PERFORMANCE FUNDING IN OHIO’S FOUR-YEAR INSTITUTIONS OF HIGHER EDUCATION: A CASE STUDY

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PERFORMANCE FUNDING IN OHIO’S FOUR-YEAR INSTITUTIONS OF HIGHER EDUCATION: A CASE STUDY (209 pp.)

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This is a qualitative study of the perceived impacts of Success Challenge at Miami University and Cleveland State University, and Research Challenge at the University of Cincinnati. This study involved semi-structured interviews of 15 key executives and administrators as well as document review.

The Success Challenge was created in 1996 with the goal of increasing the level of baccalaureate degree attainment within the state. This challenge has two components that produce funding for public universities. The first is an “at-risk” component for students defined as financially at-risk; the second component is for timely degree completion, usually defined as four years. As background, the researcher found that even as Ohio increases its baccalaureate degree attainment levels, the state still falls below national averages in this area with only 11 states having a smaller proportion of their population with an earned baccalaureate degree. Respondents at Miami University and Cleveland State University valued the funds the institutions received from the state for Success Challenge, but could not directly link those funds to decisions made to improve at-risk graduation rates or time-to-degree rates.

Research Challenge was created in 1983 with the goal of increasing the amount of externally funded research secured by state universities. It was hoped that this increased research would help the state better transition into the knowledge economy. Executives,
defined as respondents that work for the central administration of the university, at the University of Cincinnati felt that Research Challenge funds had made a significant impact upon the research initiatives of the university and could articulate how the university has created effective systems to leverage Research Challenge funds into externally funded research. Administrators, defined as respondents working at the college or department level, were less aware of the impact of Research Challenge upon the university’s research initiatives. While Ohio has made great gains in the amount of externally funded research occurring within the state since the creation of the Research Challenge in 1983, the state still lags significantly behind national averages for the amount of external funds secured for research by states.

Approved: ______________________________________________________________

Marc Cutright

Associate Professor of Higher Education
Dedication

To my parents: LTC Donald O’Neal (USAF) and Barbara O’Neal

and to my loving wife and children
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CHAPTER ONE

Introduction

From the time that George Washington first proposed a national university until the G.I. Bill of Rights in 1944, little public or political pressure was ever exerted on higher education to justify cost or to demonstrate quality. Probably the most overt federal acts by congress were the passage of the Morrill Acts of 1862 and 1890, creating Land Grant institutions that eventually evolved and over time, with their large research focus, became influential both on a regional and national scale. The federal role in higher education has generally been limited to accreditation, financial aid and reauthorization of the Higher Education Act of 1965 approximately every five years, leaving states to inherit the leadership role in developing formal policies designed to improve educational quality and accountability (Alexander, 2000). The federal government provides approximately one third of all money spent on higher education and about 10 percent of monies spent on elementary and secondary education, yet has far more influence over the latter than it does over higher education (Field, 2005). As such, it may be fair to say that the establishment of standards to measure performance and quality in higher education has gone largely unaddressed and is overdue.

The purpose of this study is to take a qualitative look at one state, Ohio, and determine how three public institutions of higher education have responded to state challenges to hold institutions accountable to meeting state goals of increasing student success and increasing the amount of external funding for research secured by institutions of higher education. Specifically, this study will examine Research Challenge and
Success Challenge; two performance funding initiatives created by Ohio, and examine their impact on three different Ohio public four-year institutions of higher education. Research needs to support or dispute the idea that performance funding is an appropriate means of accountability as it relates to higher education funding.

In this chapter I will examine some of the issues that have formed the accountability and quality debate in the United States within the last few decades. The Commission on the Future of Higher Education, known as the Spelling Commission, represents, to a great degree, the national debate surrounding higher education at this time. In Ohio, the recent Governor’s Commission on Higher Education and the Economy reviews the issues that Ohio is attempting to deal with in order to prepare its citizenry for the new knowledge economy. The following research will explore the challenge of defining quality and measuring accountability in the arena of higher education. The financial and state budget situations that make it difficult to hold institutions accountable in a time of declining state support for higher education will also be examined.

