughly a third of the $25 million the university must make up.

Gee said the whole university is being looked at for places to save money. Special programs take a lot of money and the university can't afford to keep all the special interest groups happy, he said. "I need special interest groups to stay home this year," Gee said.

"The university as a whole is more important than any one special group," he said.

"The goal of this university is to teach and to teach well," Gee said.

Primarily, Gee said the business of the university is education, and everything else must go on the chopping block.

More than 30 students showed up to the meeting, voicing a number of budget concerns.

Winnie Krogman, a graduate student in veterinary medicine, said last year's 10 percent cut, trimmed all the fat off of her school. She is afraid continued cuts would result in the loss of important classes, money for labs, and upkeep and purchasing of animals.

The Ohio State College of Veterinary Medicine has an outstanding national reputation, Krogman said. She asked how this figure into who gets cut and who doesn't and how these cuts will affect the quality of classes.

Gee responded by saying that generally the university is going to reward programs of excellence. The administration will look at the entire university, prioritize programs and base the cuts on that, he said. If a school can make a case for itself and stand by its reputation, then it will be rewarded, Gee said. Its quality will speak for itself.

Mark Conte, president of the Bisexual, Gay, and Lesbian Association, said he is concerned about the Student Life programs at the Ohio Union.

Another topic discussed was the recruitment of more out-of-state students, including international students, to bring more tuition revenue to the school.

Gee responded, "I don't like to view students as revenue sources. He said, because Ohio State is a state-funded institution it has a responsibility to providing education to the citizens of Ohio. But Gee added that he would like to see a more diverse mix of students on campus, and he would like the university to eventually be composed of 20 percent out-of-state students.

The established time-line for these cuts is to have everything completed by September, Gee said. The separate college deans have until August 2 to submit their proposed cuts, Gee said.

Gee also said he wants to see the budget problem solved this year on a long-term basis so that budget problems don't continue to grow.

Tim Thomson, a third-year undergraduate in education, said he doesn't see undergraduates as having a strong lobbying voice when it comes to the area of budget cuts.

Thomson also said he doesn't see the teaching excellence President Gee so often refers to. The classes are only going to get worse if there is no attention paid to them, Thomson said.

OSU President E. Gordon Gee answers questions about budget cuts.
Even as '94 cuts loom, OSU looks to 1995

By Gemma McLuckie

Colleges and academic support units have until Aug. 2 to complete plans for cutting their budgets, William J. Shkurti, vice president for finance, told the University Senate June 5.

Even as those proposals are being submitted, University fiscal officers will begin budgeting for 1995.

"It is critically important to begin our two-year planning process," Shkurti said. "We have to make the tough decisions now, and reach for financial equilibrium."

Over the last two years, the University has begun to join financial planning with academic planning. In an era of budget crunch because of almost $80 million in cuts, six programs have been eliminated, including the Labor Education Research Service in the College of Education and the Department of Photography and Cinema in the College of the Arts. Several others have been consolidated, such as the offices of Admissions and Financial Aid. Most staff and faculty did not receive raises last year; 1,000 positions were left vacant; and some staff were laid off.

The 1993 budget is balanced. However, the University an-

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Continued from page 1

ounced May 26 that next year it is possible Ohio State will be short another $25 million. The shortage is the result of several factors.

Income will be down: Enrollment was down 1,000 students spring quarter and state funding will not be as high as hoped. Expenses will be up: The University has committed itself to long-term projects such as student scholarships, and energy costs will increase.

"The most dangerous thing would not be to deal with the $25 million problem in 1994 and have it lap over into 1995," Shkurti told the Senate. Directors and department chairpersons are working on ways to cut 3 percent, 5 percent and 10 percent, whichever is necessary to make up the shortfall.

The Board of Trustees approved an interim budget June 4. At the board's July 9 meeting, University fiscal officers will submit a general outline of what budgets will be in 1994. Trustees will act on a final budget at their Sept. 1 meeting.

When state legislators pass a budget sometime this month, University fiscal officers will decide on a case-by-case basis how much individual units will be cut. The differential cuts "take into account (each department's) teaching and research responsibilities," Shkurti told the Senate.

Some disciplines, such as mathematics, have to schedule numerous undergraduate classes. "If there are no courses, there are no students," he said. And enrollment is crucial to the economic health of Ohio State because of the way the Board of Regents distributes state subsidies to public colleges and universities. If students can't get the classes they want, they drop out. "That exacerbates the enrollment problem, which exacerbates the income problem, which exacerbates enrollment, which exacerbates income," Shkurti said.
Colleges push for funding

OSU may look at becoming a private school, Gee says.

By Alan D. Miller
Dispatch Higher Education Reporter

Ohio State University may someday consider becoming a private institution because less than one-fourth of its budget comes from the state, President Gordon Gee said yesterday.

"Some private institutions receive more public support than I do," Gee said in response to a reporter's question about state funding.

"Would I give up my state subsidy to get out from under overburdening and overbearing state regulation? At some point, I'd be willing to talk about that."

Later, Gee said his comments reflected frustration at repeated cuts in state funding for higher education.

"If we continue to lose support, we become a private institution, in effect," he said. "At this point, my interest remains to get more state support."

Of OSU's $1.35 billion budget for fiscal 1992, the state provided $581.1 million, more than any other state-funded university. But the percentage of its budget derived from state money is the lowest among those schools.

Gee raised the issue of going

Please see COLLEGES Page 2A
private during a news conference in which he and the presidents of Kent State and Wright State universities outlined the economic impact of Ohio's 15 public universities and medical colleges.

The institutions generated $10.72 billion for the Ohio economy during the 1991-92 fiscal year, more than nine times the state's $1.19 billion investment in them, says a study released yesterday by the Inter-University Council of Ohio.

The study considered how many jobs universities create, how much money their employees pay in taxes, and how much money universities attract from outside the state.

If Ohio's public universities and medical colleges were retailers — as they are retailers of ideas and opportunities — in 1991, their combined economic activity would have made them the state's fourth-largest retailer behind Kroger, Federated Department Stores and The Limited, Gee said.

About 127,500 nonstudent jobs are attributed to the institutions, the study says.

Gary Carter of Kent State and Paige Mulhollan of Wright State said it was coincidence that their news conference occurred as the Senate-House budget conference committee was meeting a block away to decide on money for higher education in the next state budget.

Based on the economic information, Gee said there is no better investment for tax dollars. Legislators and the governor should do everything possible to halt, not cut, the budget for higher education, he said.

"If you could view us in a very simple way — as a golden goose — then we are right out in front of the Statehouse with our neck on the block," Gee said.

If a tax increase is necessary to avoid more cuts, Carter said, the presidents will help sell the idea to the public.

More than 70 percent of the money available to the institutions came from sources other than the state, said the Inter-University Council study.

"Let's simply explode the myth that we are state-supported," Gee said.

The presidents expressed frustration that legislators are involved in campus decision-making at the same time they are cutting the money going to the schools. The legislative cap on tuition, which makes it difficult to offset state cuts, is an example.

If the state is headed toward a system in which universities are largely funded by sources other than the state — in effect becoming privately funded — it should not happen by accident, Mulhollan said.

"We should have an open discussion about that," he said.

It has been discussed in some quarters, said William J. Napier, vice chancellor for external affairs for the Ohio Board of Regents.

Miami University has talked about it, and some universities in Vermont, Virginia, Maryland, Michigan and California have discussed it.

"In Ohio, it would take an act of the legislature to change a public university to a private one, and that is unlikely," Napier said.

"It would be extremely difficult to convince the legislature," he said.

The discussion at Miami, Napier said, came up about two years ago during a round of big state budget cuts, said Richard Little, associate vice president for University Relations.

"It never got down to the point of a study or determination of whether it's legal," Little said. "It's hard to imagine that any institution called the Ohio State University could become a private institution in any shape or form."
Legislators differ on subsidies and tuition caps

By Tom Spring

At onCampus deadline, a House-Senate conference committee was still negotiating a compromise state budget for the next two years. Among differences to be worked out were guaranteed increases in instructional subsidies and tuition caps.

The House provided a guarantee that every institution would receive at least a 2 percent increase in instructional subsidy over last year. The Senate upped it to 3 percent.

The House set a tuition cap of 4 percent per year or $150, whichever is greater. For Ohio State, $150 would have been an increase of 5.4 percent. However, the Senate removed the $150 option, setting the tuition limit at a flat 4 percent, the figure favored by Gov. George V. Voinovich.

Reports indicate that conferences removed a provision from the House bill requiring universities to join the state’s employee health benefits plan.

The committee also struck down two Senate measures. One would have required the Ohio Board of Regents to recommend a way to reduce the number of state-supported law schools from five to four. The other would have prohibited unmarried domestic partners from living together in housing for married families and single parents with children at Ohio State and other universities. Ohio State’s trustees already are studying the housing issue.

Conference also were grappling with ways to trim state budget amounts in the bill. Revenues are projected to be down $81 million to $194 million from what was originally anticipated, based on recent estimates from the Office of Budget and Management and the Legislative Budget Office, respectively.

The combined budget bill does not establish community service standards for university branch campuses and community and technical colleges. Other provisions call for studies on university construction debt service, the supply of family physicians in Ohio, conversion of technical colleges into community colleges, and admissions standards.

The bill also provides for spending guidelines, appropriate money for some specific programs, and establishes a minimum guaranteed increase in instructional subsidies for state universities, such as Ohio State, that do not have growing enrollments.

Policies and mandates incorporated into the budget bill pending before the conference committee include:

Faculty workloads — The Board of Regents is to work with state universities and colleges to ensure a minimum 10 percent increase in statewide undergraduate teaching activity.

The regents and universities are to develop standards for instructional workloads for full and part-time faculty in keeping with institutional missions.

Boards of trustees are to adopt workload policies by June 30, 1994.

Job performance review — By June 30, 1994, specific procedures for annual performance reviews of all faculty and administrative staff are to be adopted.

Duplicate programs — The regents and universities are to develop a process for determining if there are unnecessary duplication of graduate or professional programs. The regents will recommend those that could be eliminated because of unnecessary duplication.

The regent will have the authority to exclude students enrolled in such duplicate programs in determining the amounts of instructional subsidies paid to universities with programs recommended for elimination.

Language proficiency — All foreign graduate students must be proficient in English.

Capital improvement projects — The Senate gave universities the option of administering capital improvement projects costing less than $2.5 million without the supervision, control, or approval of the Department of Administrative Services. The House would give institutions total control over all projects.

According to William Napier, vice chancellor of the Board of Regents, community and technical colleges have had the right to administer projects under $2.5 million. Universities, however, administer them through Administrative Services’ Division of Public Works. Napier said that the ability to administer projects independently can save as much as three years between initial planning and completion of construction.

Extended campus service standards — By Sept. 1, the regents are to adopt educational service standards applicable to all state community colleges, university extended campuses, technical colleges and state community colleges. The requirement is part of the Board of Regents’ response to the Managing for the Future Task Force recommendations. In applying the standards to state university extended campuses and technical colleges that are located on one campus, the regents are to consider the branch and technical college as a whole entity. Ohio State’s four regional campuses share their facilities with technical colleges.

Pending budget bill sets spending restrictions, fund appropriations

By Tom Spring

The budget before the Ohio General Assembly sets appropriations and restrictions on how certain funds can be spent:

Ohio Supercomputer — Up to $250,000 in Ohio Supercomputer Center funds for fiscal 1995 is to be used to develop, enhance and apply connections between the Ohio Academic Resources Network (OARNet) and state two-year campuses.

The money will provide the infrastructure necessary to make the information resources of the Internet available to Ohio’s two-year campuses, according to Allen Brown, associate director for networking and OARNet. In addition, it will allow for the connection of the colleges’ libraries into OhioLINK, the unified library system that connects the state’s public universities, the University of Dayton and Case Western Reserve University.

Book depository — The Senate awarded $500,000 in fiscal 1994 and $197,021 in 1995 to support the operations of regional book depositories at the campuses of Ohio State in Columbus, Miami University in Middletown, and Northern Ohio Universities College of Medicine in Rowan. The money is included within an allocation of more than $5.0 million for the biennium to support OhioLINK operations.

Part-time students — Both the Senate and House provided $12 million for grants to part-time undergraduate students from Ohio. Grants are to be given on the basis of need, with special consideration given to single-parent heads of households and displaced homemakers. The Senate version would begin in fiscal 1995, while the House version would begin in 1994.

Engineering research — The Ohio Board of Regents would get $100 million a year to bring university engineering programs together in a collaborative effort to meet the research needs of Dayton’s Wright-Patterson Air Force Base.

Extension — University Extension’s funding would get a significant boost if the Senate has its way: from $12.6 million in fiscal 1994 to $16.1 million in fiscal 1994 and $18.1 million next year. The Senate figures are $700,000 and $1.3 million higher than the House voted for fiscal 1994 and 1995.

4-H would get $179,500 in fiscal 1994 and $184,300 in fiscal 1995 of the additional funds to provide additional staffing for county agents.

Ohio Agricultural Research and Development Center — As passed by the Senate, the bill also will give OARDC a major increase, from the current $17.9 million to $21.2 million in fiscal 1994 and $23.3 million in fiscal 1995. The Senate version would give OARDC $500,000 and $1 million more than the House voted for the biennium.

Included within the budget is $400,000 in fiscal 1994 and $484,000 in fiscal 1995 to operate the Pheasant Agricultural Research and Extension Center.

Sea Grants — The Senate voted Ohio State $188,149 each year to conduct research on fish in Lake Erie. The House voted $235,000 for fiscal 1994 and $188,149 for fiscal 1995.

Labor education — The House voted $200,000 per year for labor education at Ohio State. The Senate removed the funding.
OSU braces for cuts, fee hikes

By Alan D. Miller
Dispatch Higher Education Reporter

Tuition will go up for 50,000 students, some employees face layoffs and programs will be cut at Ohio State University — again.

The OSU Board of Trustees and the public will get details today when President Gordon Gee seeks trustee approval for a proposed 1993-94 budget in the neighborhood of $1.3 billion.

William J. Shkurti, OSU vice president for finance, has been working on the budget for several weeks but refused to discuss details, some of which were still being written yesterday, he said.

"Our policy has always been not to speculate on what we're bringing forward to the trustees until we bring it forward," Shkurti said.

The tuition hikes and budget cuts are expected despite a 3 percent increase in the state instructional subsidy to OSU for 1993-94.

Higher education officials have said the increase barely keeps pace with inflation and does not come close to making up hefty state budget cuts during the past several years.

The state instructional subsidy to OSU is expected to be about $250 million, $4 million less than OSU received two years ago.

But OSU's situation for the coming year is worse than that, Shkurti said.

"We have a $25 million problem," he said. That is the gap he, Gee and the trustees must fill with cuts, fee hikes or money from some other source.

Students and their parents will feel it first.

Annual tuition for the 50,000 students expected on campus this fall is likely to go up about $140 to $2,939. That is the maximum 5 percent allowed by the state budget law that was approved by lawmakers and the governor last week.

Shkurti would not confirm that increase, but he expressed disappointment last week when the governor vetoed state budget language that would have allowed OSU to raise tuition by $180.

That extra $40 a year per student would have added up to about $2 million more than a 5 percent hike.

University officials recently have promoted a new no-interest system that would allow students to pay their tuition in nine payments — three a quarter. If tuition is raised the maximum, each payment would be $326.

Students are likely to see increases in other costs, too, but Shkurti would not discuss them.

Students will feel a cut in programs, but Shkurti said "core courses" will be protected and the administration will try to avoid situations that would result in students being closed out of required classes.

"Any change impacts students, but we're trying to structure it so it limits the impact on students," he said.

University employees are next in line to feel the budget-cutting knife.

"There will probably be some layoffs in a budget reduction the size we are talking about," Shkurti said. Administrative support and other nonacademic positions are likely targets.

The employees who are left, who received no raise this year, will find out today whether they will get a raise in the coming year.

"Normally, salary increases are made July 1, but that has come and gone without any increases," Shkurti said. "There will be some discussion on a salary package for various groups of employees (today)."
OSU budget calls for tuition hike, small pay raises, layoffs

By Alan D. Miller
Dispatch Higher Education Reporter

The typical undergraduate student will pay $8,957 to study and live at Ohio State University in the coming year — $105 more than last year for tuition, room and board, books and tickets to Buckeyes games.

The average $65,000-a-year professor is in line for about $1,100 more a year — the first raise since 1991.

And anywhere from 160 to 1,000 OSU employees, mostly non-academic support personnel making less than $30,000 a year, will be cut out of work by the end of the year.

Those details came in a $13.7 billion budget approved yesterday by the OSU Board of Trustees during a meeting at Fawcett Center for Tomorrow.

Although the budget is 7.5 percent higher than last year, higher costs and post state budget cuts require an average 4.5 percent cut in departmental budgets, said William J. Shunk, OSU vice president for finance.

Details of those cuts and the number of layoffs will be explained at the Sept. 1 trustees meeting, he said.

About 1,000 university positions were eliminated last year, resulting in 120 layoffs. Most were abolished through attrition.

Shunk said it is difficult to balance raises for some and layoffs for others.

"We don’t want to cause layoffs to see how much we can get," he said. "We have a competition problem. If we don’t raise salaries for faculty, we lose them to higher-paying institutions or businesses.

"All employees will pay between $100 and $180 more a year for health benefits. A 2 percent wage increase will be available for the 4,500 faculty members and 7,400 administrative and professional staff members, but the raise will be distributed by merit.

"The 6,200 classified employees will receive a 15-cent an hour raise or a 1.5 percent increase, whichever is higher. And 1.5 percent will be added to the payroll for 11,500 student employees.

President Gordon Gee and 34 other top executives, including vice presidents and college deans, receive no raises.

Gee said his goal is to provide an improved university despite the lower income, and he wants to restructure the university and its budget so that such painful exercises won’t be necessary in the future. Details of that restructuring will come later, he said.

An effort will be made to balance the budget with minimal impact to students academically, Shunk said, but it will hit them in the pocketbook.

Tuition will go up the full 5 percent allowed by state law, and room and board will go up 4.1 percent. Those two items make up $379 of the $465 total increase.

Students also will pay $24 more for books, $11 more for parking, $51 more for health insurance, $4 more for season football tickets and $8 more for season basketball tickets.

Sports tickets for the general public will increase by the same amount.

In another budget matter, the trustees yesterday set maintenance and construction priorities by approving a 1986-87 capital budget request for submission to state officials.

Of the $125 million proposal, $97.5 million would go for projects on the Columbus campus. The rest would be used on regional campuses and agricultural centers.

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The Columbus projects include about $20 million in basic renovations in various buildings; $17.5 million for a life sciences research laboratory; and $20 million for rehabilitation of Hale Hall, McPherson Laboratory, the Health Sciences Library, Howlett Hall Greenhouses and Sloan Hall.

It also includes $30 million for the first phase of a new College of Business on the northwest corner of W. Woodruff Avenue and Tuttles Park Place. The total project will cost $200 million.

The trustees yesterday approved hiring Karlsberger Planning Associates of Columbus for about $400,000 to act as project manager.

The trustees also approved several appointments made recently by Gee and Provost Joann N. Huber, including Beverly G. Toney as dean of the College of Social Work.

Professor Charles O. Ross protested the appointment last week by precipitating himself acting dean and moving into the office. Ross says the faculty elected him acting dean and that Huber acted “in a racist, capricious and very arbitrary manner” by appointing Toney instead of him.

He appealed to the trustees yesterday in a speech that included a blistering, personal attack on Huber and pointed legal questions for Gee.

The trustees discussed the matter in a rare closed-door session and agreed to appoint a subcommittee to study his complaint. The subcommittee later confirmed that Toney is qualified for the job and her appointment was proper.

Gee said Ross’ attack on Huber was out of line and he should be sanctioned for it. Gee said Ross will be asked to move.
Shkurti: Goal is to match income, spending

By Tom Spring

The 1994 budget reflects $15 million in expenses that must be reduced through internal allocation to balance income and expenses. Expenses are estimated at $552 million, a 5.7 percent increase, while income rose only 2.9 percent.

But more importantly, says William J. Shkurti, the 1994 budget has started Ohio State on the road to financial equilibrium — the point where income and spending balance without having to make budget cuts.

To reach that goal by the end of fiscal 1995, Shkurti, vice president of finance, noted that Ohio State will strengthen efforts to attract more high ability scholars, improve administration of student financial aid and raise standards of budget accountability.

The University also will re-evaluate multi-year commitments, restructure colleges and offices, resolve unfunded liabilities, and initiate planning on a two-year cycle.

“Shkurti told the Board of Trustees July 9. “This budget is an important step in this process because of the necessity of readjusting our spending to available resources. The outcome of this process may be a slightly smaller institution in terms of students, faculty and staff, but we want it to be a better institution.”

