

September 2, 2005

## Funding Sources for Targeted Investments in Excellence

As part of the continuing commitment to the Academic Plan, The Ohio State University will identify \$100 million over the next five years to invest in targeted areas of excellence.

These areas will include academic programs in colleges, departments and centers where Ohio State has an opportunity to achieve worldwide recognition in existing and emerging fields of significance.

One of the principal conclusions of the June Leadership Retreat was that the University needed to assure a base level of adequate funding for all core programs, while making targeted investments in a handful of programs where we have the potential for worldwide leadership. The central portion of these investments could be a line of credit, one-time seed money or continuing funds, as appropriate. The specific programs to receive support under this plan will be identified by the provost in consultation with the President's Cabinet, Coordinating Council, Council of Deans, faculty, appropriate Senate committees and other stakeholders.

In order to allow enough lead time in planning the budget for FY 2007 and beyond and to add credibility to this commitment, it is important to begin the process now of identifying potential sources.

Because resources are limited, it is essential that this effort be carefully planned being mindful of the context of all types of central discretionary resources. These funds include those discretionary resources controlled or influenced by the President, Executive Vice President and Provost, Senior Vice President for Business and Finance, Senior Vice President for Research and the Vice President for Development, as well as contributions from the colleges.

The amount and kind of resources committed to this purpose should include:

- At least 50% of the President's Strategic Investment Funds – this amounts to at least \$5.0 million annually in renewable one-time funds for a total of \$25 million.
- All of the Provost's 5% growth allocation to support high quality programs – this should amount to about \$1 - \$2 million annually in continuing funds.
- At least \$1 million annually in one-time funds from central capital reserves to help resolve space issues.
- At least \$5 million annually in lines of credit from the Senior Vice President for Business and Finance.
- At least half of the Office of Research funds committed by the Vice President for Research (\$6.5 million annually) from the "Investments for Strategic Research" themes.
- A significant component of the fund raising goals for the next campaign that would be specifically targeted to these initiatives.

In addition, this initiative needs to be reconciled with the Senate leadership initiative to hire additional faculty, the McHale committee recommendations regarding the undergraduate curriculum, changing enrollment patterns, the recommendations of the Freeman Committee on improving and rewarding quality in doctoral education, and the Beck Committee on the structure and functions of the Graduate School.

If these initiatives proceed separately, we will not be able to achieve our goals because of the dilution of resources. If these resources are focused, we will have an income stream of at least \$50 million in central funding over the next five years to invest in high visibility programs that will advance the University's

academic reputation. If this is matched by an equal commitment from the colleges, we will have a total of \$100 million for this purpose.

In identifying their contributions, colleges will be asked to show how they will be able to continue existing commitments under the Academic Plan, including instructional needs and competitive salaries.

Again, the greatest potential for impact and influence of our institutional priorities to enhance teaching and research will only occur in an optimal manner if we distribute scarce resources in a highly deliberate and strategic manner.