Recently, Secretary of Education Spellings’ Commission on the Future of Higher Education released its report *A Test of Leadership: Charting the Future of U.S. Higher Education* (2006) which found the current system unable to control costs, reliably measure quality, or to hold institutions accountable for their results. The commission was formed to examine the current situation in higher education, specifically in the areas of access, affordability, quality and accountability. This examination comes against the backdrop of other country’s ability to educate more of their citizens to more advanced
levels while many U.S. college graduates are not demonstrating mastery in the areas of reading writing and critical thinking skills.

The commission noted that literacy levels among college graduates have actually declined in the past decade, from 40% to 31%; that employers are increasingly dissatisfied with the preparation that their college graduates have received prior to joining the workforce; and that states have not adapted their policies to make it easy for workers to pursue the lifelong learning necessary to adjust to a changing economy. The commission also called upon colleges and universities to become more transparent about cost, price and student success outcomes and that these outcomes need to be shared with students and their families. Most importantly to the following discussion of quality in higher education, the commission called for student achievement to be measured on a value added basis that takes into account student baseline information (U.S. Department of Higher Education, 2006).

In June of 2003, Ohio Governor Bob Taft charged the Commission on Higher Education and the Economy to examine Ohio’s relationship between the economy and public higher education. The goal being to recommend policy changes that would help the state’s higher education system meet the challenges of the new knowledge economy. Among the specific issues that the commission was directed to examine was how state supported research and development in state colleges and universities impacts the economy and how these benefits could be magnified. The commission was also directed to examine ways that Ohio can attract more students and help these students be successful
once they enter college (Governor’s Commission on Higher Education and the Economy, 2004).

The commission’s report, *Building on Knowledge, Investing in People: Higher Education and the Future of Ohio’s Economy* (2004) discussed the many issues that face Ohio’s economy and recommended policy changes for the state to consider. Among the key issues addressed was degree attainment; only 11 states have a smaller portion of their population who has earned a baccalaureate degree. Other challenges faced by Ohio are per capita income which has steadily declined over the past forty years and the fact that Ohio is not a leader in new-firm formation and new-product innovation and Ohio is not a leader in entrepreneurialism.

In *Building on Knowledge, Investing in People* (2004), the commission noted the *cultural debate* over higher education, where educators protest cuts in state support of higher education and call for increasing budgets while at the same time legislator’s call for improved productivity, efficiency and a greater return on their investment in higher education. The commission found this to be a product of a higher educational system that was not designed to meet the needs of our current economy. The commission consciously avoided becoming embroiled in that debate and, instead, used the issues involved in that debate to better define the inquiry into Ohio’s current challenges.

In *Building on Knowledge, Investing in People* (2004) the commission developed and presented two overarching goals. The first goal is to “provide more Ohioans with the knowledge and skills they need to succeed in the knowledge and innovation-based economy” (p. 17). One key strategy developed to meet this goal is to increase
undergraduate and graduate enrollment in Ohio’s public colleges and universities by 180,000 over Fall 2003 enrollments of 600,000. This increase would represent a 30% increase in total numbers and twice the projected national growth of higher education enrollments for the next ten years. The second goal is to “create more jobs and economic growth by strengthening higher education’s research base and ability to develop and bring to market new ideas and innovations” (p. 17). In an attempt to increase the quality and quantity of research produced on college campuses, the commission recommended plans to help the state increase its share of external research funding 10% above the national average by 2015. Currently the state is 21% below the national average (Governor’s Commission on Higher Education and the Economy, 2004)

Recent trends in accountability and outcomes assessment, a national economic recession and the biannual publication of *Measuring Up: The National Report Card on Higher Education* since 2000 have created increased pressure on states to demonstrate accountability of institutions of higher education. States have responded by implementing three different and distinct funding mechanisms aimed at accountability: performance reporting, performance budgeting or performance funding systems. *Performance funding creates the closest link between institutional performance on specific indicators and budget incentives.* Providing an accurate picture of how many states are using any of these funding systems often proves difficult due to political elections and changing political moods. The Rockefeller Institute of Government conducted seven annual surveys of state higher education finance officers until their funding from the Pew Charitable Trust ran out in 2003. Their final survey, completed in
2003, found that 15 states (30%) use performance funding. However, this is a decrease from 19 states in 2001 (Burke & Minassians, 2002). Given the pressure that legislatures are placing on higher education administrators to demonstrate accountability and quality, it is important to develop a body of research that measures the impact of performance funding on colleges and universities.