The trustees approved a 5 percent raise in in-state undergraduate tuition, beginning this fall. Out-of-state students and all graduate and professional students will see their tuition bills go up by 8 percent.

Total expenses are expected to rise by $30 million, including $5 million for health care and other employee benefits, $6 million for student financial aid, $6 million for multi-year commitments, and $4 million for increased facility and utility costs.

Shkurti noted that government mandates account for $1.87 million in increased costs. These include Medicare, occupational medicine, storm water surcharges, waste disposal fees, and renovations required to comply with federal safety and accessibility laws.
Doing more with less than any other Big Ten school

Ohio has lost ground in comparisons of the amount per capita that state legislatures appropriate for higher education.

In 1990-91, Ohio ranked 39th for state appropriations per capita, according to the *State Policy Reference Book*. In 1980-81, the state ranked 32nd.

In 1990-91, higher education received $140 for every Ohio resident, which was $24 lower than the national average. Alaska appropriated the most, $331, while New Hampshire paid the least, $66.

Ohio also was the lowest ranked of the states where Big Ten schools are located. Minnesota was fourth, $235; Iowa, ninth, $208; Wisconsin, 20th, $172; Michigan, 26th, $160; Indiana, 28th, $158; Illinois, 32nd, $151; and Pennsylvania, 27th, $120.

The figures do not reflect all the cuts that have hit Ohio's public institutions in the last two years.

Ohio State's 4.39 percent decrease is the highest by far among the Big Ten, according to a survey by the Committee on Institutional Cooperation. CIC includes the 11 Big Ten universities and the University of Chicago.

Minnesota is the only other public Big Ten school to have decreases in state appropriations. Its funding dropped 42 percent in three years. Increases for Big Ten public universities ranged from 3.8 percent for both Penn State and Illinois to 10.8 percent for the University of Wisconsin, Madison.
Budget cuts aimed at staff and classes

By Audrey Tobin
Lantern staff writer

OSU students can expect staff and class reductions Autumn Quarter as a result of budget cuts that will bridge the university's $15 million gap between income and expenses.

The OSU Board of Trustees approved the university budget of approximately $1.3 billion. The details of the allocations will be voted on in an amended budget at the next board meeting, Sept. 1.

Cuts will come from the colleges and academic support units, which were asked in April to submit reduction plans of 3%, 4% and 10% by Aug. 2.

The debt stems from an increase in expenses to $152 million, up 8.7 percent from last year, while income did not keep pace and increased to only $527 million, 2.9 percent higher than last year.

Just as it is likely budget cuts will include some staff reductions, it is likely cuts will affect class reductions, said Edward J. Ray, associate provost for Academic Affairs. The general criteria for the allocation of funds must include a “notion of centrality to the university’s mission,” Ray said.

Other criteria in the allocation decision will be the quality and reputation of programs, the number of students served by each and student demand for the programs.

Ray stressed to the colleges that they do all they can in preparing their budget plans to meet enrollment demands and to choose reductions that will affect the least amount of harm and hassle on the students.

The university is closing fewer students out of classes now than it did three years ago, said William Shirkurti, vice president for finance.

The academic support units, which were the first to be cut last year, will be hardest hit again this year, Shirkurti said.

The cuts from last year's budget averaged 1.15 percent for the academic support units and 5.1 percent for academic units. Support units include human resources, student health services, student affairs, finance, minority affairs and Lakshmi Hall.

"The university's first priority is course work," Shirkurti said. "We also said the university hopes to not eliminate any faculty and will try to minimize staff reductions. Notices of employment, usually sent out by July 1, have been postponed.

Approximately 1,000 positions were eliminated last year, including 243 faculty and 47 lecturer positions. Most were positions that became vacant and were not filled. One hundred fifty-one employees were laid off, 88 of whom were rehired to different positions within the university, said Mark Ringer, director of employee relations.

There were no faculty laid off.

The university tried to use alternatives to layoffs, such as voluntary reduction in appointments and hours, which has been successful in the past, Ringer said.

"Staff reductions are a sensitive painful issue," said Gay Hadley, associate vice president of human resources. The Office of Human Resources is stepping up its counseling services in response, she said.

Seventy-eight of those laid off last year held administrative or professional positions while the other 73 were classified civil servants. The civil servants, who are unionized workers, have a system in which a more senior employee has the option to bump a junior employee if the senior employee is laid off. The system is campus-wide, so an employee of one department may bump an employee in a different department.

Many of the employees laid off were placed in revenue-generating departments such as OSU Hospitals, the Office of Residence and Dining Halls and the University Printing Press on Kenny Road, Ringer said.

"It is clear that the university has done a good job minimizing job reductions," Hadley said. "There are far fewer than there could have been."

The work study program is the same as it was last year because federal funds remain the same this year. Student employment, however, depends on the departments, said Brenda Stearns, associate director of student financial aid.

Although 539 student positions have been eliminated, most students who were working will continue to work, but there are fewer openings for new students, Shirkurti said.

Lakshmi Hall is one of the departments that has already submitted its budget reduction proposal. "It will hurt student jobs, no question about it," said Frederic Beckman, director of recreation and intramural sports.

Although nothing is definite, the upcoming board meeting will determine the extent of the cuts. Beckman predicts a reduction of student jobs from 800 to 500 or 550.

Other cost-cutting techniques would include the elimination or reduction of hours for staff, cutbacks in the equipment budget and tightening of hours between quarters and holidays, Beckman said. A 10 percent reduction would require "drastic cuts," he said.

The budget plans are due Aug. 2 and will be reviewed by the Office of Academic Affairs and the Office of Finance. Gee will submit a proposal to the Board of Trustees on Sept. 1.

Ray believes the university must move quickly on the cuts, and look at the long range restructuring of the programs and departments. By fall he hopes to begin planning the downsizing and possible elimination of programs, he said. No programs will be eliminated during this round of cuts because it takes 12 months to go through the process of eliminating a program.
Ohio’s universities pruning programs

Tight state budgets are triggering major changes in the direction of higher education.

By Alan D. Miller
Dispatch Higher Education Reporter

Feeling the constrictive grip of increasingly tight state budgets, most universities face the kind of internal review that prompted Miami University to end 11 more degree programs last month.

That followed a cut of 18 degree programs last year, making 29 programs killed in two years at the university with the highest tuition of all state-assisted colleges.

More review and more cuts are expected at the Oxford, Ohio, campus.

Beyond any internal reviews at universities, the Ohio Board of Regents is embarking on a review of all graduate and doctoral programs.

The regents, who oversee Ohio college and university programs, were given legal authority this year to withhold funding for programs they determine are duplicating efforts. The goal is to reduce state costs and maintain or improve the quality of education.

Universities are not waiting, and some say they can’t afford to wait for the regents’ review.

“We started in the fall of 1991,” said Miami Provost Ronald Henry. “At that time, we realized what the situation was in higher education — that there wouldn’t be any new money and we had to refine what we were doing.”

It can be an emotional issue for faculty, staff, students and even alumni who proudly cling to memories of their experiences within those programs.

Ohio State University still receives criticism for the decision nearly two years ago to shut down the Photography and Cinema Department. The OSU Labor Education and Research Service Department was eliminated at the same time.

More changes are on the way at OSU. When the university completes its budget process next month, it will begin program reviews expected to result in a significant reconfiguration, said Ed Ray, OSU senior vice provost.

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"The Ohio State University we see in 1996 ought to look different — if not, someone didn’t do their job," he said.

OSU President Gordon Gee has described it as a process expected to produce a somewhat smaller, but more effective and efficient university.

It will not be done without plenty of public discussion, Ray said.

Even before the review process is decided, the OSU College of Social Work and alumni mounted a campaign to fight rumored plans to classify the discipline as a "school" under the wing of another college at OSU. A rally was staged last week to show support for the college.

At Miami, after an academic year of internal departmental reviews, department leaders voluntarily ended 18 degree programs that either had no enrollment or virtually duplicated other programs within the university.

It is too soon to calculate the monetary effect of the changes, and it may be impossible to determine, Henry said. A Board of Regents spokeswoman applauded the effort.

"To the best of my knowledge, they are the first to be looking at programs in such a comprehensive way," said Linda Ogden, communications administrator.

The second round of review at Miami will be done over five years. A group of departments will be reviewed each year, and the first review by a committee of faculty members concluded with the elimination of six bachelor’s degree programs and five graduate-level programs.

Miami’s entire aeronautics department will close at the end of the 1993-94 school year. Its 80 students, and 40 students in the other programs to close, will be able to complete their studies. The programs will end with their graduation. Two tenured professors will move to other positions and a part-time teaching position will be eliminated. The university employs 860 professors.

Miami still offers 196 degree programs to its 16,000 Oxford campus students, Henry said, and he has tried to reassure professors whose programs are disappearing that it is not their fault.

"Our review is now narrowed to the mission of the university," Henry said. "We really can’t afford to do all we are doing. Aeronautics is a very fine program. It was well sought-after by students, and our students got jobs after graduation.

"Those who are affected say, ‘You must think we’re not doing a good job.’ But that’s not it. I tell them they have to believe it’s not that," he said.
Sisson says review of budget cuts shows need for OSU to prioritize

By Andrea Beedy
Lantern staff writer

Richard Sisson, Ohio State's newly appointed senior vice president and provost for Academic Affairs, says recent budget cuts have made it clear that the university needs to prioritize.

"There's been a lot of talk about the university not being able to do all things to all people; that's true. We can't do everything that we want to do," Sisson said.

"This next year we have to decide what the most important things are for this institution. We have to secure the future of this university, for ourselves and for future generations," Sisson said.

Sisson, 62, is a graduate of Ohio State. In 1958 he received a bachelor's degree in international relations, and in 1962 he earned a master's degree in political science. He was the vice chancellor for academic affairs at the University of California, Los Angeles before coming to Ohio State Aug. 1 at a salary of $161,000.

I think this is one of the largest universities in the United States and certainly the most complex," Sisson said. "It is an extraordinary challenge, and a wonderful opportunity to participate in doing things where I grew up.

I started out as a student in the department of political science and now I've come back as a professor," Sisson said. "I have been on a long and fascinating journey, and now I've come home."

Sisson has been at Ohio State for two weeks, but he has already developed an idea of what issues are most important to the students and faculty of the university.

I have read as much as I have possibly been able to about the issues that are peculiar to OSU," he said. "These have to do with various task forces that are concerned about securing the future, the ratings of departments here at OSU, and I have gone through all the departmental reports," Sisson said.

The budget issue will be at the top of his list of priorities, he said. This is an issue that commands attention and will take an enormous amount of time and energy.

Last year Ohio State was caught somewhat unprepared for the budget deficit. Sisson said he knows there is a need to anticipate and prepare for budgetary shortfalls.

Sisson said the next step will be to look at the services that have been cut to see if the need is great enough for them to be reinstated. Once there is sufficient savings within the university, he said, "I am coming from a very large university where undergraduate education had been given very sensitive attention," Sisson said. "I was very involved there, and I want to work with the students here to get a full sense of what's on their minds.

As a former OSU student, Sisson was active in numerous clubs and organizations on campus. Being involved in everything from music organizations to the Marathon Society,

Sisson said he is aware of the concerns and interests of students.

However, Sisson said he will not just focus on the issues of the classroom, he is very interested in all aspects of college life. He said he wants to know about student priorities, what the university hasn't done right and what needs to be done. The only way to find out what is important is to listen to the students.

"We need to do more listening than talking, and then later do something about it to the extent that we can," Sisson said.

Sisson plans to develop an on-line computer system that will improve the enrollment system and the waiting list for classes. This system will enable departments and colleges to offer the core undergraduate and graduate courses in their curriculum.

He also wants the university to support each student as fully as possible, from admission to graduation, so students can earn their degrees in a timely manner.

Even though Sisson plans to teach comparative political culture next year and continue to publish research, he said he won't neglect his responsibilities to the university.

"I am a professor and I happen to be the provost of this university," he said. "The most important thing in my life is being provost of this institution and doing all I can for the benefit of the students, faculty and staff of this university."

Sisson said he is therefore concerned with the issues that are currently affecting Ohio State, like the multicultural center.

Sisson said he is aware that the diversity of the campus community is extremely important and that Ohio State has to maintain its openness to allow all people to express personal views.

"It's important that different culture groups have a sense of freedom to explore and celebrate their own culture," he said.

Sisson said he is also interested in going from the quarter system to semesters. Before making any final decision, though he said he needs to get a sense of how people feel about it and what the cost and the long-term savings will be.
As the cuts approach, OSU holds its breath

By Stephanie Warsmith and Alissa L. Keel
Lantern staff writers

OSU colleges and academic units are bracing for budget allocations set to be approved at the Sept. 1 Board of Trustees meeting.

The colleges and academic units submitted budget proposals of possible three, six and 10 percent cuts to the administration Aug. 2. OSU Provost Richard Silson and William Shkurti, OSU vice president for finance, will soon assess their budget plans, based on these proposals, to OSU President E. Gordon Gee. Gee will then bring his proposal to the board for approval.

Dijen K. Ray-Chaudhuri, chair of the OSU Math Department, is concerned about how even a 3 percent cut to the department would affect students.

A 3 percent cut would mean 1,800 students could be closed out of math courses at the remedial and college algebra level, business calculus and evening courses, Ray-Chaudhuri said.

"We are quite concerned about this," he said. "If the students can't get math courses right from the start, their whole program will be delayed."

To deal with a 3 percent cut, the department might also have to greatly reduce its number of graduate student teaching assistants, the number of graduate level courses it offers and the number of sections offered for some courses, Ray-Chaudhuri said.

Ray-Chaudhuri said budget cuts greater than 3 percent would be "disastrous and horrendous." He said, "I don't even want to talk about it."

Gerald H. Newsom, chairman of the OSU astronomy department, said he thinks the College of Math and Physical Sciences will receive minimal cuts because its departments rank very high in the criteria on which the cuts are based: excellence, centrality and student demand. Math, physics and chemistry are essential to any university, he said.

Donald Harris, dean of the OSU College of the Arts, said he is remaining optimistic about the impending budget cuts.

"We aren't assuming anything until we get the cuts," he said. "It is our hope that no classes will be cut."

If the college receives a 3 percent cut from the university, it will not have to cut classes, and jobs will remain relatively safe, Harris said. A 6 percent cut would mean the college would definitely "lose some staff" and a 10 percent cut would mean a loss of some classes, faculty and staff.

Robert M. Arkin, associate dean of undergraduate studies in the College of Arts and Sciences, said the state should be giving the university more funding to assist with its budget problems.

Arkin's office is in charge of academic counseling, career services, honors, registration, curriculum and academic standards for undergraduates in the College of Arts and Sciences. If the college's budget is cut by a sizable amount, it will mean layoffs, Arkin said.

"Sizable cuts would definitely affect student services, and mean that we would have to serve them more slowly," Arkin said.

Shkurti said the administration will try to "minimize the impact of the budget cuts on students." Budget cuts will be higher in academic support units than in academic units in order to preserve the academic core, he said.

The administration will also continue trying to restructure and consolidate in order to economize. "We will try to find as many reductions as we can by simply eliminating administrative layers," Shkurti said.

Shkurti said layoffs will be a last resort, and he hopes the units will be able to deal with cuts by not filling vacant positions.

OSU faculty, staff and student employees received raises this year totalling over $6 million. But Shkurti said the raises are only part of the budget shortfall. He said other contributing factors include mandates from the state and federal government, scholarships, higher utility costs and higher health care costs.

Following the July board meeting, faculty received raises of 2 percent differentially on merit, decided by their respective deans and department heads. Administrative and professional staff received about 2 percent differentially, and classified staff got 15 cents more an hour across the board, or 1.5 percent, whichever was greater. Student employees received 1.5 percent increases.

The university president, deans and vice presidents will not receive pay increases.

-Kristopher Weiss contributed to this story.

See BUDGET / Page two
BUDGET DECISIONS REINFORCE OHIO STATE'S PRIORITIES

COLUMBUS -- The Ohio State University's Board of Trustees Wednesday (9/1) adopted a series of budget measures designed to improve student services and to support core academic programs, while protecting Ohio State's financial stability.

"We have made tough choices to support the right priorities," President E. Gordon Gee told the trustees in presenting his budget recommendations. "We have improved service to students in a number of areas, and we have provided modest salary increases to faculty and staff."

The university budget approved by the trustees in July called for about $15 million in spending reductions to offset a lack of revenues and to provide additional funds for priority programs. University officials were given until Sept. 1 to come up with a set of selective spending reductions.

This latest action by the trustees approves the administration's plan of selected cuts in the general funds allocated to colleges and offices across the Columbus campus.

Among the university priorities for additional funding were:

-- Improved services in student financial aid, including an additional $8.3 million for scholarships.

-- Improvements in class scheduling, including $1.75 million to add sections to popular required courses.

- more -
-- More instruction in data analysis, foreign language and writing as part of Ohio State's undergraduate curriculum reform.

-- Advancements in computer facilities and networking, including $1.5 million to remodel and expand computer laboratories for students.

-- Additional research support to faculty and research opportunities for students.

-- Expanded support for a diverse student body and faculty, including an additional $2.8 million split among the Young Scholars Program, minority scholarships and the Faculty Incentive Program.

-- The first pay raise in two years for most faculty, staff and student employees.

"These priorities represent the core of our academic programs," said Richard Sisson, senior vice president for academic affairs and provost. "Whatever else happens, these core programs must be protected and enhanced."

The budget reductions totaled $15,296,000, about 4.3 percent of the university general fund. Colleges were reduced an average of 3.5 percent, while academic support units -- such as Human Resources, and Business and Administration -- were reduced an average of 6.0 percent. The Office of the President was reduced 15 percent.

William Shkurti, vice president for finance, estimates that as many as 300 to 400 jobs may be eliminated. That includes vacant positions and the possible lay-off of up to 100 support staff. No lay-offs of faculty members are expected.

Each college and office prepared budget reduction plans for the offices of Academic Affairs and Finance in early August. The full effects of the budget cuts will become known later in September as these plans are implemented.

- more -
Further savings will be generated as the university continues the streamlining of its administration.

The streamlining began last January when the Office of Academic Affairs reorganized the academic support units that report to that office.

Among the major changes were the merging of the Office of Student Financial Aid with the Office of Admissions; the transfer of the Office of Continuing Education to University College to reduce program duplication; and the merger of the Center for Teaching Excellence, given a new charge as the Center for Instructional Resources, with the Office of Academic Computing.

The second phase of restructuring includes the offices of the vice presidents for Finance, Human Resources, Business and Administration, Student Affairs, Development, and Research. Changes in operating procedure and staffing to eliminate duplication will be announced in mid-year, according to Shkurti.

The third phase will involve academic units. Procedures to assess the administrative structure of Ohio State's 19 colleges and seven schools will be developed this autumn with the changes phased in beginning in autumn 1994.

The trustees also approved limits on the growth of the university's multi-year spending plans for a number of programs in light of universitywide priorities.

#

Contact: Richard Sisson, senior vice president for academic affairs and provost, (614) 292-5881; and William Shkurti, vice president for finance, (614) 292-9232.
Ohio State to cut 200 employees

By Alan D. Miller
Dispatch Higher Education Reporter

About 200 people will lose their jobs at Ohio State University because of $15 million in budget cuts university trustees are expected to approve today, a university source said.

The trustees approved a $1.37 billion operating budget in July, but the document did not include spending details. The details will come today.

Most of the layoffs are expected to hit non-academic positions.

William J. Shkurti, OSU vice president for finance, would not discuss details until after he explains them to the trustees. He said the cuts will not be across the board. Some areas will receive more money than in the past, and some will receive far less.

In July, trustees raised tuition the full 5 percent allowed by state law — up $141 to $2,940 a year.

At the same time, the trustees approved raises averaging about 2 percent for 4,500 faculty members and 7,400 administrative and professional staff members.

They also approved raises averaging about 1.5 percent for 6,200 classified employees and 11,500 student employees.

Although the budget is 7.5 percent higher than last year, higher costs and past state budget cuts required an average cut of 4.5 percent in departmental budgets, Shkurti said.

"The decreases will affect both academic and academic support, but in such a way as to minimize impact on our students," he said. "There will be some units or elements that will not be reduced at all. Others will be reduced substantially.

"We are trying to target our decisions so the university can continue to move forward even though our finances have been constrained."

He outlined some areas where budgets will be increased.

"Our funding priorities are computers, academic enrichment, diversity, the research infrastructure, retaining and keeping good people through compensation, and services to students, including scholarships," Shkurti said.
OSU president says cuts costly to entire economy

By Alan D. Miller
Dispatch Higher Education Reporter

The equivalent of an entire factory of jobs has disappeared during the past two years at Ohio State University, OSU President Gordon Gee said yesterday.

