



Date: June 1, 2006

To: Professor Greg Travalio, Chair
Senate Fiscal Committee

From: Professor Ralph Boerner, Chair
Ad hoc Committee Considering the Fiscal Implications of the Beck Report

Subject: Report and Recommendations

The committee met on 17 and 31 May 2006 to pursue its charge. Present at both meetings were Stan Ahalt, Ralph Boerner, Jane Evans, Gideon Fraenkel, Mike Sherman, and Lee Walker. Donna Hobart participated in the meeting of 31 May.

Our recommendations to the Senate Fiscal Committee are as follows. The details of how our deliberations led to these recommendations follow.

1. Based on the anticipation of significant negative fiscal implications for several colleges, we recommend that the changes in the fellowship programs recommended by the Beck Committee NOT be implemented in FY07.
2. The lack of appropriate data and the lack of precision of those that are available must be remedied before precise and accurate financial impacts on various colleges can be predicted.
3. Major changes in program/degree eligibility criteria for fellowship programs should take place over an appropriate transition period and with appropriate fiscal buffering mechanisms in place.
4. An institutional dialogue on the roles of Ph.D. programs and professional practice Masters' programs (tagged or otherwise) in university and state needs, goals, and priorities should be initiated as soon as a Dean of the Graduate School is in place. The appropriateness of two separate fellowship competitions, one for doctoral programs and one for Masters' programs with tagged or terminal professional degrees should be considered in the context of institutional priorities and State of Ohio and national workforce impacts.
5. It should be determined, perhaps in consultation with the new Dean of the Graduate School and others as appropriate, whether the total amount of funding for fellowships is adequate and if the distribution of those funds serves optimally the purpose of securing the very best doctoral students given the market cost to secure those students.
6. The lack of data precludes assessment of the potential impact of discounted post-candidacy fees at either the university or individual college level, and we recommend this issue be tabled until appropriate data are available.

The committee operated on the assumption that the recommendations of the Beck Report would be implemented. Our self-imposed charge within that context was to consider the fiscal

implications of the Beck recommendations, both at the university level and at the level of the colleges whose programs are administered by the Graduate School. Although many of the basic recommendations of the Beck Report drew considerable discussion during the meeting, we attempted to limit our substantive discussions to those with direct fiscal implications. We were unsuccessful in this, as several of the Beck recommendations seemed to be at variance with what we understood to be institutional and/or state governmental priorities.

Beck Recommendations II.B.1, II.D.5, II.D.6, and II.D.11 recommend or require increases in overall funding levels for graduate fellowship programs, graduate recruiting programs, and graduate career services. Thus the question of whether total funding available for graduate fellowships, either in the aggregate or per fellow, is currently adequate appears, therefore, to have been answered in the negative by the Beck committee. There are several possible approaches to increase the funding of the Graduate School. The Council of Deans, the Office of Academic Affairs, and the Senate Fiscal Committee would need to consider any such changes within the context of the annual budgeting process. Such deliberations and discussions would take place during FY07; thus, implementation could not occur until FY08 at the earliest. Such discussions should not be initiated until a Dean of the Graduate School is in place.

Beck Recommendations II.B.2 and II.B.3 have the potential to have significant impact at the college level, though not at the university-wide or Graduate School-wide level. Removing most Masters' applicants from eligibility for university and enrichment fellowships is likely to impact programs with large professional Masters' degree programs to a greater extent than programs who have traditionally focused on the Ph.D. or M.F.A. Some professional degree programs are easily identified by their 'tagged' nature (e.g. M. Acct., M.B.A.), whereas in other programs the professional Masters' and the transitional Masters' leading (for some students) to the Ph.D. are indistinguishable (e.g. M.S. in Engineering). Not only did the Freeman Report note that our doctoral productivity relative to benchmarks is low, it also indicated that our Masters' productivity was similarly low. This is an important fiscal consideration, as Masters' SSI is not "capped."