The recent recession and recovery has strained state higher education budgets. The recovery has also been accompanied by increasing calls for accountability. Public reports have focused the media and the general public’s attention on the plight of higher education. The Commission on the Future of Higher Education reported that “state funding for higher education will not grow enough to support enrollment demand without higher education addressing issues of efficiency, productivity, transparency, and accountability clearly and successfully” (p. 10). In Ohio, the Governor’s Commission on Higher Education and the Economy reported in Building on Knowledge, Investing in People: Higher Education and the Future of Ohio’s Economy (2004) that only 11 states had a smaller percent of their population who had earned baccalaureate degrees. The report also found that to be successful in our current knowledge economy, Ohio had to educate more Ohioans and had to do it better. The 1984 National Institute of Education report titled Involvement in Learning: Realizing the Potential of American Higher Education sought to move the public debate from elementary and secondary education to higher education, claiming that without doing so “we limit our ability to become a learning society” (p. 1). The report Higher Education and the American Resurgence recognized that American higher education was the best in the world but needed to be
more efficient in a changing society marked by growing international economic
competition (Newman, 1985). *A Nation at-risk* (1983) lamented the demise of
educational advances gained after Sputnik and noted that “knowledge, learning,
information and skilled intelligence are the new raw materials of international commerce
and are today spreading throughout the world as vigorously as miracle drugs, synthetic
fertilizers, and blue jeans did earlier” (p. 7).

Burke’s (1998c) study of states that were using performance funding found that
all the states, including Ohio, claimed that external accountability and institutional
improvement were desired outcomes of their performance funding initiatives. Central to
any discussion of performance funding are the notions of quality and accountability.
States seek to improve quality as it relates to the state’s goals as the public and
legislatures try to hold institutions accountable for institutions perceived lapses in quality.
In the next two sections these notions of quality and accountability will be examined.

Quality in Higher Education

Assumptions about quality that are held by the public and by higher education
administrators include: “only high cost colleges have quality; only large and
comprehensive colleges have quality; only highly selective colleges have quality; only
nationally recognized colleges have quality; only a few colleges have quality and only
colleges with impressive resources have quality” (Bogue & Hall, 2003, p. 5). These
notions suggest that quality is in limited supply. Annually published national rankings
by popular magazines and the performance of athletic teams are often associated with
quality in American institutions of higher education. College and university
classification titles such as comprehensive university and doctorate granting university are often perceived as indicators of quality, but are actually descriptive titles related to quantitative outputs (Bogue & Hall, 2003). The notion, or goal, of quality in higher education is central to discussions of performance funding with legislators and campus leaders who are often at odds in defining and identifying quality.

Many attempts have been made to define quality. Opinions vary as to whether it can even be measured. Robert Pirsig in his novel The Art of Motorcycle Maintenance examines the illusory challenge of defining quality when he writes, “Quality…you know what it is, yet you don’t know what it is. But that’s self-contradictory. But some things are better than others, that is, they have more quality. But when you try to say what the quality is, apart from the things that have it, it all goes poof” (1974, p. 163). In the manufacturing field, quality can be simply linked to whether or not a product matches the consumer’s expectations or needs. In this case if the product meets the stated needs then it is a quality product. A manufacturer may use various specifications and tolerances to measure the quality of a product that it produces; yet the product can still be perceived as being of low quality by the customer if it does not meet the customer’s needs (Guaspari, 1985). As another example, in the health care profession, a doctor does not simply enter a number to get a general health reading on a patient. Instead doctors use various data points to gauge the overall health of a person. Therefore, given different goals, inputs, and environments, avoiding the practice of judging academic quality on the basis of one single indicator (and rather examining multiple factors) makes good sense (Bogue & Hall, 2003).
Many academic writers have also wrestled with the idea of quality within higher education. Astin (1985) identifies four traditional views on quality: excellence as reputation, excellence as resources, excellence as outcomes and excellence as content. Astin identifies a definition of excellence as “talent development” or value that is added during the undergraduate experience. This is a very student development centered definition. Astin’s definition suggests that institutions that have the most impact on their students have the most quality. A less student centered approach common in academia is a definition of quality such as “quality undergraduate education consists of preparing learners through the use of words, numbers, and abstract concepts to understand, cope with, and positively influence the environment in which they find themselves” (Mayhew, Ford & Hubbard, 1990, p. 29).