With trustees’ approval yesterday of $15.3 million in budget cuts, Ohio State has lost 1,500 fewer jobs than two years ago.

Gee compared the loss to that of more than 1,100 jobs being eliminated by the shutting down of the East Side Mcdonnell Douglas plant — but without the public protest.

Ohio’s largest university has sustained cuts of more than $38 million in two years.

An additional 200 to 350 positions will be cut because of yesterday’s action. That includes 40 to 50 faculty positions, 100 to 200 staff jobs and 50 to 100 student jobs.

Many will be cut by not filling vacancies. While no current faculty members will lose their jobs, 50 to 100 non-academic staff members will, said William J. Shihour, OSU vice president for finance.

Some already have been laid off and most will be gone before fall quarter begins Sept. 22, Shihour said.

The impact is far-reaching. To city, state and federal governments, it means the loss of $1 million in tax dollars for every 200 employees, and to unsuspecting people in jobs.

“This crisis gives us a push for change, and change does not have to be negative.”

Amy Riemanschneider
OSU faculty member

not connected to the university, it could mean a pink slip. Gee said that for each job lost at Ohio State, the Ohio economy loses an additional job.

“That is a conservative number,” he said. “Some economists use a higher figure.”

The impact to the university as a whole could have been worse, he said, adding, “We intend to be the architects of change rather than its victims.”

Gee proudly pointed to one case in which cuts already have produced greater efficiency. By combining the admissions and financial aid offices and by focusing their efforts, student waiting time for loans has been reduced from 15 weeks to between one and two weeks, Gee said.

More than 30,000 students will benefit.

The university was in the process of self-evaluation and redirection when state subsidies began to dry up, and budget cuts added greater importance to the process, Gee said.

Some people question why the

Budget cuts nick some, hurt others

The Ohio State University trustees yesterday approved $15.3 million in budget cuts that will result in the elimination of up to 350 jobs. Most will be through unfulfilled vacancies, but up to 100 full-time employees will be laid off. Budget officials said some departments were cut more than others, and those with the most direct impact on students were cut least. Here are those cut most and least:

<table>
<thead>
<tr>
<th>Program/Department cut most</th>
<th>Percentage of cut</th>
<th>Dollars cut</th>
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</thead>
<tbody>
<tr>
<td>Continuing education</td>
<td>20</td>
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<td>International Affairs admin</td>
<td>16</td>
<td>$264,000</td>
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<td>Graduate School administration</td>
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<td>Legal Affairs administration</td>
<td>15</td>
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<td>President’s office</td>
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<td>$257,000</td>
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<td>Instructional Resources admin</td>
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<td>$227,000</td>
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<table>
<thead>
<tr>
<th>Program/Department cut least</th>
<th>Percentage of cut</th>
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</thead>
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<td>Student financial aid</td>
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<td>Admissions</td>
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<td>$0</td>
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<tr>
<td>Registrar</td>
<td>1</td>
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<tr>
<td>Humanities College</td>
<td>2.2</td>
<td>$334,000</td>
</tr>
<tr>
<td>Social and Behavioral Sciences College</td>
<td>2.2</td>
<td>$471,000</td>
</tr>
<tr>
<td>Math and Physical Sciences College</td>
<td>2.5</td>
<td>$891,000</td>
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</tbody>
</table>

Source: OSU Budget Office
 university continues to spend millions on new construction projects at a time when it is laying off people, Gee said. The money comes from separate funds, he said, and a reduction in construction spending would not provide more money for operation, he said.

Continued construction shows a commitment to growth, Gee said.

"I'm not going to get into a hunkered-down, jackass-in-the-snow mentality," he said. "We're going to continue to grow."

OSU will no longer be all things to all people, Gee said, and some programs will be strengthened, and others will be dropped. "The very important will squeeze out the important," he said.

To that end, university officials set priorities and funded them. The budget allows for salary increases averaging 2 percent for faculty and 1.5 percent for staff and student employees. Gee said it is important for the university to hold onto good people, and most of them have had no raises for two years.

The budget provides $3.3 million more for scholarships, $2.9 million in additional funds to expand programs for recruiting and retaining students, $2.5 million more to support faculty research, and $1.75 million to add sections of popular required courses.

The Continuing Education program was hit hardest in terms of percentage cut. Its budget was cut by 20 percent, or $201,000. In dollars, the university business and administration department was hit hardest with a cut of $2 million. The College of Engineering was next, with a cut of $1.1 million.

Faculty Council members said during a trustees' committee meeting that they understand the need for change and want to help plan the university's future.

"This crisis gives us a push for change, and change does not have to be negative," said Amy Riemenschneider, from the College of Social Work.

Trustee John W. Kessinger agreed, and invited the faculty to take part in planning OSU's direction.

"It's a wake-up call," he said. "We should make it positive. We're faced with this crisis the same as you. We want to learn more from you in an open way."
Administration makes tough budget choices

Services, academic core and future funding are the highest priorities

By Steve Starnet

The Board of Trustees has adopted a series of budget measures designed to improve student services and in support core academic programs, while protecting Ohio State's financial stability.

"We have made tough choices to support the right priorities," President Gee told the trustees when he presented his budget recommendations Sept. 1. "We have improved service to students in a number of areas, and we have provided modest salary increases to faculty and staff."

The University budget approved by the trustees in July calls for about $13 million in spending reductions to offset a lack of revenue and to provide additional funds for priority programs. University officials were given until Sept. 1 to come up with a set of selective spending reductions.

This letter, written by the president, approved the administration's plans for selected cuts in the general fund allotted to colleges and offices across the Columbus campus. Among the priorities for additional funding were:

- Improved services in student financial aid, including an additional $6.3 million for scholarships.
- Improvements in class scheduling, including $1.75 million to add sections to popular required courses.
- More instruction in data analysis, foreign language and writing as part of Ohio State's undergraduate curriculum reform.
- Advancements in computer science and networking, including $1.5 million to expand and expand computer laboratories for students.
- Additional research support to faculty and research opportunities for students.
- Expanded support for a diverse student body and faculty, including an additional $2.8 million split among the Younslow Scholarship Program, minority scholarships and the Faculty Incentive Program.
- The first five years in two years for new faculty, staff and student employees.
- "These priorities represent the core of our academic programs," said Richard Slavin, senior vice president for academic affairs and provost. "Whatever else happens, these core programs must be protected and enhanced."

Budget reductions total $13,296,000, about 4.3 percent of the general fund. Colleges were asked to reduce spending by an average of 3.5 percent, while academic support units — such as Human Resources, Business and Administration — were reduced on average of 3.6 percent. The Office of the President was asked to reduce spending by William Shrib, vice president for finance, estimates that as many as 300-400 jobs may be eliminated. This includes vacant positions and the possible layoff of up to 100 support staff. No layoffs of faculty members are expected.

Each college and office prepared budget reduction plans for the Office of Academic Affairs and Finance in early August. The final effects of the budget cuts will be known later in September in the plans that are implemented.

Further savings will be generated as the University continues to review its administration. The university began last January when the Office of Academic Affairs reorganized the academic support units that report to that office.

Among the major changes were the merging of the Office of Student Financial Aid with the Office of Admissions, the transfer of the Office of Continuing Education to University College to reduce program duplication and the merger of the Center for Teaching Excellence, given a new charge to the Center for Institutional Research, with the Office of Academic Computing.

The second phase of reorganization includes the offices of the vice presidents for Finance, Human Resources, Business and Administration, Student Affairs, Development, and Research. Changes in operating procedure and staffing to eliminate duplication will be announced in mid-year, according to Shrib.

The third phase will involve academic units. Procedures to assess the administrative structure of Ohio State's 19 colleges and seven schools will be developed this summer with the changes planned to begin in January 1994.

The savings should be about $1 million on the growth of multi-year spending plans for a number of programs in light of University-wide priorities.

Summary of Departmental FY 1994 Budget Cuts

Columbus Campus General Funds

(IN THOUSANDS)

<table>
<thead>
<tr>
<th>COLLEGES</th>
<th>Budget Base (1)</th>
<th>Percent Cut</th>
<th>Budget</th>
<th>Cut</th>
</tr>
</thead>
<tbody>
<tr>
<td>University College</td>
<td>$2,229</td>
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<td>Engineering (1)</td>
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<td>Veterinary Medicine</td>
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<td><strong>Total Colleges</strong></td>
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<tr>
<th>OTHER ACADEMIC UNITS</th>
<th>Budget Base (1)</th>
<th>Percent Cut</th>
<th>Budget</th>
<th>Cut</th>
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<td>Academic Affairs Administration</td>
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<td>Continuing Education (2)</td>
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<td>Graduate School Administration(3)</td>
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<td>International Affairs</td>
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<td>University Libraries(5)</td>
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<td>University Registrar</td>
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<td>Wexner Center for the Arts</td>
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<td>Young Scholars Program</td>
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| **Total Other Academic Units** | **$49,512**    | **5.60%**   | **$2,767** |

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<thead>
<tr>
<th>ACADEMIC SUPPORT UNITS AND BOARD OF TRUSTEES</th>
<th>Budget Base (1)</th>
<th>Percent Cut</th>
<th>Budget</th>
<th>Cut</th>
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<td>Health Services Admin(9)</td>
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<td><strong>Total Academic Support Units and Board of Trustees</strong></td>
<td><strong>$75,802</strong></td>
<td><strong>6.04%</strong></td>
<td><strong>$4,578</strong></td>
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</table>

| **Grand Total**       | **$354,315**    | **4.02%**   | **$15,265** |

(1) Based on 1993-94 MSA, General Funds only.
(2) Includes Library Acquisition Budgets.
(3) Excludes Hospital Transfer Funds ($159,500) in Medicine.
(4) Excludes in-house research.
(5) Includes University College.
(6) Includes Student Assistance and University Contributions.
(7) Includes University Advancement.
(8) Includes University Student Affairs.
(9) Includes University Student Affairs.

(1) Includes new program funding of $272,294, or a net increase of $284,178.
(2) Special Events from Development to President ($273,390).
(3) Reduction will be charged to current year's income.
(4)ダブレントに含まれる安価なサービスを提供。
(5) Based on 1990-91 MSA, General Funds only.
(6) Includes student academic and special.
(7) Includes institutional costs ($15,200).
(8) Includes new program funding of $272,294, or a net increase of $284,178.
(9) Special Events from Development to President ($273,390).
(10) Reduction will be charged to current year's income.
(11) Includes University Advancement.
(12) Includes institutional costs ($15,200).

Aug 1993
FY 1994 Current Funds Budget Supplement

Editor's note: The Office of Finance prepared this summary for the Board of Trustees, which accepted the recommendations at its Sept. 1 meeting in Columbia.

I. BUDGET OBJECTIVES

The 1993-94 Current Funds Budget approved by the Board of Trustees on July 15, 1993, was designed to accomplish two overriding objectives:

- To allocate resources consistent with the priorities of the academic planning process, and
- To establish the foundation to achieve financial condition by the end of Fiscal Year 1995 (June 30, 1995).

This summary is designed to provide additional detail on how the priorities of the academic process will be funded and what steps the University will take to achieve the desired financial condition. This summary addresses the difficult choices necessary to support the right priorities.

II. ACADEMIC PRIORITIES

The University's mission and vision provide the foundation for decisions making relative to the FY 1994 budget process. The development of budget themes and priorities in early 1993 provided the mechanism to link academic planning and resource allocation processes in an open and systematic way. The primary goal in developing these themes and priorities was to ensure the allocation of scarce resources consistent with the University's mission and vision for the future. These themes and priorities are the result of extensive communication among faculty from the Executive Committee, the Council of Deans, department chairs, Senate Finance Committee, Staff Advisory Committee, the University Priorities Committee and the Faculty Compensation and Benefits Committee.

The six themes and priorities that emerged from this discussion are as follows:

1. Compensation, academic enrichment, computing, research infrastructure, diversity, and student financial aid.

In addition, selected initiatives are also provided to document how these priorities have been supported in the current budget. These initiatives include:

1. Priority I - Compensation

This item covers all mission and vision areas. Protecting faculty quality is the single most important issue in supporting educational, scholarship and public service. The pay and benefits package included in this budget provides $8.4 million total, $6.1 million for salary adjustments and $4.3 million for benefits.

Faculty and Administrative and Professional (A&P) employees will receive increases averaging approximately 2 percent. Faculty increases will be all on a merit basis relative to July 1. Every A&P employee received a $300 across-the-board increase effective July 1. The remainder will be merit increases effective July 1. Classified employees received a 1.5 percent or $5.15 per hour increase, whichever was higher, effective July 1. Students employees will receive the same 1.5 percent increase.

An issue that is often overlooked in the discussion on compensation is the salary adjustment that the University has recently added. This is significant because it has shown that if an employee's performance is outstanding, then the University will recommend a significant increase to each individual's total compensation package. This includes the University's share of health, dental and retirement benefits.

This year, the total University dividend will be $6.4 million in benefits above a 0.9 percent increase. This amounts to 22.2 percent of the total General Funds paid for faculty and staff. The increased University contribution to health and other retirement benefits is expected to jump by 22.9 percent.

2. Priority II - Academic Enrichment

Implementation of an annual fund of at least $1 million in continuing faculty and student programing in teaching and research emerged as one of the highest priorities of the academic planning process.

This budget establishes for the first time, the funding of a new position in academic enrichment. The development of programs within the Office of Academic Affairs to support these initiatives is under way.

3. Priority III - Computing

This budget establishes for the first time, the funding of computing needs based upon University-wide priorities. These priorities were reviewed by the University Information Systems Task Force which was appointed by President J. Gordon Gore in September 1992 and composed of the Vice President for Academic Affairs, Business and Administration, Health Services, Development, University Resourcs, Finance, Student Affairs and Research.

This task force's priority classification of projects which support the underlying infrastructure (particularly the backbone that supports all academic and administrative computing) is significant. The University's Information Management Information process or base is based on a high-level technical review that has significant efficiency of services to students, faculty and staff.

Due to the sharing of General Fund Annual Rate, priority has to be given to those projects that can be financed with one-time dollars and leverage other resources.

After reviewing several possibilities, the task force recommended the allocation of $3.4 million in one-time and $1.0 million in continual general funds and non-recurring resources, which are reflected below.

- Additional Instructional Labs: A total of $1.5 million of new instructional funds will be set aside to fund instructional and research computer laboratories. Continuing funding for these laboratories has already been established. These investments will provide 125 new and upgraded spaces.

- Network Capacity: One-time funds totaling $510,000 has been recommended to expand the existing SUNNET connections to eight additional buildings and to upgrade the existing network to meet anticipated demand. This is the right investment of all major academic buildings to the network.

- Management Information Systems: This is a project anticipated to take several years and several million dollars. Since resources will not be immediately available, this project must be phased in over time after a careful period of planning. Since personnel made up a significant portion of the largest activity in the University's budget, it was agreed that upgrading and modernizing the University's personnel system must be a priority. This will be the first step.

Implementation of the first phase of this project:

- Student Financial Aid Network: This will provide the Office of Student Financial Aid with the opportunity to significantly improve services to the 70,000 students with extra financial aid with faster service in person and over the phone and to make better use of existing personnel. This is part of a general effort to improve the student financial aid administration. One-time money totaling $160,000 will be allocated along with $90,000 in additional operating funds from increased revenue from application fees.

- BRUTUS Upgrade: This project will help the University improve student scheduling support for students by establishing an automated schedule to give scheduling priority to those students previously closed out of classes. This is part of a continuing effort to improve the University's ability to address the closed course problem. It is anticipated that this system will be in operation and will be available by Winter Quarter scheduling. One-time funds of $65,000 will be supplemented by a redistribution of $65,000 in operating funds within student financial aid.

- Development Network: This project will provide the Office of Development with a 15-year-old system with a new system that will free development officers' time for fund raising and allow better tracking of prospects. This is the first phase of a two-phase effort to upgrade systems support for the next development campaign. One-time general funds totaling $200,000 will be matched by $250,000 in fund raising and a $350,000 reallocation for development operations.

- Classroom Scheduling System: To improve classroom availability, $55,000 was allocated this year for an improved classroom scheduling software and related hardware items. This investment will increase the effective size of the classroom pool without a major increase in capital expenditures.

4. Priority IV - Research Infrastructure

Increased research infrastructure, including space, equipment and personnel, is required to keep pace with the substantial increase in research activity over the last 10 years. This includes $500,000 in one-time funds from the Office of Research and Administration to support one-time infrastructure projects distributed to colleges and departments who have brought additional research resources into the University. It is part of a continuing effort to develop a system of goals and incentives for full recovery of indirect costs on sponsored research.

Research Infrastructure Summary

In millions

FY 1993 FY 1994 Improve

CSUPF Administration $5.3 $5.4 2.6%
CRDF Funds 2.5 2.6 4.6%
Research Faculty 6.3 6.8 8.6%
Research Challenge 6.2 6.3 1.6%
Research Faculty 6.1 6.4 5.0%
TOTAL $23.2 $22.2 -4.3%

(1) State only

(2) Percentage of other institutional spending

5. Priority V - Diversity

The University must continue to invest in these areas, which will have the greatest potential for positive impact on our commitment to diversity. Additional funds are provided for Young Scholars, minority scholarships and hiring of underrepresented faculty.

Diversity Summary

Continuing General Funds Only — in millions

FY 1993 FY 1994 Increase

Young Scholars 2.5 2.8 11.4%
Minority Scholarships 0.3 0.3 0.0%
Faculty Incentive Program 0.3 0.3 0.0%
TOTAL 3.1 $3.4 11.2%
III. FINANCIAL STABILITY

The University is developing a plan to achieve financial stability at the end of the fiscal year (FY 1993). Financial stability is a condition in which financial commitments (including increases in compensation) do not exceed assured funding over a multiperiod plan.

The first step of this plan is to incorporate in this budget document:

- funding decisions consistent with academic priorities;
- spending reductions of $15 million for FY 1994;
- plans for multyear spending plans;
- restructuring and streamlining of administration.

The remaining elements of this plan will be developed by the end of the calendar year 1993.

FY 1994 Spending Reductions

The budget approved by the Board of Trustees on July 9, 1993, required a $7.92 million reduction for the Columbia Campus to increase overall by $15.7 million in FY 1994. State appropriated funds for the Columbia Campus is $250 million, an increase of $7 million from the FY 1993 level. Resident, undergraduate instruction and all general operating costs are reduced by 5 percent. The President asked all financial units to examine current processes and identify where the University can reduce spending, thereby reducing the overall costs.

Biotechnology Center The University has committed $1.1 million in operating funds plus $1.85 million in debt service to this initiative, which is designed to foster interdisciplinary research in biotechnology. The recommended funding levels will require the University to work with the offices of the President and other academic units for academic enrichment funds beginning in FY 1993.

Faculty Housing Incentive Program This program is a targeted effort to encourage the appointment of endowed named chairs and tenured faculty with a particular interest in the academic development of minority faculty at the University. The program is expected to be successful in a manner that would result in increased academic improvement in academic programs and balance the budget. When these reductions are implemented, General Funds spending plan will be reduced by 2.4 percent.

FY 1993-94 Changes in Budget Components

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Cars in all colleges averaged 3.5 percent for a total of 7.92 million. Cars in all academic units averaged 5.6 percent for an additional 3.7 million. Cars in academic support units averaged 6 percent for a total of $4.38 million. Reduction targets are to achieve a minimum budget shortfall for both academic and academic support units that are budgeted below the average.

These are the four principles and objectives that were primary recommendations of the faculty in officials budget meeting for academic units:

1. To maximize the capacity of departments and colleges to offer courses in undergraduate and graduate curricula and major and minor curricula for students in all units;
2. To support students as fully as possible from admissions through their junior year;
3. To maximize the University's ability to secure its future, attract new students, and prepare faculty;
4. To achieve administrative economies in our academic units by streamlining operations.

The four criteria used to establish budget reductions for academic support units were as follows:

1. To achieve administrative economies by ensuring that the cost of support units is equal to or better than comparable units in other academic units;
2. To achieve the direct impact of revenue in units, faculty, and students;
3. To achieve administrative economies by streamlining operations in academic support units;
4. In absorb any reductions sufficient to add revenue reduction costs to no greater than 3.5 percent.

In addition, the reduction in academic units and academic support units is reviewed to assure the reductions did not disproporportionately affect women and other underrepresented groups.

Multyear Spending Plans

Multiyear commitments initiated by the University in the mid-1980s were surveyed in the current spending plans. Continued funding increases for these programs, most of which were initiated between the years 1983 and 1986, are dependent on the academic success of the University's program. Continued funding in these programs, which are now in the best interest of the University to fund, may have severe consequences for the University's ability to fund future academic enrichment programs. The University is committed to complete the commitment in FY 1993. In years from now, this project may compete with other academic and nonacademic programs.