We attempted to access data which would detail by degree sought the overall enrollment, number of university and enrichment fellowships awarded, and the number of such fellows enrolled among the various Ph.D., tagged Masters' and untagged Masters' programs, but were unable to obtain those data. In an effort to quantify the potential of various colleges' graduate programs to be impacted by this Beck recommendation, we classified graduate programs by college into three loose groupings based on the proportion of Masters' students in their programs. These loose groupings were done based on review of graduate program websites, lists of degrees offered, and the collective experience of the committee members. The Colleges of Business, Education, Social Work, and Nursing stood out as having large proportions of Masters' students, and the Colleges of Humanities and Social & Behavioral Sciences stood out as having a relatively large absolute numbers of Masters' students, based on large overall enrollments combined with a moderate proportion of Masters' students.

To gain more resolution on the possible effects of removing most Masters' students from fellowship eligibility, we used information on fellowship acceptances by program and a time-to-degree weighting factor based on the rough proportion of Masters' students in each college's programs to estimate the current enrollment of University and Enrichment Fellows as a proportion of total graduate enrollment in each college (Figure 1). This rough metric suggests that $\geq 10\%$ of the total graduate enrollment is composed of fellows (i.e. full time students who began as university or enrichment fellows) in seven colleges, of which two have a high proportion of Masters' students (Engineering and Business) and three have moderate proportions of Masters' students (Humanities, Arts, and Social & Behavioral Sciences). For the latter three, we do not know what

proportion of the fellows are Masters' versus Ph.D. students, so no prediction of potential impact is possible; however, for Engineering and Business it would appear that removing Masters' students from fellowship eligibility would impact both costs and enrollments of high-ability students.

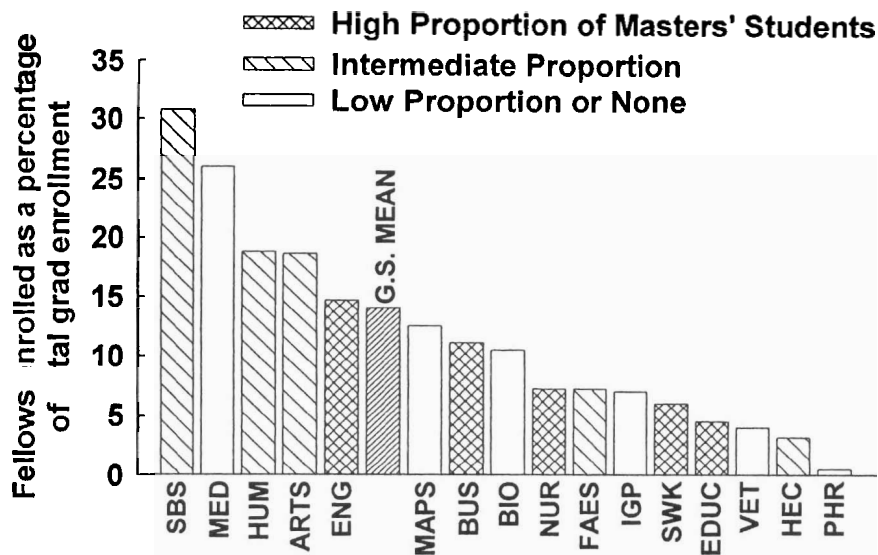


Figure 1. Fellows enrolled as a percentage of average enrollment in graduate programs. Enrollment data are based on 2000-2002 and fellowship enrollments are based on acceptances from 2001 to 2005, weighted by a time-to-degree factor (3 years for colleges with a high proportion of Masters' students, 4 years for those with a moderate proportion, and 5 years for those with few Masters' students).

Given that several colleges are likely to be impacted fiscally by the recommended change in fellowship eligibility, and given that one of the two hallmarks of budget restructuring is fiscal predictability for the colleges, we recommend that the fiscal impact of any such changes in eligibility be minimized by phasing in the changes over some transition period and/or putting in place a fiscal buffering mechanism. The committee considered transition periods of three to five years, as well as one that would correspond to the time necessary to determine and implement a comprehensive program quality assessment procedure. A fiscal buffering mechanism would involve some reallocation of funds among the colleges, and specifics of such a mechanism would require consideration and implementation by the Council of Deans and the Provost. A longer term buffering solution might be facilitated by making graduate fellowships a high priority in the upcoming development campaign.