Bogue and Hall (2003) argue that to adequately gauge quality, there needs to be public disclosure of performance results. Faculty members often argue that public disclosure of attempts at self improvement is counter productive. Faculty and administrators complain that factors leading to judgments about quality are beyond institutional control and that there is a tendency toward the belief that only concretely measurable performance factors are important. We praise our system as the best in the world with its diversity of students and goals (Peters, 1994). Yet despite this praise we attempt to diminish the attractiveness of this great diversity through attempts to impose national or state wide baccalaureate exams. Meanwhile business leaders and legislators lack agreement about what to assess (Peters, 1994).
Faculty members fear that governmental policy makers or accreditation agencies will impose some monolithic model onto institutions of higher education. While in the 1980s two thirds of the states did mandate, through legislation, that institutions develop plans to assess student learning, they relegated the task of developing those assessment methods to campus administrators (Burke, 2005). Similarly, accreditation agencies have yet to impose a uniform assessment model. These agencies have only mandated that institutions assess their efforts to improve student learning in curricular and co-curricular activities.

Bogue and Hall (2003) provide a definition of educational quality: “Quality is conformance to mission specification and goal achievement-within publicly accepted standards of accountability and integrity” (p.14). This simple definition is encompassing of many aspects of how educational quality may be defined. The definition respects the diversity of institutional mission, requires that the mission of the institution and desired skills be developed and effectively articulated, focuses institutional debate on purpose and encourages public disclosure of mission and results.

Accountability in Higher Education

The Commission on the Future of Higher Education noted “a lack of clear reliable information about the cost and quality of postsecondary institutions, along with a remarkable absence of accountability mechanisms to ensure that colleges succeed in educating students” (U.S. Department of Education, p. x). State higher education fiscal policies must support political calls for accountability. Most funding that is provided to institutions is in the form of operating budgets that simply support the status quo. This
form of budgeting, formula funding, awards monies based on enrollments of students grouped by academic major and per credit hour costs. The incentive for institutions in this funding scheme is typically increasing enrollments in profitable majors. This focus typically causes institutions to focus on enrollment management rather than graduation rate. Cost-based formula funding and incremental funding benefit institutions that are at the top of the prestige hierarchy. None of these systems assist states in holding institutions accountable for their results (Richardson & Smalling, 2005). Bogue and Brown (1982) have observed that increasing student enrollments has become more important to institutions than providing students with a quality education. However, Ohio’s system appears to contradict the findings of Bogue and Brown (1982) mentioned above. Ohio had developed an enrollment based formula, which subsidizes upper level students to a larger degree, thus rewarding campuses for keeping students on their campus and moving them through their academic program.

The accountability movement is based on the belief that traditional measures of institutional performance and effectiveness, such as peer review and market choice, are not sufficient indicators of quality. However, Alexander (2000) writes that to view states’ recent demands for performance based accountability as simply an attempt to change how higher education conducts business is an oversimplification. Such a view does not adequately consider the massification of higher education and the fiscal constraints that states have been operating under since the 1980s.

In defining accountability, Burke (2005) writes that accountability places six demands upon leaders in higher education. Higher education leaders must demonstrate
that they use their powers properly, demonstrate they are working upon the mission of the organization, report performance, account for resources used, ensure the quality of programs offered, and show that they serve public needs. According to Vidovitch and Slee (2000) accountability can also take on different forms; it can be upward (traditional bureaucratic), downward (collegial), inward (professional, ethical) and outward (stakeholders, political).

Ewell (1991) writes that there was a shift in the 1980s in how legislators viewed higher education. Their view of higher education changed from perceiving postsecondary education as a public utility concerned mainly with access and efficiency, to viewing higher education as a strategic investment in the future of a state economy. Also, as state assessment mandates became more popular in the 1980s they contained a contradiction. On one hand they were meant for institutional improvement, yet on the other hand, they were to inform the public of results.