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The University's budget plan involves restructured programs in areas that are already financially problematic.
FROM THE PRESIDENT'S DESK

Dear Colleague,

As President of Ohio State, I am writing to update you on some of the significant developments that have occurred since we last communicated. I hope this letter finds you well.

Over the past year, Ohio State has continued to grow and thrive. Our enrollment has increased significantly, with more than 50,000 students currently enrolled. We have also seen a rise in the diversity of our student body, with a growing number of international students choosing to study at Ohio State.

In terms of faculty, we have continued to attract top talent to our campuses. Our faculty members have made many important contributions to their fields, and we are proud to have them as part of our community.

Regarding finances, we have been able to maintain a balanced budget, thanks in large part to strong support from our alumni and friends. We have also been able to continue to invest in our infrastructure, including the construction of new facilities and the renovation of existing ones.

In terms of research, Ohio State continues to be a leader in many areas. Our researchers have made significant contributions to fields such as biotechnology, renewable energy, and data science. We are proud of the impact that our research is having on society.

Looking ahead, we are excited about the opportunities that lie ahead. We are committed to continuing our focus on excellence in teaching and research, and we will continue to work to ensure that Ohio State remains a leader in higher education.

Thank you for your support and for being part of the Ohio State community.

Sincerely,

Ohio State University

Send any comments to E. Gordon Gee, Office of the President, 285 University Hall, 190 N. Oval Mall, CAMPUS

A NEW COMPUTER system helps Brenda Steen, an associate director of the Center for Student Financial Aid, left, and June Anderson, office manager, pull financial aid information quickly from files.

Financial aid staff answer call for service

By Ruth Gestner

University officials are optimistic that recent changes in the operations of the Office of Admissions and Financial Aid will make a difference in the service that students will receive in 1993. In particular, they believe that the average processing time for students' financial aid applications will decrease.

Financial aid staff at Ohio State will continue to provide excellent service to students and their parents. However, they will also continue to work hard to ensure that all students receive the aid they need in a timely and efficient manner.

The financial aid office has made several changes to its operations in recent years to improve service to students. These changes include:

- Increasing the number of staff members to provide better service.
- Improving the processing of financial aid applications to reduce the time it takes for students to receive their aid.
- Providing more support to students and their families to help them understand the financial aid process.

These changes have resulted in a significant improvement in the service provided by the financial aid office.

We are confident that the changes we have made will continue to improve service to students and their families.

Thank you for your support and for being part of the Ohio State community.

Sincerely,

Ohio State University

What they say about the budget

President Gee: This is a time of change. With the budget for the State of Ohio State University, we want to do all that we can to help the Ohio State University. We have to address the problems that we face.

William J. Dahm, vice president for finance: We are doing things to help. We are doing things to help the Ohio State University. We are doing things to help the State of Ohio. We are doing things to help the people of Ohio.

Ruth Gestner, assistant editor: We are doing things to help the people of Ohio. We are doing things to help the Ohio State University. We are doing things to help the people of Ohio.

David L. Bransan, professor: We are doing things to help the people of Ohio. We are doing things to help the Ohio State University. We are doing things to help the people of Ohio.

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Campus leaders ponder just what the budget future holds

By Tom Spring and David Tull

The chair of the University Staff Advisory Committee expressed cautious optimism about budget goals announced last week, while the head of the Communication Workers of America union took a wait-and-see attitude.

Putting the budget on an even financial keel will help Ohio State refocus on taking better care of its employees and on providing services to the people of Ohio, said Don Bell, chairperson of the University Staff Advisory Committee.

"I'm happy that there seems to be a long-term plan now," Bell said.

On Sept. 1, the Board of Trustees accepted recommendations from President Gee to balance the 1993-94 budget. Most programs received cuts in order to meet a $15 million shortfall. The average reduction was 3.5 percent for academic departments and 6 percent for academic support units. Some program budgets, those deemed most important to preserve the academic core, were increased.

Senior administrators Richard Sisson and William J. Shihuri emphasized to the trustees that the University must plan ahead.

"If we can reach equilibrium by fiscal year 1995, then hopefully we as an institution can go to a bigger and brighter future," Bell said.

"The faculty, staff and administration have more things to do than worry about money and budget problems year in and year out," he said. "We can provide much more for Ohio, the city of Columbus and the country than continually worrying about budget problems."

Even though bargaining unit members are not immediately affected by measures to balance the 1993-94 general funds budget, "naturally, we are very concerned," said James Ervin, president of Local 4501 of the Communications Workers of America (CWA). "In my mind, anything that affects the University community affects all of us."

Most members of CWA and other bargaining units are working under contracts negotiated with the University before the state legislature began slashing funds for higher education.

"There's no telling where this (cutting-back) is going to stop," Ervin said. "We are concerned that in the very near future the legislature may make some more cuts that will affect us."

Bell said he agrees with the administration's pledge to focus on employee compensation. President Gee on Sept. 1 told trustees that the issue of pay increases was the top priority when administrators planned for 1993-94.

"I hope the central administration means it when they say that we need to start paying attention to the employees that the institution has," Bell said. "(Trustee) David Brennan was quoted (in the special issue of on-Campus Sept. 3) as saying we have to pay the people we have in order to keep them. Clearly we're not doing that. We're losing quality staff and faculty members. We're hurting the University in both cases when we lose quality people."

In July, trustees approved pay raises averaging 2 percent for faculty, an average of up to 2 percent for administrative and professional staff, and 1.5 percent for civil service staff. For most employees, these were the first raises in two years.

Bell said more needs to be done.

"I personally don't believe we are taking care of the people we have," he said. "I hope that we really can start doing that soon."

When the Education Affairs Committee of the Board of Truste-

See Leaders, Page 6

Continued from page 1

css met with members of the University Senate Steering Committee to discuss the University decision-making process, faculty members noted that achieving significant change can be slow and difficult. Faculty indicated that in a time of limited financial resources, the University must guard against too rapid or arbitrary decisions, made without adequate consultation of the faculty and without establishing a consensus within the community. Issues include the extent that departmental and University faculty should be involved in decisions such as closing down academic units; protection of faculty rights; more timely decision making; and the mechanisms for identifying appropriate changes in the University's priorities.
Hundreds of jobs lost to budget axe

By Stephanie Warmsmith
Lantern staff writer

Because of cuts to the OSU budget, as many as 350 university jobs might be eliminated. This includes 100 to 200 staff positions, 50 to 100 student positions and 40 to 60 vacant faculty positions.

These figures include currently vacant positions that will go unfilled. While no regular faculty will lose their jobs, 60 to 100 non-academic staff members will.

The university has already had to eliminate 1,000 positions over the last two years, mostly through attrition.

At the September 1 Board of Trustees meeting, the colleges and units learned how deeply their budgets have been cut. They must now decide how they will deal with their limited funds.

OSU colleges were cut an average of 3.5 percent. Biological Sciences, Education and Pharmacy were cut the most at any college, sustaining 5 percent cuts. The lowest cuts went to the College of Humanities and the College of Social and Behavioral Sciences which were cut 2.2 percent.

OSU academic support units sustained heavier cuts, averaging 5 percent. The Office of the President and the Office of Legal Affairs received the highest cuts of 15 percent, while Student Affairs got the lowest cut of 3 percent.

"The administration tried to protect direct student services," explained Leslie Flesch, OSU assistant vice president of finance, referring to the administration's attempt to lessen cuts to those units such as Student Affairs.

"Everything we do at Ohio State is important, but some things are more important than others," OSU President E. Gordon Gee said. He said great emphasis was placed on preserving the university's academic core.

Areas protected from the budget cuts include regular faculty, closed course dollars, registration and scheduling and student financial aid and admissions.

Certain non-college academic units received heavy cuts to their budgets.

Among those that sustained severe budget blows were: Continuing Education (20 percent), Graduate School (15 percent), Instructional Resources (14 percent) and International Affairs (16 percent).

"We cannot be all things to all people," Gee said.

In order to save university money and cut down on unnecessary bureaucracy, the administration has designed three phases of restructuring for the university.

The first phase was initiated in Spring and Summer quarters. This phase included savings through consolidations in the Office of Academic Affairs, reducing overhead in the Graduate School and restructuring the office of International Affairs.

The second phase involves restructuring the academic support units. A plan is expected for this phase by Jan. 1, 1994.

"The vice presidents will work together to formulate the plan in order to eliminate duplication and improve services," Flesch explained.

The third phase involves the restructuring of university colleges. A plan for this phase will be compiled by Aug. 1, 1994.

Flesch said this will involve examining the colleges for duplication and then possibly combining like colleges and programs. However, she emphasized this will be a long-term process.

"We don't want to make changes just to make changes," Flesch said.

Gee has placed great emphasis on the university's need for change, growth and improvement.

"I'm not going to get into a hunkered-down, jackass-in-the-snow mentality," he said in a press conference following the Trustee's meeting. "We're going to continue to grow."
Schools face hard-hitting budget cuts

By Ginger L. Colbrun
Lantern staff writer

Maintaining academic standards while coping with the onset of a $15 million budget crunch seems to be a focus for the colleges of Ohio State.

"No one likes to be cut at all, these are difficult times and everyone had to be hit," said David O. Frantz, acting dean of the College of Humanities.

The College of Humanities received a reduction of 2.20 percent, which is equal to a little over half a million dollars, Frantz said.

Dealing with the budget crunch has forced the college to eliminate some support staff positions within the college, he said.

Frantz also said, in order to protect the core and general classes some electives had to be cut, which in turn will make the classes larger.

The Writing Center is another area that will suffer over the next year.

"I hate to take this step but to keep the core classes protected I have to," Frantz said.

"Although it's a challenging time we must maintain teaching and scholarship." The College of Biological Sciences was one of the colleges to receive the highest percentage (five percent) cut.

"It's not easy on anybody," said Gary L. Floyd, dean of the College of Biological Sciences.

"We are all dealing with the budget the best that we can."

The college has taken steps in the past several years to prepare for future. Over the last six years, the college did not fill vacant faculty positions that arose, Floyd said. The college was hoping to use the money it saved to hire new faculty members once the Riffe connecting building was completed next summer, he said.

However, the cuts have eliminated the possibility of hiring new faculty and the money they saved is just about all gone.

Although the college has had to deal with fewer faculty members, its faculty has made up for it.

"Over the last three years, the credit hours taught by the faculty has risen 22 percent," Floyd said.

"Plus the number of people majoring in the College of Biological Sciences is at an all time high." Funds were allocated to colleges depending on a combination of criteria. The colleges submitted proposals in August detailing how they would deal with a possible 3, 6, or 10 percent cut in their budget.

Next, academic affairs reviewed each college's proposal and considered how much they had been cut in the past, said Ed Ray, OSU vice provost of academic affairs. He said the administration tried to keep the reductions as small as possible.

"We have to keep balancing all the balls in the air at the same time," Ray said.

Cuts to OSU colleges averaged 3 percent while academic support units were cut an average of 6 percent.

Each college is cutting corners in its own way. Overall, the colleges and support units are being forced to do more with less faculty and staff.

Ray said it only seemed appropriate for the colleges to take the smaller cuts.

The quality and the availability of the core and general classes has to be maintained, said William Shkurti, OSU vice president of finance.

While some students will be closed out of classes, most students will either get the classes they want or will be able to find a substitute, Ray said.

While many of the students who have been here for several years have felt the budget tighten, Shkurti emphasized that Ohio State is not the only university dealing with difficult times.

"This university, like every other university, is going through transition, due to the world economy," Shkurti said. "If we manage this transition we will emerge stronger and more competitive."
Skimpy budget hurts colleges

By Ginger L. Colbrun
Lantern staff writer

With the recent round of budget cuts, the university's colleges are finding it increasingly more difficult to do more with less.

Prior to fiscal year 1994, Ohio State lost 1,200 positions. So far this year, the budget crunch has pushed another 200 positions out the door.

While no faculty members were laid off, 71 faculty positions were eliminated. In addition, 140 staff positions, including graduate student positions, have also been eliminated from the university. Seventy-five of these eliminated positions were layoffs, the remaining 65 positions were eliminated by attrition.

Once these positions are gone, the only way to get them back is if over the years, resources shift and money gets reallocated, said Ed Ray, OSU senior vice provost.

The College of Humanities lost a total of 20 staff positions, including graduate students. Fourteen of these 20 were layoffs. Because of the lost positions, some departments in the College of Humanities only have one staff member, said Phyllis Newman, fiscal personnel officer in the College of Humanities.

"We are down to bare bones," Newman said. "There are fewer people doing the same number of tasks."

Because of the shortage of staff members, the college is less responsive to students who need courses or who need help, Newman said.

The elimination of staff positions puts a strain on the remaining staff members.

"The people who are not eliminated feel uncomfortable, guilty, sympathetic and vulnerable," Newman said.

Even though the College of Mathematical and Physical Sciences teaches 20 percent of all undergraduate hours, it lost 13 faculty positions — the most of any college.

The College of Mathematical and Physical Sciences has experienced more close outs than they would like to see, but on a temporary basis the college has hired part-time teachers to help with the problem, said Bob Gold, associate dean of the College of Mathematical and Physical Sciences.

Gold said many of the college's classes are bigger than they would like to see.

While hiring part-time teachers has elevated the college's personnel shortage temporarily, unless there is long term relief, the college will suffer, Gold said.

The college experiencing the second largest loss in faculty positions was the College of Biological Sciences, which lost 11 faculty positions.

Over the last several years, the College of Biological Sciences has been downsizing the number of faculty. When faculty have retired, the college has not hired new faculty to replace them.

Instead, the college put the money saved by not hiring new faculty into a reserve that was to be used to help complete a new research facility and hire new faculty once it was completed, said Gary Floyd, dean of the College of Biological Sciences. The budget cuts have forced the college to temporarily delay these plans, he said.

However, the budget cuts are not hurting the quality of the college's teaching, Floyd said. "The current downsized faculty is of the highest quality we have ever had."

While some colleges have been able to handle the loss of faculty positions better than others, the College of Medicine doesn't have faculty positions to give up.

The College of Medicine lost 9.77 faculty positions, the third largest of all the colleges. The ratio of faculty members to students is already in the bottom 15 percent of all medical schools in the country, said Joan Patton, chief fiscal officer in the College of Medicine.

"By reducing another 10 faculty members it makes it worse," Patton said.
Senate considers future budget

By Tom Roebuck
Lantern staff writer

William Shkurti, vice president for finance, told the University Senate Saturday that university-wide budget reductions are likely for fiscal year 1995.

Shkurti said work on fiscal year 1995’s budget has started earlier than usual. His plans call for increasing revenues while decreasing central expenditures. He said determining enrollment targets will be balanced between financial concerns and the quality of incoming students.

Shkurti said Ohio State’s health-benefits program, which he said is “good, but expensive,” is being evaluated by Linda Tom, vice president for Human Resources.

Shkurti said Ohio State intends to achieve financial equilibrium by fiscal year 1996, which means that Ohio State could potentially give competitive pay increases without university-wide budget cuts.

He said the negative side to financial equilibrium is that it implies a steady state in which new funds are not available to pursue investment opportunities.

“Financial equilibrium presents the challenge of identifying resources to strengthen areas we need to compete in,” Shkurti said.

The 14 percent budget reallocation for all colleges ordered by Provost Richard Sisson will help provide funds for investing in new areas, Shkurti said.

Shkurti said barring any unexpected catastrophes, the budget for fiscal year 1994, which started on July 1, 1993 and ends on June 30, 1994, will remain balanced. For the first time in three years, the State of Ohio has not made mid-year cuts in its budget, which has helped Ohio State, Shkurti said.

“We are over the mid-year budget convulsions. Now we can deal with annual budget convulsions,” Shkurti said.

Shkurti said regardless of tuition raises, an education at Ohio State is a “tremendous bargain.” He said fees at Ohio State for in-state undergraduates are nine percent below the state-wide average for public universities in Ohio. He also said despite reduced state support, fee increases for in-state undergraduates at...

Ohio State are 19 percent below the Big Ten average.

In other University Senate business:

• The chairman of the Steering Committee announced the formation of a subcommittee to oversee the restructuring process.

Tom York, chairman of the Steering Committee, told the senate that the subcommittee will work with academic units, administration and other committees to promote effective evaluation and communication of restructuring plans.

“The committee will ensure that its work in the restructuring process will, insofar as possible, be open and known to the university community and ensure that members of the university community can provide input into the committee’s work,” York said.

York said the first thing the committee will probably do is create a flow chart showing how different committees will work together on restructuring.

The subcommittee, called the Ad Hoc Senate Oversight Committee for University Restructuring, will consist of eleven faculty and administration members, one graduate student, one undergraduate student, one professional student and one staff member.

York said members will be selected in several weeks, and nominations are being accepted at the University Senate office in University Hall.

• In the Committee on Academic Misconduct’s annual report, Chairwoman Carol Binninger said the committee would like a change of the freshman forgiveness rule that would not allow a student to override a poor grade that was enforced by the committee.

Binninger also said the committee wants to lengthen the 14-day time limit a student has to file an appeal, and to create a policy for expungement of records of academic misconduct.

The committee wants a regulation to be included in the Code of Student Conduct requiring students to provide the university with a current address, Binninger said. She said the committee has sometimes had trouble contacting students.

* Harry Allen, chairman of faculty council, announced an open workshop discussing restructuring issues from 3:30 to 5:30 on Thursday, Nov. 18, in Independence Hall 100. Allen said examples of restructuring efforts at other universities will be discussed.

* Frank Chloupek, chairman of the Council of Graduate Students, announced seven priorities for the council. They are: participation in restructuring, graduate student enrollment, representation at college and departmental levels, associate training and support services, unsupervised graduate students, workload and financial support, and stable sources of funding for the president and vice president of the Council of Graduate Students.

* Chris Norman, president of USG, told the senate that USG can give names of students interested in restructuring to college deans. He also announced the Big Ten Association of Student Governments will be meeting at Ohio State during the first week of February.
No mid-year budget cuts, officials say

By Ginger L. Colbrun
Lantern staff writer

A small amount of financial normalcy is returning to Ohio State this year.

For the first time in three years, Ohio State will not experience the mid-year budget reductions that during the last few years have resulted in hundreds of lost jobs - and lost security for hundreds more.

Unless something really unexpected happens, the budget is balanced for the rest of the year, said William Shkurti, OSU vice president for finance.

Last year the university faced the difficult task of cutting approximately $7.5 million mid-year from their budget, said Ed Key, OSU senior vice provost.

Shkurti said the reason the current budget will remain intact is a combination of the national and state economies staying stable, along with Ohio State learning to deal with the budget better. He said last year the state cut its budget in the middle of the year, which resulted in a mid-year budget shortfall for Ohio State.

Not worrying about mid-year cuts will give Ohio State more time to focus on next year's budget, Ray said. The current budget lasts until June 30, 1994.

The university will face the budget ax for fiscal year 1995, but after that, the administration hopes Ohio State will reach financial equilibrium, Shkurti said.

This equilibrium will enable Ohio State to go from one year to the next without making any more reductions.

But this will not include freeing up money to enhance programs or build up existing areas, Ray said.

"It just means steady as you go. We want to get past that. That's where restructuring comes in," Ray said.

"The budget that we prepare for fiscal year 1996 is going to be a key budget because you can see it as a transition of ending this period of budget uncertainty and beginning a concentrated effort of really building the university for the future," Shkurti said.

When asked about next year's budget cuts and how much they would be, both Ray and Shkurti said it is too early to speculate.

Shkurti said next year's budget cuts will not be across the board. He said the administration will keep the cuts as low as possible and try to enhance the revenue by any means possible. Ohio State will reduce expenditures such as health insurance benefits and facilities cost, he said.

The more the administration can reduce the spending of central funds, the less they will have to take out of funding for colleges, Shkurti said.

The priority will also be to protect the academic core. Shkurti said in general, colleges receive lower cuts than academic support units.

Shkurti said he does not envision the situation where Ohio State will be laying off any tenured faculty.

This year Ohio State's budget was $1.4 billion. The general funds budget, which pays for the instruction, salaries and other things such as the heating and lighting of buildings, was $596 million, Shkurti said.

The $80 million that has been taken out of Ohio State in the last three years has had its affects on the university. Shkurti said the quality of education has not suffered over the last three years, but the number of inconveniences and hassles that students face has grown.

Shkurti said one area Ohio State is not doing a good job is keeping the grounds clean. But Ohio State is doing a better job in recruiting and in financial aid, he said.