The larger issue of the role of professional Masters' programs (whether tagged as such or not) in the University's priorities was considered by the committee to be a major area of concern. It is clear that this recommendation from the Beck Committee would have the effect of emphasizing Ph.D. and M.F.A. programs in graduate recruiting and support while de-emphasizing professional practice-based Masters' programs such as Engineering, Education, Business Administration, Accounting, Social Work, and Nursing. Given that such programs are among the most responsive of our graduate programs to State economic development needs and political priorities, it seemed to us somewhat premature to conclude they could be de-emphasized without broader impact on the University and the State of Ohio. Although we are confident that the Beck Committee

considered this issue in their deliberations, we did not find extensive discussion of this decision in their report. We recommend that an institutional dialogue on the relative priorities of academic graduate degrees (i.e. Ph.D. and M.F.A.) and professional practice-based Masters' degrees be initiated as soon as a Dean of the Graduate School is in place. The committee felt that a consideration of separate fellowship programs (and even possibly separate program administrative homes) for these two groupings of graduate programs was worth considering at some point in such discussions. Although this recommendation goes well beyond the issue of the immediate fiscal impact of the Beck Report recommendations, it was an issue on which the *ad hoc* committee felt strongly. There are clearly competing tensions and values in play here, and considerable deliberation prior to action seems warranted.

Beck Recommendation II.B.4 requires that program eligibility for university fellowship funding be based on program reviews, but gives no methodology for accomplishing this. If the program review process alluded to here is the newly-implemented OAA program/department review process, it is almost certain to take significantly more than three years to complete a full, campus-wide assessment of program/department quality. If the intent is to accelerate the schedule of regular OAA program reviews to meet a three year completion date, significant additional staffing costs in both central units and the various colleges would be incurred. It was not clear to the committee that such costs would be warranted; however, in the absence of more detail than is currently available, no substantive recommendation from this committee is possible.

The decentralization of the university fellowship program detailed in Beck Recommendation II.B.5 does not, in and of itself, appear to have fiscal implications. Annual rate funds would continue to be held in the Graduate School and annual cash allocations would flow from the Graduate School to the various colleges. This recommendation appears to be revenue-neutral at both university and individual college levels.

The allocation of current fellowship authorizations to the various colleges based on historical success criteria (Recommendation II.B.5a) may or may not have significant fiscal implications to the colleges, depending on the actual formula developed for allocation and on the fate of Beck Recommendations II.B.2 and II.B.3. According to the Beck Report, the allocation formula will take a number of factors into account and will be developed at some future time by the Dean of the Graduate School in consultation with the Graduate Council. The potential for differential fiscal impact of the allocation formula cannot be determined until the formula is developed. It is crucial, however, that all parties involved in the development of the formula understand that transparency and the ability to plan for the longer term are the keystones of budget restructuring, and any formulaic changes in the allocation of funds that result from recommendations II.B.2, II.B.3, and II.B.5a must be phased in over some reasonable transition period designed through consultation among the Graduate School Dean, the Provost, and the Council of Deans.

Beck Recommendation II.B.5c requires the Graduate School Dean and Graduate Council to revise the allocation formula after three years. Once again, without an understanding of the initial allocation formula or the process by which program quality will be assessed, we cannot predict how a revision of the formula might proceed or what its fiscal implications might be. The three year time frame seemed too short to the committee.

Beck Recommendation II.B.12 suggests that fees for post-candidacy Ph.D. students be discounted. This recommendation has the potential to have significant fiscal implications at both the university and college levels. We do not have access to data at this time with which to assess the proportion of 999 credit hours (and therefore graduate fee income) that is generated by post-candidacy students, nor do we understand how such an action might affect SSI. The effect of

such a change might vary considerably among colleges in which students are usually self-supporting, colleges where students' fees are paid with general funds, and colleges where fees are paid with external funds. Even the underlying rationale for this recommendation by the Beck Committee is uncertain, as in some fields the costs to the institution rise after candidacy (as in sciences where most of the research costs are post-candidacy) whereas in others the costs drop (as in fields where students are not in residence during some or most of the post-candidacy period). Finally, it is also unclear how the Board of Regents' SSI formula might change if post-candidacy hours were charged at a lower rate. Based on the lack of data available and the range of concerns expressed, we recommend this Beck recommendation be tabled until such time as a full, quantitative assessment can be accomplished.

Submitted respectfully on behalf of the committee,

Ralph E.J. Boerner, Professor