See BUDGET / Page two
TRUSTEES ACT ON BUDGET, TUITION, PAY

COLUMBUS -- The Ohio State University Board of Trustees Friday (5/6) voted to raise the tuition of most students 5 percent, set computer laboratory fees, and adopted budget guidelines for the 1994-95 academic year. The board also approved pay raises for faculty and staff.

Budget Guidelines

Trustees also approved guidelines for completing the university's operating budget for the fiscal year that begins July 1.

Shkurti said the budget will keep the university on track to achieve financial equilibrium by the end of the next fiscal year, June 30, 1995. Financial equilibrium would mean that university-wide reductions in the General Fund budget would no longer have to be made to fund current operation.

The 1994-95 budget will require a reduction in the General Fund budget accounts averaging about 3 percent, the smallest cuts in four years. In previous years, reductions have averaged 4 to 5 percent or more.

"Although the fiscal year 1995 budget does not allow us to do everything we would like, it is a significant improvement over what we had to deal with over the last three years," Shkurti said.

The budget for 1995, to be adopted by the board at the June 3 meeting, will require current expenditures to be covered by current resources and limits to be placed on multi-year spending commitments. In addition, the university will move away from allocating funds based on expenditures to a system based on income generation.

"Right now our expenditures are based on the idea that the more you spend, the more you get. We want to go to the idea that the more you bring into the university, the more you get. Those units which do the most to bring in revenue will benefit."
Shkurti said that to reach financial equilibrium enrollment on the Columbus campus must be stabilized at 50,000 students, strict limits must continue on new spending initiatives, and state instructional subsidies must be provided at a level at least equal to the rate of inflation.

"We'll have to keep an eye on state and federal mandates and make sure we get no surprises," Shkurti said.

"All of these are achievable goals, but we can't take any of it for granted."

Preliminary income projections for the General Fund on the Columbus campus for fiscal year 1995 total $556.5 million, up 2.9 percent from the current year's $540.6 million. Although general tuition will rise 5 percent, Ohio State's Columbus campus will only realize an increase of 3.7 percent in income from tuition because enrollment next year is expected to be down slightly. Overall income from tuition, state support and other earnings is expected to rise 2.9 percent.
New guidelines may help stabilize budgets

_Shkurti: No additional cuts would be needed_

By Tom Spring

The next University budget will keep the University on track to achieve financial equilibrium by the end of the fiscal year, June 30, 1995, according to William J. Shkurti, vice president for finance.

Shkurti said that attaining financial equilibrium would mean no longer having to make University-wide reductions in the General Fund budget to fund current operations.

On May 6, trustees approved guidelines for completing the operating budget for fiscal 1995, which begins July 1. The budget will be presented to the board at the June meeting.

The new budget will require reductions in the general fund budget accounts averaging about 3 percent, the smallest cuts in four years.

In previous years, reductions have averaged 4 percent to 5 percent or more.

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"The budget will require that current resources cover current expenditures and will place limits on multi-year spending commitments. In addition, the University will move away from allocating funds based on expenditures and more to a system based on income generation.

"Right now our expenditures are based on the idea that the more you spend, the more you get. We want to go to the idea that the more you bring into the University, the more you get," Shkurti said. "Those units which do the most to bring in revenue will benefit."

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TRUSTEES ADOPT BUDGET FOR 1994-95, SET STUDENT FEES

COLUMBUS -- The Ohio State University Board of Trustees Friday (6/3) adopted a 1994-95 budget of $1.4 billion, including $556.5 million in General Funds. The General Funds Budget covers daily operating expenses, including academic programs.

The budget, up 2.9 percent from this year's $540.6 million, includes increases in tuition averaging 5 percent for undergraduate and graduate students.

Income from tuition, however, is expected to rise only 3.7 percent because of lower enrollment. Overall income from tuition, state support and other revenues is expected to rise 2.9 percent.

Average room and board fees will increase about 3.3 to 4.1 percent for graduate and undergraduate students, respectively. Bookstore prices will go up 5 percent and single-student health insurance will rise 9 percent.

Students will pay either $18 more or $19 less to park their cars next year, depending on where they choose to park.

Football and basketball tickets prices will rise $4 and $8, an increase of 10 and 16.7 percent, for all students.

(For more information, see the Summary of Typical Student Fees, Columbus Campus, attached.)
The budget includes $10.2 million in reductions to college and office budgets. The reductions will be used to help fund more than $33 million in academic priority programs.

Those priority funds include $14 million to increase compensation to faculty and staff by an average of 4 percent; $3 million to strengthen academic programs and offer more summer course offerings; and $3 million to $4 million in one-time funds to improve computing capabilities. The funds for computing are in addition to revenues from fees approved last month for upgrading computers in the colleges of Business and Engineering.

Also included is $5.1 million in additional funds for scholarships and $6 million in additional university and state funds to renovate and repair obsolete or worn-out facilities.

Other priority allocations include $800,000 to expand programs designed to attract more minority faculty and students and $1.9 million to provide space, equipment and graduate student support for faculty engaged in research.

Another $426,000 was reserved to comply with mandates and rulings of the Occupational Safety and Health Administration, Nuclear Regulatory Commission, Americans for Disabilities Act, and Internal Revenue Service.

The internal budget cuts average 3 percent. The cuts range from 1 percent for the Office of Admissions and Financial Aid to 9 percent for the Graduate School administration. Reductions in college budgets ranged from 2.4 to 3.75 percent.

Direct student services protected from cuts included admissions; financial aid; scholarships; course registration; fees, deposits and disbursements; and core academic programs. Also protected were library acquisitions, campus police, Crime Watch, Community Crime Patrol, disability services, the Ohio Unions, maintenance of central classrooms, and support of student organizations.

Contact: Richard Sisson, senior vice president for academic affairs and provost, (614) 292-5881, or William J. Shkurti, (614) 292-9232.

Written by Tom Spring, (614) 292-8309.
Budget includes 3 percent cuts

By Tom Spring

The University budget for 1994-95 totals $1.4 billion, including $556.5 million in general funds. The general funds budget covers daily operating expenses, including academic programs.

The Board of Trustees adopted the budget June 3. Included is $10.2 million in reductions to college and office budgets.

The internal budget cuts average 3 percent. The cuts range from 1 percent for the Office of Admissions and Financial Aid to 9 percent for the Graduate School administration. Reductions in college budgets ranged from 2.4 percent to 3.75 percent.

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- $14 million to increase compensation to faculty and staff by an average of 4 percent.
- $3 million to strengthen academic programs and offer more summer course offerings.
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The budget, up 2.9 percent from this year’s $540.6 million, includes increases in tuition averaging 5 percent for undergraduate and graduate students.

Income from tuition, however, is expected to rise only 3.7 percent because of lower enrollment. Overall income from tuition, state support and other revenues is expected to rise 2.9 percent.
## Summary of Departmental FY1995 Budget Reductions

Columbus campus general funds (in thousands)

<table>
<thead>
<tr>
<th>COLLEGES</th>
<th>Budget Base (1)</th>
<th>Percent Cut</th>
<th>Budget Cut</th>
<th>OTHER ACADEMIC UNITS</th>
<th>Budget Base (1)</th>
<th>Percent Cut</th>
<th>Budget Cut</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colleges of Arts &amp; Sciences</td>
<td>Arts</td>
<td>12,415</td>
<td>3%</td>
<td>372 Repts. to Academic Affairs</td>
<td>2,190</td>
<td>5.39%</td>
<td>118</td>
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<tr>
<td></td>
<td>Biological Sciences</td>
<td>10,665</td>
<td>2.75%</td>
<td>293 Academic Affairs Admin.</td>
<td>7,674</td>
<td>2.38%</td>
<td>182</td>
</tr>
<tr>
<td></td>
<td>Humanities</td>
<td>24,557</td>
<td>2.75%</td>
<td>675 Admissions &amp; Financial Aid (4)</td>
<td>7,346</td>
<td>1%</td>
<td>73</td>
</tr>
<tr>
<td></td>
<td>Math &amp; Physical Sciences</td>
<td>32,848</td>
<td>2.75%</td>
<td>903 Graduate School Admin. (5)</td>
<td>1,310</td>
<td>9%</td>
<td>118</td>
</tr>
<tr>
<td></td>
<td>Social &amp; Behav. Sciences</td>
<td>21,536</td>
<td>2.4%</td>
<td>517 International Educ. &amp; Area Studies</td>
<td>969</td>
<td>3%</td>
<td>29</td>
</tr>
<tr>
<td>Professional Colleges</td>
<td>Agriculture</td>
<td>10,107</td>
<td>2.5%</td>
<td>253 Minority Affairs &amp; Young Sch.</td>
<td>3,929</td>
<td>3.41%</td>
<td>134</td>
</tr>
<tr>
<td></td>
<td>Business</td>
<td>12,351</td>
<td>3.25%</td>
<td>401 University College (7)</td>
<td>3,003</td>
<td>4.39%</td>
<td>132</td>
</tr>
<tr>
<td></td>
<td>Education</td>
<td>13,602</td>
<td>3.25%</td>
<td>442 University Registrar (4)</td>
<td>3,908</td>
<td>3%</td>
<td>117</td>
</tr>
<tr>
<td></td>
<td>Engineering (2)</td>
<td>26,985</td>
<td>2.4%</td>
<td>648 Wexner Center for the Arts</td>
<td>2,033</td>
<td>3.67%</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>Human Ecology</td>
<td>3,038</td>
<td>3.4%</td>
<td>103</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Law (Excludes library acquisitions)</td>
<td>4,811</td>
<td>3%</td>
<td>144 Units Reporting Elsewhere</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Social Work</td>
<td>2,260</td>
<td>3.67%</td>
<td>83</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colleges of Health Sciences</td>
<td>Dentistry (3)</td>
<td>9,905</td>
<td>3.75%</td>
<td>371 Biotechnology Center</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pharmacy</td>
<td>4,333</td>
<td>3.75%</td>
<td>162 Honors Center</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Medicine (3)</td>
<td>22,013</td>
<td>3.67%</td>
<td>906</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Nursing</td>
<td>3,269</td>
<td>3.75%</td>
<td>123</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Optometry</td>
<td>1,675</td>
<td>3.75%</td>
<td>63</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Veterinary Medicine</td>
<td>9,942</td>
<td>3.4%</td>
<td>338</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Colleges</td>
<td>226,313</td>
<td>2.96%</td>
<td>6,701</td>
<td>Total Other Academic Units</td>
<td>45,426</td>
<td>3.26%</td>
<td>1,482</td>
</tr>
<tr>
<td>Academic Support Units</td>
<td>President (6)</td>
<td>1,320</td>
<td>4.02%</td>
<td>53 Human Resources</td>
<td>4,728</td>
<td>2.41%</td>
<td>114</td>
</tr>
<tr>
<td></td>
<td>Legal Affairs</td>
<td>588</td>
<td>4.05%</td>
<td>23 Communications</td>
<td>1,319</td>
<td>4.02%</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>Finance</td>
<td>5,270</td>
<td>3%</td>
<td>158 Development</td>
<td>5,022</td>
<td>2.41%</td>
<td>121</td>
</tr>
<tr>
<td></td>
<td>Research (8)</td>
<td>3,190</td>
<td>2.65%</td>
<td>83 Business &amp; Administration</td>
<td>35,162</td>
<td>3.10%</td>
<td>1,090</td>
</tr>
<tr>
<td></td>
<td>Student Affairs</td>
<td>8,856</td>
<td>2.5%</td>
<td>257</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Health Services Admin.</td>
<td>3,152</td>
<td>2.75%</td>
<td>86 Board of Trustees (9)</td>
<td>467</td>
<td>4.07%</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Total Academic Support Units</td>
<td>68,994</td>
<td>3%</td>
<td>2,057</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Grand Total               | 340,733        | 3.01%       | 10,240     |

(1) Based on 3/31/94 PBA, General Funds only
(2) Excludes Facilities Mgt. for Engineering Computer Labs
(3) Excludes Hospital Transfer budgets
(4) Proposed reductions will be offset by revenue enhancements.
(5) Excludes budgets for Fellowships, Post-Docs & The Ohio State Biochemistry Program
(6) Includes Commencement and Special Events
(7) Excludes Budgets for Evening, Weekend and Summer Courses
(8) Excludes OSURF budget of $5,306,000, which will be reduced $50,000 but is accounted for separately
(9) Excludes contractual agreements

Source: Office of Finance
More budget cuts, fee hike proposed

By Shannon R. Pedersen
Lantern staff writer

Another round of budget cuts and tuition hikes are being proposed by the University Senate Fiscal Committee.

Larry Sachs, former USFC chair, presented his annual fiscal recommendations at a University Steering Senate Committee meeting on Friday.

Although Sachs said the 1994-95 budget was well balanced, he did have several recommendations for next year.

Last year, the central administration asked colleges and academic support units to reduce their budgets by 3 to 7 percent and increased tuition five percent.

"If a 3 percent minimum reduction by every department had not been achieved, there would have been a $10 million deficit," Sachs added.

As a guide for the budget, USFC recommended seven areas be concentrated on for the proposed budget. These areas included competitive compensation, academic enrichment, computers, diversification, research, infrastructure, scholarships and other student services, and deferred maintenance.

Several members of the USFC feel some of these areas, especially deferred maintenance, were not given enough attention to in this year's budget.

One area of the budget not given enough funds last year, deferred maintenance, involves all necessary repair work done on buildings, water and sewage systems, and damaged roads and sidewalks, said Larry Anderson, the current chair of USFC.

"For the past four or five years, there have been more things that have needed repair work. We have fallen further and further behind on our repairs," Anderson said. "One of our goals is to stop this slide and make some headway in catching up on our repairs."

Computer sites are inadequately funded. Two of the colleges, engineering and business, were in such need of computer funds that they were given approval by Provost Richard Sisson to charge an additional fee for computer use.

"The Provost is not interested in approving computer fees department by department that is why a university wide fee is being discussed," Sachs said.

"It is a general feeling that Ohio State is behind on computer facilities."

Departmental personnel budgets were given a 4 percent increase to cover promotions and market adjustments this year. University officials hope an increase in salaries might draw in more qualified professors to Ohio State, Anderson said.

This increase does not cover the needs of the Faculty Compensation and Benefits Committee and the Staff Advisory Committee, so the USFC has recommended that a 16 percent increase over three years in compensation be granted.

"The USFC has made a serious effort to balance our budget with our responsibilities," Anderson said. "We believe that the increases we are proposing are necessary to maintain the quality of education at Ohio State."
Budget strategy gives colleges more control

By Tom Spring

Although Ohio State is on target in its plans to maintain enrollment on the Columbus campus at about 50,000 students, University officials hope to boost enrollment during the least hectic quarter — summer.

Ohio State has lost 10 percent in real resources for academic programs during the past seven years, according to Edward Ray, senior vice provost. New strategies are needed to raise revenue.

One way under consideration is to give colleges financial incentives to boost summer quarter enrollments. Last summer, enrollment on the Columbus campus was 19,760.

"The basic idea, which we call incentive-based budgeting, sets base enrollment levels for all academic units for summer quarter and provides for revenue sharing associated with enrollment increases," Ray told the University's Board of Trustees, which met Dec. 2.

Ray said course offerings could range from traditional five- and 10-week courses to new and innovative programs, including continuing education and weeklong institutes.

After instructional expenses and overhead are paid, colleges and departments would keep the majority of the net revenues resulting from enrollments above base levels to put into their academic programs. The courses would be made available to, and benefit the central Ohio community. Departments could market them to Ohio State alumni and students at other universities who are home in Columbus for the summer.

Based only on student tuition, and assuming an average direct department cost of $3,000 to $4,000 for undergraduate summer instruction, an additional enrollment of 40 students in a five-credit hour course would generate $5,000 to $6,000 in net revenue for a department. At the graduate level, an additional 20 students in a five-hour course would generate $3,000 to $4,000 in net revenue after expenses of $4,000 to $5,000.

The amount could increase if the University receives increased instructional subsidies next summer. That will be determined in the state's next biennial budget.

Incentive-based budgeting "assigns control and responsibility as closely as possible to administrative and academic units," Richard Sisson, senior vice president for academic affairs and provost, told the University Senate Dec. 3.

"This budgeting plan is designed to provide incentives for effective use of resources and to give units a greater ability to respond to emerging opportunities and changing circumstances," he said.

Incentive-based budgeting is being tried in health sciences, Ray said. All six of the health sciences colleges are involved in annual revenue sharing plans.

"About two-thirds of the instructional costs are borne at the level of the academic unit and one-third of the costs are associated with University services," he said.

"That's very different than the way we've operated in the past," Ray said. "The last two to three years, we told colleges we wanted them to keep their enrollments up at the same time that their budgets were being cut."
State gives OSU $4.5 million extra

By Tom Spring

Because of declining enrollments in public higher education statewide, Ohio State will have $4.5 million extra to bank on over and above its state allocations originally budgeted for fiscal 1995.

And that’s exactly what University officials plan to do: bank it for the next six months.

The money was unspent higher education appropriations remaining after distribution to the campuses of the amounts required by law. Funding is based on enrollments and a decline in enrollment in state colleges resulted in the surplus.

The Board of Regents last month announced that, subject to approval by the State Controlling Board, $23 million will be distributed, including $4,379,702 for Ohio State.

“We deeply appreciate Gov. Voinovich’s decision to allow the regents to redistribute this money to higher education,” said William J. Shkurti, vice president for finance. “It reflects a recognition on the part of the state of our willingness to improve our services to the people of Ohio.”

Shkurti said the money will be considered along with other resources and needs in developing the fiscal 1996 budget. The budget period begins July 1, 1995. In the meantime, the treasurer will invest it with other short-term funds.

“If there’s anything we’ve learned in the last four years of budget problems, it’s that we have a lot of unmet needs out there,” he said.

“We should not be in a hurry to spend the money before we put it through academic and financial planning. That includes broad-based consultation with faculty, staff and students through the Senate Fiscal Committee, the Council of Deans, the Executive Committee, and the other groups that have input into the budget process.”

Shkurti said the money is “wonderful news” after several years of budget cuts. “I feel like someone who’s been wandering the desert for four years and then been offered my first drink of cold water. It doesn’t solve all our problems, but it is a step in the right direction,” he said.

“Four million dollars is a lot of money by any standard, but it’s less than 1 percent of our general funds budget.”

Shkurti likened it to a family who earns $30,000 a year receiving an additional $300. “Three hundred dollars puts food on the table but it doesn’t solve all the problems.”

The final 1995 instructional subsidies total of $267 million for the Columbus campus is 5.3 percent higher than the fiscal 1994 subsidy.
By Tom Spring

The unanticipated revenue that Ohio State will receive from instructional subsidies has risen to $7.5 million. About $3 million of that is a result of graduate students taking more credit hours than expected, according to William J. Shkurti, vice president for finance. Instructional subsidies are based in part on enrollment.

The Board of Regents announced last month that Ohio State stood to receive about $4.5 million from a supplemental distribution of state appropriations for higher education. The money was made possible because enrollments were below projections at colleges and universities across the state.

The $7.5 million will be reserved and invested by James L. Nichols, University treasurer. It will be considered for distribution as part of the fiscal 1996 budget. The budget year begins July 1.

In a few weeks, Gov. George V. Voinovich will submit his recommendations for the biennial state budget, including appropriations for higher education, for consideration by the Ohio General Assembly.

Ohio State’s general fund budget this year is $550 million.
Regents sweeten OSU pot

By Mike Montooth
Lantern staff writer

The state subsidy for the fiscal year 1995 will include a $7 million surprise for Ohio State.

Originally, Ohio State was to receive $4.5 million, but because of decreased enrollment at Ohio State, the Ohio Board of Regents decided in December to award additional funds.

Because enrollment has decreased at Ohio State as well as statewide, there was extra money left over to be distributed.

The impact of this extra money was outlined in a memo from William Shkurti, the vice president of finance. While the money will be received during the fiscal year 1995, it will not be spent until 1996. The $7 million is going to be invested by the university treasurer, where it will earn interest until it is to be used in 1996.

During the next six months, the Senate Fiscal Committee, the Council of Deans, the Executive Committee and other members of the campus community will debate what is to be done with the money in 1996, the memo said.

The $7 million will make up 1.3 percent of a $550 million university general funds budget. Of the $7 million, $3 million is because of decreased enrollment at Ohio State and $4 million is because of decreased enrollment statewide.

"Seven million dollars is a significant amount of money, but it does not address most of our unmet needs," Shkurti said in the memo.

Enrollment peaked at 60,589 in 1991 and declined to 56,416 in 1994. However, this drop was intentional.

The university felt the infrastructure could not support all of the students, said Robert Arnold, vice provost of academic affairs.

The plan to downsize was initiated several years ago, because university officials, including OSU President E. Gordon Gee, wanted to improve the life of students, Arnold said.

One way of accomplishing this was changing the times classes were offered. By offering classes at 7:30 a.m. and ending them at 5:30 p.m., the university gained 11 percent more classroom space, said Arnold.

Another improvement made by the university about five years ago was the initiation of adjusted class ranking. This changed the enrollment selection process in order to take high school backgrounds of prospective students into account, Arnold said.

Fewer students attending the university results in less money; and the lower enrollment along with the recent budget cuts from the state have put Ohio State in a difficult position.

Funding for public schools from the state is based, in part, on enrollment, Arnold said.

The state government of Ohio looks at all of the public schools, and then makes a determination as to how much in subsidies it will distribute across the state.
COLUMBUS -- Ohio State University President E. Gordon Gee today (4/14) expressed appreciation to the governor and the Ohio House of Representatives for the support of higher education provided in the budget bill passed by the House last week.

"We received strong support" from the governor and the House, Gee said. The president credited Gov. George Voinovich, state budget director Gregory Browning, House Speaker Jo Ann Davidson, R-Reynoldsburg; and House Finance Committee and subcommittee officers: Reps. Thomas Johnson, R-New Concord, Robert Corbin, R-Dayton, Ron Amstutz, R-Wooster, and Doug White, R-Manchester, in particular for their efforts in support of higher education.

Gee also expressed appreciation to Rep. Bill Batchelder, R-Medina, and Rep. Otto Beatty, D-Columbus, for their work to defeat an amendment that would have reduced instructional subsidies for out-of-state and foreign graduate students.

Under the House budget, Ohio State should get an additional $1.8 million per year over the governor's recommendation in the Research Challenge program. The Columbus campus should get about $800,000 more in the
subsidy formula in fiscal 1996 and $1.1 million more in fiscal 1997. The bill adds $100,000 more in 1996 and $150,000 more in 1997 for the regional campuses.

The House added a combined total of $1.5 million for the Ohio Agricultural Research and Development Center and Ohio State University Extension in fiscal 1996 and $2.5 million combined in fiscal 1997.

All of the figures represent additional funding over and above the increases initially recommended by the governor.

Gee said that Gov. Voinovich proposed budget increases for higher education of 5.3 percent and 4.8 percent for the next two years. However, the funding formula used by the Ohio Board of Regents to distribute the instructional subsidies reduced Ohio State's increases to only 2.6 percent and 3.4 percent in each of the next two years in the executive budget. But, the dollars added by the House move these percentages up to 2.9 percent and 3.5 percent, respectively.

Gee added: "Importantly, the budget bill also mandates a comprehensive study of the Regents' instructional subsidy distribution formula, a study which we hope will lead to an appropriate recognition of Ohio State's unique comprehensive teaching, research, and service mission."

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Contact: Herb Asher, special assistant to the president, (614) 292-0803.
OSU may adopt a new budgeting philosophy

By Tom Spring

Responsibility centered management, also called resource based budgeting, was instituted years ago by Harvard University, the University of Southern California and some other private colleges. RCM also is finding favor among some public universities.

It is a way to reward entrepreneurship among colleges and offices by allocating resources according to revenues earned, student demand and the quality of programs.

Ken Gros Louis, vice president for academic affairs and chancellor of Indiana University's Bloomington campus, said the budget method allows each school or college to retain the income it generates. Central university services are supported by assessments charged to academic units that receive them. College budget committees manage their own budgets.

"The budget planning in schools takes on a whole new dimension," said Jim Curry, administrative vice chancellor and chief financial officer at the University of California at Los Angeles. Gros Louis, Curry, and Robert S. Holbrook, associate provost at the University of Michigan, spoke at a forum at the Wexner Center April 14.

Indiana and UCLA have recently implemented the system. Michigan will implement it this year.

"Deans and budget officers understand immediately the consequences of their choices," when they are responsible for their own budgets, Curry said. "When the faculty understand the economic results of those choices, more enlightened, rational and informed decisions are made."

For example, the budgeting system helped UCLA faculty understand that grants don't fully cover all costs of research, including administration and auditing.

"There often is a sense that the service units or the humanities division (for example) are sinks because they don't bring in the big bucks from the federal government," Curry said. "Yet, engineering typically has very expensive labs. Humanities often teaches large sections, but the costs are small because space costs are low."

Holbrook said Michigan's business school gets tuition revenue from its evening Master of Business Administration program but not the tuition collected from its day M.B.A. program, so the day program has shrunk significantly. Under Michigan's new "value centered management," the dean will receive the revenue from the day program, too. Greater resources will help support better teaching, Holbrook said.

Gros Louis said Indiana's faculty participate in their colleges' budgeting. Students see more of the budget going to instruction, resulting in almost no closed courses.

Support staff units receive more revenues, personnel and rewards.

"Services have improved because services are monitored by the deans who pay their bills. There's a new internal accountability," he said.

A variation — incentive-based budgeting — is being tried in Ohio State's health science colleges and with colleges offering summer courses. "We need tools to tell us whether we're responsible to the career needs of students," said Edward Ray, senior vice provost and chief information officer.

He said responsibility centered management could help Ohio State eliminate closed courses and solve differences in admission standards between the University and its colleges.

With restructuring, reaching financial equilibrium and redesigning information systems, Ray sees an opportunity for Ohio State to find a better budgeting method.

"Responsibility centered management, where individual college budgets depend on enrollment, is a way of putting some sensitivity back into the system," Ray said. "We want to provide positive incentives, if there are substantial student demands for program changes, for colleges and departments that respond with quality program offerings. We ought to provide budget support for changes that make sense and are consistent with what we think the University should be about."

Ray said there will be more opportunities to discuss how Ohio State might budget differently. "I want this to be a collaborative effort with faculty, staff and students being a part of the discussion and the decision as to whether we should change the way we do business around here."

"My sense is we're one or two years away from having the capability of an information system and the training and tools in the hands of the people who will manage the system to undertake our version of an RCM system."
Proposed budgeting system will allow departments to meet student demands

By Jason Thrush
Lantern staff writer

Under a proposed budgeting system, Ohio State could become more responsive to meeting the academic needs of students.

Responsibility-centered management is a budgeting system that gives resources to academic departments and colleges on the basis of enrollment and student interest.

Many large public universities, including the University of Indiana, the University of Michigan and UCLA, have either instituted or are currently developing forms of the program.

Edward Ray, senior vice provost, said many students at OSU get shut out of majors and classes because the university is not being financially responsive to high demand areas.

"Right now we make students go where we have the resources. We need to make the resources go where the students want to be," Ray said.

Currently, the previous year's budgets are used to decide where the funds should go, Ray said.

Ray said deans and academic chairs should try to decide how budgets can be moved over a period of time. This would aid in meeting the demands of student, he said.

"It's more of a guessing game of trying to anticipate how to structure programs to meet educational aspirations rather than saying 'let's let the students vote with their registration what they want to be enrolled in,'" he said. "We should use that information to tell us how to allocate resources."

Ray said the new philosophy would allow colleges to create new classes and add variety to the programs. If successful, the programs would be rewarded with additional revenue.

Under the plan, if a department institutes a new program and there is an increase in student response and enrollment because a need is being met, a percentage of the increase in revenue will be allocated to the department. This will give the department increased funds to support these new programs, Ray said.

"The plan will empower faculty to make decisions that affect their revenues and the quality of their programs," Ray said. "It will allow them to see the benefits of making good decisions."

To test the philosophy, last year the university instituted a similar budgeting approach in the health science college and the law school.

Under this plan, called incentive-based budgeting, two-thirds of the increase from net revenues generated by the colleges are put back directly into the programs. The remaining third is used to cover overhead costs, Ray said.

"This was the first effort we made to tell departments that if they take initiative and if they bring in more students or more resources to the university, there will be some revenue sharing," Ray said. "I think it has been very successful."

The second major step the university will take in moving towards responsibility-centered management will be the summer enrollment incentive program used this summer.

During the summer, resources such as facilities and faculty, are not used as effectively as they could be by the university, Ray said.

With the summer enrollment incentive program, departments that can attract additional students this summer by offering more courses and more variety of classes will be rewarded with two-thirds of the gain in revenue, he said.

Ray said that even if these programs prove to be successful, the university is still years away from full-scale budgeting change.

"Whether the university ends up having a responsibility-centered management plan that looks anything like Indiana or Michigan is something we need to work on, probably over a two to four year period," Ray said. "We may find that we're comfortable doing this in selective parts of the university but not in others."

There needs to be a period of discovery to see how this plan would work at Ohio State, Ray said. Ohio State has an advantage, because it can analyze what works and what doesn't at other universities and make adjustments accordingly, he said.

"We can look at the problems and solutions that other institutions have dealt with so that we don't have to reinvent the wheel," Ray said.

Ray said this system would make the university more responsive to student educational aspirations, but would not solve all the problems Ohio State has with closed courses and closed majors.

"This is not a cure-all. This is not a magic elixir. It's just a budgeting tool that would allow OSU to act in ways that are more consistent with students' educational demands," he said.
Ohio State Officials Outline Spending Priorities for 1996-97

COLUMBUS -- Spending priorities for The Ohio State University in the 1996-97 fiscal year will include academic enrichment, faculty and staff compensation, computing and student services, officials announced Wednesday (4/3). Other priorities include more support for research; more diverse students, faculty and staff; and more improvements to aging buildings. The priorities continue a spending theme begun a couple years ago.

Overall spending will rise 3.6 percent this year, compared to a five-year average of 2.9 percent that equaled the average rate of inflation. The proposals call for merit-based pay raises averaging nearly 4 percent at the college and administrative unit level with an additional 1 percent for exceptional merit to be distributed centrally.

University officials shared their recommendations with the Ohio State Board of Trustees on Wednesday (4/3). Richard Sisson, senior vice president for academic affairs and provost, and William J. Shkurti, vice president for finance, plan to submit budget guidelines for the board's
approval on May 3, an interim spending plan in June and a final budget in July.

Shkurti and Edward Ray, senior vice provost, noted that the fastest growing area of General Fund spending on the Columbus campus is financial aid to students. Aid has increased 10.8 percent during the past five years while enrollment has dropped 10 percent. However, actual weighted credit hours of enrollment have only declined 1.6 percent.

Budgets for supplies and services fell 1.2 percent during the period, resulting in an overall spending increase of 2.9 percent, the same as the cost of living. During this period, the number of faculty, staff and student workers declined 9.4 percent, a drop of 871 full-time-equivalent positions.

Ohio State spent 2 percent more instructing students in fiscal 1994 than the overall average at 16 public comprehensive research universities that Ohio State officials consider to be their peer institutions. On the other hand, spending per student for all other support and services was 29 percent less than the average. This resulted in an overall spending level that was 18 percent below the average.

"We’re spending at a level of instructional support that is comparable to our competition," Ray said. "Everywhere else we’re at a decided disadvantage. We’ve really made an effort to find resources to maintain the quality of our instructional effort and to provide access to the university through growth in student financial aid, but we’ve really fallen below efforts at other universities in providing non-instructional support services.

"If you’re underfunded to the tune of 18 percent to your peer institutions, it shows up somewhere," Ray said. "There are a lot of unmet needs in advising, student recreational facilities, traffic and parking and other services. We haven’t been able to move as aggressively on them as we need to because we don’t have enough resources to do it all."

While officials expect an increase in state support of 3.2 percent next year, the average annual increase in state subsidies over the past five years has been 0.3 percent. Meanwhile, student fees have risen an average of 6.2 percent during the same period. Student tuition is 9.6 percent below the average of peer institutions and the fourth lowest of 13 public universities in Ohio. Ohio State officials are

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recommending a 6 percent increase in in-state undergraduate tuition beginning autumn quarter.

More specific recommendations for the coming year call for continuing enrichment support for excellence in instruction and research, providing a competitive increase in employee compensation and finishing the restructuring of the budget for health insurance premiums and benefits.

According to Sisson and Linda Tom, vice president for human resources, during the past five years, faculty salaries have risen an average of 2.9 percent per year, which is what salaries of colleagues at peer institutions and Ohio public universities have received.

Salaries for clerical and secretarial staff are, on average, 1.5 percent above the market. However, most other staff salaries have remained below those of employees doing similar work elsewhere.

For example, technical and paraprofessional staff members, on average, receive 10.9 percent less than their counterparts elsewhere, and salaries of professional staff members are averaging 7.8 percent below the market average. Managers and administrators are averaging 3.3 percent below the market.

Employees who fall under classified or civil service make, on average, 15.6 percent less than colleagues working for the State of Ohio but are earning about 1 percent more than the rest of the local market.

The proposed compensation plan calls for increasing payrolls July 1 by 4 percent to provide merit-based raises for 3,910 faculty and 7,510 staff. The plan excludes another 3,290 employees, whose wages are determined under collective bargaining agreements. An additional 1 percent will be held centrally for selective salary adjustments based on market and equity considerations and exceptional meritorious performance.

Payroll budgets for students and part-time personnel will increase 5 percent. In addition, the automatic 1.5 percent increase that classified staff received each year is being recommended for elimination so that they, like faculty and other staff, receive pay raises based on merit.

On the benefits side, Ohio State will eliminate the one-year waiting period before dental coverage becomes effective and will pay medical, dental, vision, and

-- more --
dependent group life insurance premiums while employees are on approved unpaid medical leaves of absence.

The vice presidents also are recommending that the university:

-- Continue funding for implementing recommendations of the Committee on the Undergraduate Experience, maintain purchasing power for student financial aid, and continue to set aside 1 percent of the proposed tuition increase for academic computing and other direct improvements in services to students.

-- Continue to build up funding of financial aid to support the Young Scholars initiative and continue to fund incentives to hire faculty in under-represented areas.

-- Increase support for research infrastructure and review how funds are distributed.

-- Increase funding for renovating and maintaining buildings for the third consecutive year and continue to support the Campus Partners initiative.

-- Increase funding for instructional computing for the third year and fund the fourth phase of the Administrative Resource Management System project to automate financial and human resource management systems.

-- Maintain the university's financial equilibrium.

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Written by Tom Spring.
OSU budget process being restructured

By Todd Shockley
Lantern staff writer

Ohio State may restructure its $1.5 billion annual budget process due to inefficiencies in the current, centralized structure, said William Shkurti, vice president in the Office of Finance.

If the new budget system is implemented, colleges and other units could be given more power and responsibility to make cuts or ask for more funds based on current needs, he said.

In past years, colleges and other units have been given money arbitrarily, said Paul Beck, chairman of the Revenue Generation Advisory Committee. It is one of the three committees comprising of students and faculty working on the budget-restructuring project.

He said OSU's goal is to better adapt to needed changes each year by taking things into account such as student demand for a course or a college.

Beck said the current budget structure works more like the command system of the former Soviet Union.

"Under that system, a centralized authority would make the order, but sometimes too many shoes would be made," he said.

He said the new system would work more like a market system that can make adjustments faster.

Changes will not be made arbitrarily, though, because profit is not the only reason to run a university, Beck said.

"The real money makers are those classes with 500 students and one professor," he said. "But I think a wise institution would not be that radical."

Honors programs, professional schools and small classes usually lose money, but they offer important opportunities to raise academic quality, Beck said.

"We can't just get rid of the law school because it loses money," he said.

Parts of the university are economically inefficient, but good for the university, Shkurti said.

"This is not General Motors or Ameritech. We have to be sure university academic goals are protected," he said.

According to a memo sent by Ed Ray, senior vice provost and chief information officer, and Shkurti to OSU president, E. Gordon Gee, and Richard Sisson, senior vice president and provost, too many faculty innovations are not appropriately rewarded or encouraged.

An active effort to make changes began in January and could be finished by July 1, 1998, Beck said.

If finished by July, the program would be put into effect in fiscal year 1999.

This sort of economic structure is not new, Beck said. The University of Michigan, Indiana University and the University of Southern California all have similar budgetary structures.

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Changes at the University of Michigan have been analyzed by OSU, he said.

They made some mistakes OSU wants to avoid, which illustrates why the process is taking so long, Beck said.

Shkurti said, "we will not flick a switch on July 1, 1998."

OSU does not want to rush a change or worsen problems, he said.

Summer programs and large entities such as regional campuses, the athletics department and the OSU Medical Center already exist under a less centralized budget structure, Shkurti said.

Colleges are currently being given credit at the beginning of the year with money from last year, Beck said.
Rival funding leaves Ohio at the bottom

By Anita Overmeyer
Lantern staff writer

With the many benefits associated with research, state governments around the country are pushing public universities and colleges to become more research-oriented. But the reality is that Ohio ranks 41st in the nation in terms of state funding for higher education, and Ohio State may fall behind in comparison to the rest of the country.

Ohio State emeritus professor of chemistry Terry Miller has been with OSU for 15 years, and he said he is concerned about Ohio's funding efforts in comparison to other states.

"If you look around the country, you will see states putting large amounts of money into their universities resulting in nationally known research institutions," Miller said. "For example, Texas has invested much of its tax dollars into The University of Texas in Austin, which has turned Austin into what is probably one of the nation's largest concentrations of high-tech industry. Georgia is another state which has given many of its universities large amounts of money over the past several years and, as a result, Atlanta's high-tech industry is booming."

The results of the increased funding over several years has shown results. According to Miller, states like Georgia and Texas have not historically been known to be strong supporters of education, but now they are leading the competition.

"I think Ohio generally would like to think of itself as a leader in education," Miller said, "so, Georgia and Texas, but it has been surpassed in the last several years," Miller said. "The fact that Ohio ranks 41st in the nation for supporting higher education scares me and unless something drastic is done, it will continue to worsen."

According to Miller, most researchers receive financial support of their projects through federal funding because they know there is not much money available at the state level. He suggests that if states could give the initial support for projects, then federal and private-industry donors would be more motivated to increase financial support.

"A group of other researchers and I applied for state funds about two years ago for the Ohio Light Source project, which would have developed a unique laser system," Miller said. "The project would have involved efforts with Akron University, The University of Cincinnati, Ohio Northern University, and Bowling Green State University. Ohio State would have been the leader."

"Of course not every proposal submitted is going to be funded, but if there was more state money to go around, then it probably would have been funded, and with the initial start-up, we could have received more funding from federal organizations and private industries."

Some states are using the money received in the tobacco industry settlements to improve research at their universities.

"All of the states received money from the tobacco suit settlement," Miller said. "Unlike Ohio, Michigan is using a large percentage of that money to invest in its universities, particularly for medical and biotechnology research, so if Ohio can't compete with Michigan in 10 years, people can look back to this money disbursement to answer some of the questions as to why Ohio is so behind."

Miller said strengthening universities and their research projects is a sustained effort.

"States cannot give money for three years and then stop giving money as soon as the income isn't as high as it should be," Miller said. "Funding higher institutions has to become a focus and a priority if you want to see results."
RESEARCH FUNDING

State funding challenges Kirwan's goals

2010 Plan faces major obstacles

By Kevin Lajoux
Lantern staff writer

Ohio State may not have the state support it needs to carry out President William "Brit" Kirwan's 2010 Plan, intended to make OSU known as a leading research institution, according to an annual publication by the Research Associates of Washington.

In 2008, Ohio was ranked 40th in the nation in state dollars invested per student, and 41st in the nation in the percent of the state budget appropriated to higher education.

"We're out of whack, and we've been consistently out of whack," said Salman Krumm, Chairman of the Ohio Board of Regents. "And the state, in fact, has consistently assumed the posture that they're going to fund at below national levels."

The Ohio Board of Regents, a public body created in 1925 to be an advocate for higher education, has been working to change the level of funding in Ohio.

"Every budget cycle, we advocate for increased spending, and we make the best case that we can for that spending," said Krumm. "The argument being, fundamentally, that education (kindergarten through college), is really the centerpiece of the future of the state economically, socially, culturally, and in every other way."

"The real issue, when it comes to the way we fund our colleges and universities, is where the highest priorities for the state legislature are," said Ohio Representative Erin Sullivan, who sits on the Ohio House of Representatives Higher Education Subcommittee. "Traditionally, in the last 10 years, clearly the answer is no, it hasn't been one of the highest priorities."

Although drastic changes in terms of increased state funding does not seem to be in the near future, Earl Mackey, The Board of Regents' Vice Chancellor for External Relations, remains hopeful that Kirwan can accomplish his goal.

"For any institution, whether it's Ohio State or any other of our colleges or universities, to really want to move ahead is a real challenge in this kind of an environment," Mackey said. "That's not to say it can't be done. I think President Kirwan is very capable, and there are lots of resources at OSU in terms of people who are interested in the programs and the various missions. (OSU) has a lot of assets and a lot of potential to do these things, but it is going to be a real challenge."

William Shkurti, Vice President of Finance for OSU, also remains optimistic, and believes that OSU will have to focus on the programs that are strong.

"But because it's hard doesn't mean we can afford not to do it," Shkurti said. "Even if state funding doesn't grow as much as we hope or anticipate, we still need, because we're in a very competitive environment for the best faculty and for the best students, for the university to be everything it can be. It needs to invest in these areas that it is strong, and to continue to improve. We're going to have to make due with what we can."

According to Shkurti, there are a number of additional avenues that OSU can explore for funding, and has been very successful in a number of them, including private fund raising.

President Kirwan remains optimistic about the 2010 Plan, and even about an increase in state funding. He also believes that increasing academic excellence will bring more private funding.

"I think there is a very real possibility that the state is going to make some targeted allocations of funds to higher education, particularly in areas that tie to the new economy," Kirwan said. "We have demonstrated enormous progress in raising private funds as a university, and people who do give to the university like to invest in excellence."

While Kirwan's 2010 Plan is an admirable ambition and a worthwhile undertaking, there will continue to be a real challenge in securing funds to progress.

"OSU has traditionally been an access university, and the boards of trustees have historically held the tuition hike low, to provide for an affordable education, but now that the mission has changed to that of a research university, the current levels of tuition puts OSU at a disadvantage," said Chairman Krumm.

"There is an absence of a mechanism for enabling an institution to transform itself, and that I think is essentially what Ohio State wishes to do," he said. "There's going to be a cost attendant to it. When an institution mission changes, and it is consistent with state needs and interests, there are ways of accomplishing what needs to be accomplished."
August 30, 2000

Ohio State trustees approve fiscal year 2001 budget

COLUMBUS -- Students stand to benefit from improved academic programs, expanded research opportunities, a greater emphasis on retention and timely graduation, safety enhancements and other services built into the fiscal year 2001 budget at The Ohio State University.

"Academic priorities drive our budget process, and we fully intend for students to be the primary beneficiaries of new and enhanced programs and services," Executive Vice President and Provost Edward J. Ray told the university’s Board of Trustees Wednesday (8/30).

General fund revenues and expenditures are projected to reach $754 million this fiscal year, an increase of 5.3 percent over revenues and expenditures of $715.9 million in 1999-2000. The total university budget, which includes general funds, earnings operations and restricted funding, is projected to increase 7.7 percent, from $1.99 billion to $2.15 billion. Trustees approved the final current funds budget.

"We continue to align our resources with the university’s academic goals and diversity and outreach initiatives. With our success in earning additional Performance Challenge funding from the state, we’re making strides in a number of critical areas this year so that everyone – faculty, staff, students and community members – ultimately will benefit," Ray said. Increases in Performance Challenge funding reflect Ohio State’s progress in critical areas of importance to the state, such as student retention and attraction of external research support.

The university is making almost $39 million in strategic investments in academic programs, enhanced recruiting, student service and technology support, fund-raising support and service improvements. That investment figure results from $12.4 million in continuing general funds, $12.8 million in one-time general funds and $13.5 million in nongeneral funds, such as private gifts and exclusive pouring rights royalties.

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Student-related investments include:

- $2 million in continuing funds to support Academic Enrichment and Selective Investment programs for multidisciplinary initiatives and the university’s most outstanding academic departments.

- $1.9 million in Office of Academic Affairs multiyear commitments, such as enhanced recruiting and increased library acquisitions.

- $5.8 million in state Success Challenge funding for such items as undergraduate scholarships, Honors & Scholars programs, targeted recruiting, a personal contact program for students having difficulty in their first year, and diversity scholarships and programs. A total of $3.5 million is targeted for scholarships, including a new program for the top students from underrepresented groups who graduate from Ohio’s two-year colleges and then transfer to Ohio State. Success Challenge funding rewards successful program completion of at-risk students and timely graduation for undergraduate students.

- $1.4 million in Research Challenge funding, which supports efforts to secure external research grants and ultimately will help expand opportunities for students to participate in leading-edge research. Research Challenge funding supports and rewards success in attracting external research support.

- $3.1 million in increased student financial aid to fund tuition increases for the university’s neediest students, and $2.7 million in pay raises for student employees.

- $651,000 for a High Street safety initiative, financial aid improvements, late-night programming, study abroad and other Student Affairs projects.

- $700,000 in continuing funds and $9 million in one-time funds to support instructional technology and other computer systems improvements, which also will affect some staff and faculty.

Budget income projections are based in part on an estimated enrollment of 47,942 on the Columbus campus, and reflect a projected 2.4 percent increase, to $320.3 million, in state instructional subsidy. The university also will receive $19.6 million in state Performance Challenge funds – a 60.7 percent increase over the $12.2 million received in FY 2000 – and an overall 7.4 percent increase in student fee income, which reflects the 6 percent undergraduate fee increase, a 5 percent graduate fee increase and higher increases for specialized or new advanced-degree programs.

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Other strategic expenditures include $2.9 million in nongeneral funds to support the private fund-raising operation; of that, $1 million will be used to create a reserve for a modern gift- and donor-tracking computer system. A new funding method for University Development will replace $2.5 million in general funds with money generated by a 1.1 percent assessment of the interest earned on the university endowment. The university also is committing $2.1 million in continuing and one-time funds to a variety of service improvements, including a centrally monitored alarm system, continued development of a new pay classification system, and research facilities and support.

William J. Shkurti, senior vice president for business and finance, noted that this represents the fifth consecutive year of budget stability since achieving budget equilibrium in fiscal year 1996. He said Ohio State continues to operate with limited resources, but makes the best possible use of the resources it has.

"We have sufficient resources to continue to move toward achieving our goals, but we do face some challenges," Shkurti said. "We have reduced flexibility due to earmarking revenues and expenditures, and our operating margin for continuing funds is extremely tight. We continue to face capped undergraduate tuition, declining enrollments in some graduate programs, intense competition for students and faculty, and the state’s effort to address a court decision regarding school funding.

"Overall, in this environment, the advancements made in academic programming and university services this year demonstrate the university is managing its scarce resources well in order to maximize progress toward its academic goals."

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University restructures base budgeting process
Resources aligned more closely with academic goals

COLUMBUS - The Ohio State University is making a major move to support implementation of its Academic Plan by aligning internal resources more closely with identified academic goals.

Base budget allocations in Ohio State's 18 degree-granting colleges are being aligned with goals of the Academic Plan, the university's strategy to become one of the world's truly great universities. Plans call for allocating and redirecting $9.5 million to $13 million among the colleges over the next five years – including those housing departments and programs that are expected to lead the effort to advance academic excellence.

Budget rebasing, as the process is termed, is one component of an overall university plan to change the budgeting process, which has been on the administration's agenda for several years. The overall budget restructuring process will encourage colleges and departments to provide new programs, create new courses, reduce course access problems, collaborate with industry partners, expand federally funded research and undertake other initiatives. Revenue generated by such activities as offering more sections of high-demand courses to students closed out of courses and creating new majors that meet student career plans will be used to provide direct
financial support for the programs that create them.

The budget restructuring process is considered a critical step in positioning the university as a premier teaching and research institution, said Edward J. Ray, executive vice president and provost. "Through the Academic Plan, The Ohio State University has initiated an ambitious effort to articulate how it can substantially enhance the excellence of its academic programs and meet its commitment as a land-grant university to contribute to the economic and social well-being of the people of Ohio," Ray said. "Realigning our college base budgets in this way not only helps the colleges contribute most effectively to the University's goals, but represents the most productive and responsible use of the funding support we receive from the public."

In some cases under the rebasing, funds that colleges receive from the university through revenue transfers from other units will be decreased. In others, some colleges that contribute to other units will be able to retain more funds within their budgets. A number of college base budget allocations will remain unchanged.

These allocations will be based on a number of factors, including the expected role of the college in the Academic Plan, its ability to generate revenues and the cost structure of its academic programs.

"It is not my goal to make every college a 'tub on its own bottom' by driving every college to a break-even position under some formulaic procedure," Ray said. "Instead, the goal is to give every college a clear understanding of what we expect from them academically, what resources they can expect to generate themselves and what resources they can expect from the university."

The rebasing, which would begin July 1, is designed as a multiyear process to avoid excessive disruption to academic programs and to allow for annual review and modifications, if needed, of budget decisions. All deans face a March deadline to produce plans that align their base budget resource use with goals of the Academic Plan. The process will be reviewed in five years.

Ohio State President William E. Kirwan said that, with a change of this magnitude, it has been critical to
consult broadly and build checks and balances into the process as the budget restructuring is implemented, and such consultation will continue to be a part of the process. "This university has very publicly committed to joining the top ranks of the nation's public research and teaching institutions. To do that, bold steps of this nature are essential."

He added that budget restructuring and rebasing have been done entirely within the context of the Academic Plan. "Fund transfers among the colleges and future investments in them will only occur based on proposals by the colleges as to how the additional funds could advance the Academic Plan," Kirwan said.

College clusters

Under the rebasing, Ray has clustered colleges into three groups:

- Six traditional core colleges that include Selective Investment programs. Thirteen university departments and initiatives have been identified as those with the greatest potential to become top national programs under the Selective Investment program. The colleges housing them are: Engineering, Humanities, Law, Mathematical and Physical Sciences (MAPS), Medicine and Public Health, and Social and Behavioral Sciences (SBS).

- Five colleges traditionally defined as core colleges – those that must be strong for any university to be among the truly great – that do not house Selective Investment programs. These are: Arts, Biological Sciences, Business, Education, and Food, Agricultural and Environmental Sciences (FAES).

- Seven additional professional colleges in the health sciences and human and social services areas: Dentistry, Human Ecology, Nursing, Optometry, Pharmacy, Social Work and Veterinary Medicine. Continuing commitment to Selective Investment programs, and rewarding them for their excellence, is a major element of the rebasing, Ray said. "The colleges housing these 13 quality programs will benefit the most from the budget realignment. If the university is to be successful in achieving its goals regarding faculty, academic programs, quality of teaching and learning, and creation of a diverse community, these academic units,
and ultimately many others, need to be successful," he said.

The six Selective Investment colleges account for 60 percent of tenure-track faculty, 70 percent of sponsored research and 50 percent of all degrees awarded. The five other traditional core colleges provide 35 percent of all degrees granted and are home to a number of high-quality and internationally visible programs. They also play a key role in interdisciplinary initiatives and contribute significantly to outreach and engagement.

The professional colleges provide high-quality teaching, research and service, and many are highly ranked within their fields. Dentistry, Nursing and Pharmacy posed a rebasing challenge, Ray said, because they all are effective and important to the university and to the people of Ohio, but receive substantial transfers despite having less relative immediate impact on effective implementation of the Academic Plan.

Consultative process

This launch of budget restructuring results from a series of extensive consultations across the university dating as far back as 1995. Faculty, staff, students and administrators have been involved on a number of committees that examined and reported on the advantages and ramifications of changing the budgeting process. The university also has taken other institutions' experiences into account. "Incentive-based budget systems have been adopted at many of the best public and private universities," said William J. Shkurti, senior vice president for business and finance. "We have tried to learn from both the successes and failures at these other institutions in order to develop a model that best meets Ohio State's unique circumstances."

Paul Beck, chair of the Department of Political Science, chaired an ad hoc committee on revenue generation during the consultative process. "This budget restructuring represents a different philosophy at the university, and pays much more attention to providing incentives to colleges to bring their costs into line with their enrollments and other sources of revenue," he said.

"This new budgeting system will make us more responsive to students as a key source of our revenues and
a central part of our mission. We're going to have to pay more attention to what student demand is for courses, and I think that's warranted," Beck said. "There is a balancing act that has to take place between the costs and revenues of a college and its contributions to realization of the Academic Plan. It took a long time to get here because we had to have the necessary information in hand and to work out some very difficult implementation issues. It also was necessary to have the Academic Plan in place as a statement of our priorities and our mission."

Fisher College of Business Dean Joseph Alutto said he supports the rebasing plan. "My own sense is that the logic is very clear. That judgments have to be involved in aligning base budgets with the university's goals is very important, and getting to that point has been a very complex process," he said. "Though it looks in the short run like we may be hurt by the rebasing, we are comfortable with the process and are on board. This is a unique approach for any university to take and it's one that can work at Ohio State."

Moving forward

Ray said other revenue resources targeted to support the Academic Plan will include base-line growth in the state share of instructional support; tobacco funds primarily supporting biomedical research; "outside-the-box" funds that can be generated through more effective financial management of existing resources and are intended primarily for seed growth in research support; tuition cap relief which, if granted, would be targeted to improving undergraduate education; private gifts; distance education revenue; enterprise development; and targeted state funds such as those from capital budgets and new programs like the Ohio Plan.

"As we move forward, units will have to pay more attention to how their revenues and costs balance out, and with the incentive-based budgeting, there is potential for units to be more aggressive in generating revenues. And that's a good thing, especially in an environment in which increases in state support will not be sufficient to move the university forward," Beck said.

"But there will always have to be central protection of some of those costly activities that don't necessarily generate high revenues, and that's appropriate and very
important."

The complete document outlining the base budget changes, "Budget Restructuring, Base Budgets and the Academic Plan," is available in the Office of Academic Affairs, college offices and on the Web at http://www.oaa.admin.ohio-state.edu/ and http://www.rpia.ohio-state.edu/

For additional releases go to: http://www.osu.edu/osu/newsrel/
Lean times ahead as OSU approves 2002 budget

COLUMBUS -- The Ohio State University will continue to make progress on its strategic goals -- most significantly in the area of undergraduate education -- while progress toward other goals will lag under a fiscal year 2002 spending plan authorized Friday (6/29) by the Board of Trustees.

The university is advancing a lean but balanced budget, and officials already are looking beyond next year to develop ways to increase Ohio State's salary competitiveness nationally within the next few years.

"The limited increase in the state share of instructional funds reflected in this budget especially affects our faculty and staff salaries for the coming year," Executive Vice President and Provost Edward J. Ray said. "Because we are increasingly at risk of falling behind our peer institutions in attracting and retaining the highest-quality faculty, we are committed to developing a strategy to provide above-market compensation packages for each of the next several years in order to provide faculty and staff with salaries near the midpoint of our benchmark peer institutions. We plan to outline details of the strategy by early October."

General Fund revenues and expenditures are expected to be $793 million in the fiscal year beginning July 1, an increase of 4.7 percent over 2000-01. The total university's annual budget, including income and expenses at the University Medical Center and in other auxiliary units, exceeds $2 billion.

Income projections are based in part on the tuition revenues that will result from an estimated enrollment of 47,827 on the Columbus campus, and reflect a projected 1.2 percent increase, to $342 million, in state support. Expenditures are projected to rise most substantially for faculty and staff health care benefits, student financial aid and utility costs.

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Ohio State will be able to commit nearly $5.8 million to strategic investments — less than half of the $13 million available in FY 2001 — primarily to support enhancements to the undergraduate student experience, existing Selective Investment commitments and faculty recruitment. The university has been forced to scale back in several areas funded in past years under strategic investments, including academic enrichment, library acquisitions, service improvements and initiatives previously supported by Research Challenge and Success Challenge grants from the state — both of those programs were cut by the state legislature for the coming biennium.

"This has been the most difficult budget year since 1995, and reflects the smallest increase in state support in nine years," said William J. Shkurti, senior vice president for business and finance. "That, combined with the largest increase in health care costs in a decade and the largest increase in energy costs in two decades, leaves us making only limited progress on many of our goals outlined in the Academic Plan."

The budget reflects the 9.3 percent undergraduate tuition increase approved by trustees in early June, as well as the $395 flat increase to salaries for faculty and staff with satisfactory or better job performance. Shkurti explained to trustees how the university arrived at that salary increase, especially given the larger-than-usual increase in tuition made possible this year by the General Assembly's decision to lift tuition caps at state-support institutions.

When all General Fund income sources are combined, the projected increase stands at $35.4 million — of which $28.3 million, or 80 percent, will come from increased tuition and fees. "Though that is a substantial amount of money, much of it was dedicated early in the budget process to specific items, especially planned enhancements to undergraduate education," Shkurti said.

When the university announced last winter that it would seek a 9.3 percent undergraduate tuition increase, officials pledged that all revenues above the historic 6 percent cap (amounting to $4.6 million) would be committed to improvements in such items as technology, advising, classroom equipment, fewer closed courses and other instructional enhancements for students. The administration also promised to increase the student financial aid package to match the higher tuition costs. The cost of increasing financial aid, including undergraduate scholarships and graduate student fee authorizations, stands at $9.5 million. Another $3.2 million is earmarked to individual colleges with fee differentials by previous agreement.

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With the university’s share of the cost of health care benefits increasing 32 percent this year, Ohio State is directing a total of $7.2 million to increased benefits costs. Another $4 million will be needed for increased utility costs ($2.5 million of which is required to offset fuel cost increases) and rent and other utility increases on university-occupied spaces.

These items, totaling $28.5 million, leave $6.9 million of the projected increase in income for everything else, Shkurti said. Of that, $4.9 million (71 percent) will go toward compensation: the $395 increase for faculty and staff, faculty promotion increases, graduate associate pay increases and General Fund collective bargaining increases. The remaining $2 million, or 3/10 of 1 percent of the entire budget, is set aside for strategic initiatives such as the existing Selective Investment commitments and recruiting.

As part of the budget, trustees approved tuition increases on the regional campuses. Last year, Access Challenge, a state program designed to make college more affordable for Ohioans attending regional campuses and two-year institutions, enabled Ohio State to decrease tuition at regional campuses by 5 percent for lower-division students and hold the tuition increase to 3 percent for upper-division students. This year, as a result of the legislature’s cut to Access Challenge funding, OSU will raise in-state regional tuition by 7.6 percent for lower-division students and 6.5 percent for upper-division students. Tuition at the Agricultural Technical Institute (ATI) in Wooster will increase 5.8 percent.

“This turn of events is particularly disappointing. We estimated that last year, 4,200 freshmen and sophomores at our regional campuses and ATI benefited from the reduced tuition. We will urge state legislators to restore this program in future years to enhance access to higher education for all of Ohio’s citizens,” Shkurti said.

Some budget details, including the final budget book detailing finances for the year, will not be submitted to the board until late August. Though the final revenue and spending plan won’t be available until then, the board authorized expenditures within projected income levels.

**Endowment update**

University Treasurer James L. Nichols updated the board on the university’s endowment, which stood at $1.067 billion as of June 2. He said that there has been no change in proxy guidelines.
OSU trustees approve final FY 2002 budget
$4.6 million from tuition increase set aside for undergraduate enhancements

COLUMBUS -- Almost $5 million in The Ohio State University’s tightest budget in years will directly support the undergraduate experience through initiatives ranging from strategically added classes and computer lab upgrades to development of new living-learning programs and support for a student union renovation.

The university Board of Trustees on Wednesday (8/29) gave final approval to the Fiscal Year 2002 budget that authorizes spending through June 2002. The budget includes detailed recommendations for the use of $4.6 million in revenue set aside for students, which represents 3.3 percent of the 9.3 percent resident undergraduate fee increase on the Columbus campus for the coming year.

That student support will increase despite a disappointing turn in state support for higher education, said Edward J. Ray, executive vice president and provost.

“We intend to continue to make progress with respect to services for students despite this unfortunate budget year,” Ray said. “As a consequence of the budget outcome, faculty and staff received a minimal pay increase this year, which is simply not acceptable. We are developing plans immediately to increase faculty and staff salaries to competitive positions with respect to our peer institutions over the next several years as our highest priority.”

It turns out that the FY 2002 budget represents a historic moment in both university and Ohio history: For the first time since Ohio State’s founding in 1870, the amount of tuition income from students will surpass state funding that supports students on the Columbus campus. State student support amounts to $342 million this year, compared to $351 million in student fee income. As recently as 1987, the state provided almost $2 for every dollar of student tuition, noted William J. Shkurti, senior vice president for business and finance.
"Because of the decisions the state has made, it is shifting a greater share of the burden of funding education to students and their families, and to our colleges and universities who must provide additional financial aid," Shkurti said. "That creates more financial barriers to students trying to access higher education, which affects the competitiveness of the state’s work force and, consequently, the generation of taxes and other revenues that would benefit the state overall. It’s a symptom of the long-term decline in Ohio’s relative economic position, because Ohio is not investing enough in higher education for its citizens."

In preparing the most difficult Ohio State budget in seven years, university administrators have projected spending a total of $792.9 million in continuing general funds on the Columbus campus, an increase of 4.7 percent over last year. However, the increase in the university’s budget is only 3.2 percent, exclusive of student financial aid. The figure includes instructional subsidy from the state of $322.9 million, or 1.6 percent more than last year – the smallest increase in the State Share of Instruction in nine years. The total university budget, which includes general funds, earnings operations and restricted funding, exceeds $2.3 billion, up from $2.1 billion last year.

Much of the anticipated budget increases were absorbed by a variety of expenditures, including a 30 percent increase in health care costs, the largest in a decade, as well as the largest increase in energy costs in two decades. When the university began pursuing a tuition increase above the traditional 6 percent cap almost a year ago, officials promised to use that funding to benefit undergraduates. The spending plan approved by trustees lives up to that pledge. Of the $4.6 million set aside from the tuition increase, $2 million is committed to financial aid to ensure that no qualified students are prevented from enrolling at Ohio State because of the additional financial need associated with the tuition increase. And officials noted that even with the 9.3 percent increase, Ohio State remains a good value, ranking sixth in resident undergraduate tuition among Big Ten public institutions.

As in previous years, recommendations for allocation of funds were developed in consultation with student government leaders. Ray advanced a list of recommendations to trustees for the remaining $2.6 million, as follows:

- **$870,000 for course program and access.** Selection of course sections to be added has been determined by a special committee that analyzed historic registration data in order to predict demand for classes in the future. Four categories of courses will
receive attention under this strategy: those taken by first-year students; official prerequisites to major programs; advanced courses in especially large or restricted majors; and advanced courses used by students in a variety of majors and curricula. If all proposed plans are implemented, approximately 100 new sections could be added, providing seats for as many as 6,000 students. Improvements also are planned to the wait-list system to give students more immediate access to courses critical to their programs of study.

- **$50,000 for instructional improvement.** Additional resources will go to Faculty and TA Development, which will provide enhanced workshops for teaching associates and international TAs during autumn quarter; winter quarter training will be available to TAs who begin teaching then. Staffing also will be supported under this initiative.

- **$250,000 for technology.** Software, desktop computers and networks in seven student computing facilities will be upgraded.

- **$130,000 for academic and career advising.** The entire undergraduate academic advising structure has been redesigned as more entering students enroll directly into their degree-granting colleges. By next fiscal year, additional advising support will result in a net increase of nine full-time professional advisers and a closer alignment between graduate-student advisers and the disciplines in which they work. Specifically, $15,000 each is targeted to architecture, arts, nursing and pharmacy, and $30,000 to engineering, for advising, plus $30,000 to biological sciences to support a new Scholars program and $10,000 to Career Connection, housed in the Younkin Success Center.

- **$250,000 for living/learning.** Of this, $100,000 is recommended to support Honors and Scholars – specifically, a new Scholars program in international studies and another not yet identified – as well as living/learning programs offered through the Office of Residence Life. The other $150,000 of tuition cap relief is requested for staffing to complete implementation of several newly established programs and to build the foundation for planned additions next academic year. With the addition of programs this year in arts and sciences, architecture and Mundo (emphasizing volunteerism and special engagement with diversity issues) and three new Scholars programs, the total number of living/learning programs has reached 39.

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For Release

July 12, 2002

Contact: Elizabeth Conlisk
(614) 292-3040

Trustees OK spending plan that reflects academic goals
Entrepreneurial efforts for revenue even more important

COLUMBUS -- In presenting a fiscal year 2003 budget recommendation to the Board of Trustees Friday (7/12), Ohio State University officials noted that as a result of declining state support, the university is adopting fiscal practices that more and more closely resemble the characteristics of a private institution — especially the transition to a more distributed-revenue and cost-sensitive budget system and greater reliance on entrepreneurial efforts to generate revenues.

Trustees authorized a spending plan that reflects those characteristics: a restructured General Funds budgeting system more closely associated with academic goals rather than historic patterns of funding; a two-tiered undergraduate tuition program; targeted increases in other funding sources, such as private gifts and sponsored research; and state support that stands 4.4 percent lower than the level of support Ohio State received in fiscal year 2001. In addition, budget conditions last year and this year suggest that a trend has begun, this year marking the second time tuition and fees exceed state support as a percentage of the total General Funds budget.

Even so, Ohio State is poised to maintain momentum in identified strategic areas over the next year, offering quality educational programs and more competitive compensation while assessing below-state-average tuition for both continuing and new students, said Edward J. Ray, executive vice president and provost.

“Despite a very difficult budget picture associated with state budget cuts and continuing uncertainty about the state’s future financial health, we are directing every effort toward protecting our academic core while maintaining Ohio State’s affordability relative to other public institutions in the state,” Ray said. Strategic investments are focused on four critical initiatives of
the university’s Academic Plan: competitive compensation for faculty and staff, enhancements to the undergraduate program, a major biomedical research initiative and creation of the Kirwan Institute for the Study of Race and Ethnicity in the Americas.

General Fund revenues and expenditures on the Columbus campus are expected to be $844.3 million in the fiscal year that began July 1, a net revenue increase of 4.2 percent over 2001-02 after corresponding student financial aid is deducted from the total revenues. When all General Fund income sources are combined, the projected increase stands at $47.8 million. The university will provide $14 million in student financial aid specifically to offset the increased tuition, ensuring that no qualified student will be turned away from Ohio State because of financial need.

The total university’s annual budget, including all sources of income and expenses at the University Medical Center and in other auxiliary units, as well as private fund raising and sponsored research, exceeds $2.5 billion.

Income projections are based in part on the tuition revenues that will result from an estimated enrollment of 49,094 on the Columbus campus, and reflect a flat state share of instruction of $305.4 million – taking into account the 6 percent budget cut made last fiscal year that carried over into this year. (The university received $320.3 million in state share of instruction in FY 2001.) Expenditures are projected to rise most substantially for faculty and staff retirement and health care benefits (13 percent), student financial aid (11.9 percent) and utility and insurance costs (3.2 percent).

In addition, the university is able to devote a total of $19.8 million, or a 4.7 percent average increase, to the pool for faculty and staff salaries and wages, using revenues from a combination of tuition income and internal budget reallocations. Administrators pledged a year ago to develop a strategy to provide above-market compensation packages for each of the next several years to make up for below-market increases in previous years.

“Making progress on our academic goals includes adhering to our plan to attract and retain outstanding faculty and staff through a compensation initiative that will increase our competitiveness nationally over the next several years,” Ray said.

Ohio State will commit almost $6.9 million in continuing funds to strategic investments, up from $5.8 million last year and about half of the $13 million available in FY 2001. Most of that – $4.9 million – will go to multiyear commitments that include academic enrichment and

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selective investment programs, shifts in units’ base budgets, graduate associate health insurance and enhanced recruiting activities. Another $15.6 million in one-time funds will primarily cover university-wide technology support needs, including final payment on an internal loan for the installation of new human resources and financial systems. A President’s Strategic Reserve, created two years ago, will provide seed money to support Academic Plan initiatives, including the medical informatics program, technology transfer activities, enhancements to the undergraduate experience, the P-12 outreach initiative and other outreach and engagement projects, and support for faculty hires.

As a result of the budget restructuring, which emphasizes performance-based funding and decentralizes revenue and expenditure decisions to the college level, colleges will see average General Fund budget increases of 7 percent this fiscal year. Support areas, other than research units, are more constrained this year, seeing, on average, no budget increases overall.

The internal reallocations that were part of the budgeting process leading into this fiscal year included the elimination of nearly 600 funded full-time equivalent positions across the university, of which 119 were filled positions at the time. The most visible strain resulting from the position reductions will be evident in academic support services such as the libraries, instructional technology areas and physical facilities, where the workload is distributed among fewer people, said William J. Shkurti, senior vice president for business and finance.

The budget reflects the following student fee increases, all previously approved by the trustees: 19 percent for new in-state undergraduates and 9 percent for continuing in-state undergraduates in Columbus; a 7.5 percent undergraduate nonresident surcharge; 5 percent for graduate in-state tuition; various differential instructional fees approved for students in the professional colleges and specific graduate programs; 5 percent for nonresident graduate and professional surcharges; 8.9 percent for lower-division regional campus students; 12.8 percent for upper-division regional campus students; and 9.9 percent for students attending the Agricultural Technical Institute. Regional campus and ATI student fees reflect an Access Challenge credit the state provides in an effort to make tuition more affordable for Ohioans attending regional campuses and two-year institutions.

“Even with these tuition increases, Ohio State’s instructional fees remain lower than any other of the state’s public competitive-admission universities,” Shkurti said. “And on the other hand, even with the above-market compensation increases this year, overall our faculty and staff
salaries remain below market.

"Knowing that the next few years offer no guarantees with regard to the state budget picture, it's clear that in the long run, sources other than state funds - such as private giving, cost savings, tuition and sponsored research - will continue to grow as a proportion of university resources. This is the most difficult budget environment we've faced in a decade. It's hard to tell when conditions will improve, but regardless of the budget environment, we need to continue to advance our academic goals."

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Ohio State News

For Release

February 7, 2003

Ohio State seeks ways to increase revenues, cut costs
Efforts needed to continue advancing Academic Plan

COLUMBUS – Leaders of The Ohio State University are preparing strategies to help the university address its long-term financial resource needs to implement the Academic Plan in the face of ongoing uncertain state support for higher education. The plan focuses on savings, cost avoidance and seeking additional resources in development and research funding.

Executive Vice President and Provost Edward J. Ray and Senior Vice President for Business and Finance William J. Shkurti told the university’s Board of Trustees today (2/7) that Ohio State must find new ways to increase revenues and reduce costs, so that more revenues do not come from tuition increases and state support alone. The goal is to identify at least $20 million to $25 million in savings and cost avoidance over the next five years.

"Ohio State has established a good track record in managing its costs, but past achievements are not sufficient to meet our future needs," Ray said. "At a time when growth in state support is small or decreasing, it is important to identify revenue resources and cost reductions to meet academic goals without an over-reliance on tuition increases."

During the last fiscal year, Ohio State absorbed a $28 million loss in state funding that resulted in a reduction of nearly 600 positions. Now, with the state’s tax revenues continuing to falter and a slow recovery mirroring that of the nation, Ohio State cannot rely on state support as the only method to finance the improvements called for in the Academic Plan, the university’s blueprint for becoming one of the world’s top public research institutions.

On the other hand, the university cannot and will not lay the burden solely on the shoulders of its students through exorbitant tuition hikes, Ray said. Published reports that the university is planning a mid-year tuition increase are inaccurate, he added.

Shkurti said the Academic Plan calls for administrative cost reductions of $3 million to $5 million and revenue increases of $65 million to $85 million in one-time funds through fiscal
year 2006. “These goals will be met or exceeded in this time period, but this still is not likely to be sufficient to meet our needs in the years ahead.”

Among the plan’s priorities are recruiting and retaining outstanding faculty and staff, funding for scholarships, and continued improvement of the student experience—through greater course availability, increased access to faculty, better academic and career advising, improved access to informational technology, and additional opportunities for learning outside the classroom, including the creative work and research of the faculty that will enrich the future for the entire university.

“This is not a continuation of business as usual, but a significant commitment to make our undergraduates some of the best prepared in the world,” Shkurti said. “These are the kinds of steps we want and need to make to better prepare Ohio’s future teachers, entrepreneurs, engineers and public servants.”

Ray laid out for trustees a one-year plan to raise additional revenues by implementing a stronger and more aggressive agenda to win federal research funds, increasing extramural sponsorship of research and cost-recovery rates on sponsored research, expanding opportunities for private giving, and selectively expanding programs, such as distance learning, as well as entrepreneurial partnerships.

At the same time, Shkurti said the university will continue to cut costs by taking advantage of lower interest rates to reduce borrowing costs, using changes in energy markets to lower utility costs, and reviewing core administrative processes on capital projects and purchasing, for instance.

“Our size and diversity give us a comparative advantage to formulate unique sources of additional income and cost reduction,” Shkurti said. “As we go through this process, we need to remember that achieving cost savings is a long-term, continuous process and not a one-time big splash.”

But as the university begins this long-term process, it is also facing significant short-term budget issues with the state, Shkurti said.

To address a $720 million current-year budget deficit, Gov. Bob Taft last month ordered a 2.5 percent budget cut, which means that nearly $3 million in university line items are on the chopping block, but he exempted the state share of instruction, which is the source of most of the university’s state support. Taft also made clear that if his plan for balancing this year’s budget is
not approved by the General Assembly by the end of February – a plan which includes not only the 2.5 percent cuts but also the approval of so-called “sin taxes” on cigarettes and alcohol as well as a package of various new sales taxes – higher education’s state share of instruction and other primary and secondary school funding would be reduced by $175 million yet this fiscal year.

For Ohio State, such a cut would mean the loss of an additional $7.6 million in state subsidies by the end of the academic year. The instructional subsidy makes up the lion’s share of state support to the university and a cut of $7.6 million is significant, Shkurti told trustees.

Illustrative of the size of the cuts, he said $7.7 million is the equivalent of 153 positions paying $50,000 in average salaries and benefits; or 1,697 class sections at 45 seats per class; or 1,407 full-ride undergraduate tuition scholarships for Ohio residents. “We would never create revenue by making cuts in any one key area like that, but it does help show the magnitude of what we are facing,” Shkurti said.

Ray agreed. “Although more resources do not guarantee results, success in acquiring resources is critical to the success of the Academic Plan. Success doesn’t come easily or without time and commitment. It still will require a strong base of tuition and state support.”

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ANNOUNCEMENT FROM JOSEPH ALUTTO
AND WILLIAM SHKURTI

Dear Faculty and Staff,

Governor Ted Strickland again affirmed his commitment to Ohio State and Ohio public higher education today when, even as he was forced to make $540 million in additional cuts to the state budget, he left the state's subsidy for higher education and financial aid untouched. Although, other line items flowing from the Board of Regents will be reduced, impacting some areas within the university.

Nonetheless, this is the second time in the last year that the governor has protected higher education. All of us at Ohio State are grateful for the confidence of statewide leadership and their foundational belief that higher education is vital to our state's economic revitalization. We recognize the magnitude of the responsibility placed upon us, and we will continue to be good stewards in order to justify that confidence.

President Gordon Gee, in a statement released to the news media earlier today, reaffirmed Ohio State's acceptance of the responsibility placed upon us by the governor: "The university appreciates the leadership that Governor Strickland has demonstrated in this period of financial stress. We share his conviction and that of legislative leaders that Ohio's public colleges and universities must help lead the way to the economic revival of the state. Because the state is meeting its commitment to us, we will be able to continue meeting our commitment to freeze resident undergraduate tuition, while continuing to improve our academic programs and support the needs of the people of Ohio."

Joseph A. Alutto,
Executive Vice President and Provost

William Shkurti,
Senior Vice President for Business and Finance
Dear Colleagues:

I write about current economic conditions and the University's fiscal health and well-being. Although these are admittedly very challenging times, I believe that Ohio State is in a strong position.

As I am sure you know, other universities, particularly private ones, are facing severe budget problems. Those institutions that rely heavily on their endowments for operating expenses—some as much as 30-40 percent—are the most negatively impacted. They have been forced to take measures such as freezing hiring and capital projects.

Because our budget is more balanced in its sources, and because we have prudently managed our funds, we anticipate avoiding such drastic moves here. Frankly, planning for budget reductions is a regular part of our management process. During the past year, we have taken several anticipatory steps. We have saved nearly $100 million through efficiencies and cost-avoidances. We have money held in reserve for contingencies. And, as one of the nation's largest direct student-loan lenders, we will continue to help students and their families to finance their education at reasonable costs. Finally, we are moving ahead with planning for the comprehensive campaign that will provide additional sources of revenue for the long-term.

It is important to note that we have been fortunate to have strong support from Governor Strickland and leaders in the General Assembly. They have already made difficult decisions with state agency budgets, and more are certain to come. Working in partnership with them is our mission and our duty, and I am personally committed to redoubling the University's efforts to stimulate Ohio's economy.

Having led universities for nearly 30 years now, I have both the gray hair and the perspective that comes from managing through budget difficulties. From that experience, I believe that although these are challenging days, they also present us with great opportunities—to think differently, to collaborate more fully, to reconfigure ourselves for the long-term benefit of our students and our state. We have now the opportunity and the responsibility to make sophisticated choices about our future, and I look forward to working in partnership with you as we move ahead.

As always, please know of my gratitude for your creativity, hard work, and dedication to this remarkable institution.

Sincerely,

E. Gordon Gee
President
Statement from Ohio State University President E. Gordon Gee regarding state budget adjustments:

"Facing tough choices under extremely difficult circumstances, Governor Strickland deserves great thanks for taking action to preserve the state's commitment to its universities.

The Governor, General Assembly and the university are working as strategic and constructive partners as Ohio and the nation navigate these turbulent times. My pledge is that Ohio State will continue to work to be part of the solution to our state’s economic revitalization.

While our state’s leadership protects funding of our core instructional mission at public universities and colleges, the Ohio State administration is taking steps to control costs, realize savings and maintain quality. We are committed to returning maximum value for the dollars invested by our students, taxpayers and others who use or support the services we provide.

At Ohio State we also are determined to enhance and elevate our role as a $4 billion economic engine for the state by providing a world-class education for our undergraduate, graduate and professional students and by partnering with business and government to advance discoveries and innovations and create and keep jobs."

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Spam
Not spam
Forget previous vote
To: Ohio State Faculty, Staff, Students, Alumni, and Friends

I write to provide an update on state budget matters, particularly as they relate to public higher education. Governor Strickland, Chancellor Fingerhut, and leaders of both parties of the Ohio House and Senate continue to demonstrate tenacious support for higher education, understanding that our state’s long-term prosperity is contingent upon well-educated and innovative citizens working together to lead in the new knowledge economy.

As you know, the Ohio General Assembly is currently finalizing the state’s biennial budget bill during an exceptionally challenging economic period. Governor Strickland’s original budget blueprint protected higher education’s core funding, as did the subsequent budget proposals of the House and the Senate. When the joint House and Senate Conference Committee recently began its work to resolve differences between the House and Senate versions of the state budget, the Committee learned that because of the declining economy, there was a $3.2 billion budget shortfall. In light of the larger deficit projections, Governor Strickland released his revised budget framework for consideration last Friday — once again maintaining higher education as a strong priority.

All of these budget proposals — the Governor’s initial version, the House version, the Senate version, and the Governor’s recent, revised proposal — commit to fully funding a third year of tuition freezes for undergraduates at Ohio’s public universities. That unprecedented commitment to extending educational access, while maintaining academic quality, comes as welcome news for our students and their families. You should also know that we are continuing to advocate on behalf of those University programs that are experiencing state budget reductions.

Although much work remains in the effort to finalize the state’s budget, I am very pleased with the consistent support of our elected leaders. Their support has not only made Ohio the national leader in higher education funding, but also it has enabled us to assume a leadership position in the new economy. Together, we have a shared vision for the central role of higher education in advancing personal opportunity and fueling economic renaissance. All of us at the University are fully committed to being wise stewards of our financial resources and to working in unceasing partnership with our elected leaders and others to ensure that Ohio’s future is even more vibrant than its proud past.

I will write again as the process unfolds. In the meantime, please know of my gratitude for your ongoing support for the University.

Sincerely,

E. Gordon Gee,
President
Statement from Ohio State President E. Gordon Gee on the Ohio House budget

For immediate release:
April 27, 2011

Statement from Ohio State President E. Gordon Gee on the Ohio House budget

"I would like to thank Speaker Batchelder and his colleagues for their support of higher education. The House budget affirms the financial support of higher education recommended in the executive budget and further advances reforms that will relieve universities from burdensome regulatory rules. The House budget is also responsive to concerns raised regarding degree programs and faculty responsibilities. Speaker Batchelder and leaders of the Ohio House of Representatives clearly share Governor Kasich's belief that investing in higher education is essential to Ohio's future. I am grateful for their leadership and vision."

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Statement from Ohio State University
President E. Gordon Gee on state budget

"I applaud Governor Kasich, House Speaker Batchelder, and Senate President Niehaus for their strong leadership in advancing a responsible budget that directly addresses the financial circumstances of the day. In these challenging times, I am especially grateful for the support that state leaders have given to higher education. While many states have proposed remedying their budget shortfalls, in part, through severe cuts to higher education, Ohio's public colleges and universities continue to receive strong, bi-partisan support from the governor and our legislative leaders.

"I am particularly grateful that this budget will modernize the laws governing public construction in Ohio, a reform that higher education has been seeking for years. Governor Kasich's construction reform proposal frees the University from outdated rules and practices that produce nothing more than inefficiency. As a result, we will achieve significant cost- and time-savings on every building project we undertake.

"Ohio's leaders have recognized that the education and research occurring here at The Ohio State University are the catalyst for our state's long-term growth and leadership in the global economy. This budget reflects Ohio's commitment to invest in what matters most in today's entrepreneurial and knowledge marketplace. Further, it assures that Ohio State is positioned to attract and retain the best and brightest students, faculty, and staff, who leverage the University as a locus of innovation, learning, discovery, and economic development."