In the 1980s the public debate moved from the economy of higher education systems to the quality of those systems (Burke, 2005). A host of reports openly criticized the quality of higher education within the United States. As Chairman of the National Endowment for the Humanities, William Bennett urged a return to the classics as the core of the curriculum. Bennett argued that general education requirements had changed from knowledge to inquiry and from content to skills. *Involvement in Learning: Realizing the Potential of American Higher Education* (1984) written by the National Institute of Education called for improving critical conditions of excellence in student involvement and for holding students to high expectations. The report also called for institutions to
provide assessment and feedback to demonstrate improvements in knowledge, skills and attitudes. *Higher Education and the American Resurgence* written by the Education Commission of the States (1985) questioned the purpose and quality of American higher education. *To Secure the Blessing of Liberty* (1986) by the American Association of State Colleges and Universities recommended agreement on common minimum skills to be obtained by the sophomore year. *State Priorities in Higher Education* (1990) reported that accountability and effectiveness was ranked a top priority issue to be addressed by institutions of higher education. Enrollments and higher education costs that are on the rise combined with faculty reliance on traditional teaching methods in an age of new learning techniques have further complicated the situation (Burke, 2005).

In the 1990s critics complained about the quality and quantity of faculty teaching, student learning and institutional preoccupation with graduate education over the undergraduate experience. These critics from business and government complained that institutions admitted unqualified students, that students took too long to graduate, too few students graduated, and those that did graduate lacked skills necessary for the information and technology era (Burke & Associates, 2002).

In the early 1990s there was a push for common outcomes testing and as well as a national push for assessment. In the more than 30 state assessment initiatives that emerged from 1985 to 1991 only two contained common testing or direct comparisons (Ewell, 1991). What was more common was for states to direct institutions to develop their own methods, and then let the campus experts develop their own outcomes. This decentralization approach in higher education is similar to current business models. This
approach led to the development of institution-centered assessments (Ewell, 1991). As this assessment movement spread, campuses responded differently. Some institutions were unable to adequately articulate results; other institutions embraced assessment from the start while many were slow to produce any meaningful assessment programs. Other institutions were opposed to any assessment at all. The Columbia campus of the University of Missouri system resisted requests for assessment and the legislature responded by mandating that the Columbia campus test sophomore students. The legislature did not mandate specific assessments from other campuses as they performed their own campus assessments. Assessment has also been embraced by all regional accrediting associations and they all now require outcomes assessment for accreditation (Schray, 2006).

Performance funding represents an external mechanism of accountability and improved performance that started with the outcomes assessment movement in the late 1980s and then developed into performance reporting (Burke, 1998). Goals for accountability changed in the 1980s, moving from the tracking of expenditures to demonstrating institutional performance. States eventually granted institutions greater autonomy for defining their own goals and for providing evidence of improved performance. This form of assessment eventually developed into performance reporting in the late 1980s and early 1990s, and then into performance funding by the late 1990s. While performance reporting added efficiency to institutional assessment plans during the recession in the early 1990s, the system was inadequate as it did not provide financial
consequences for poor performance. Performance funding was therefore the next logical step (Burke, 2000).

_Beyond Dead Reckoning_ (2002) has called for more research to be done in the area of improving educational quality and institution performance. Higher education has not been able to create a universally shared definition of how to produce, measure or calculate the cost of a quality education. This inability to create a common understanding of measuring a quality education has led to a culture where academia is not prepared for externally mandated change. While stakeholders in higher education may be in favor of improving the quality of education, there is little agreement as to how this is best accomplished. The present research aims to uncover incentives for transforming institutional behavior into a culture where data informs decisions, and examines how and when external accountability measures foster an institution’s improvement in quality.

The Commission on the Future of Higher Education in America recently released its finding in their formal report _A Test of Leadership: Chartering the Future of U.S. Higher Education_ (2006). The commission was chaired by Charles Miller, the former chairman of the University of Texas System’s Board of Regents and also a key player in the development of that state’s own standardized K-12 testing system (Field, 2005). A standardized system, similar to the one adopted by Texas, was eventually adopted by the U.S. Congress as No Child Left Behind (NCLB). The commission addressed issues such as rising enrollments, declining affordability, and the role of higher education in a competitive global market. The commission was clearly dissatisfied with a system that they view as unresponsive to change in regard to societal trends. The commission found
that the proportion of high school graduates attending college had increased in recent decades, yet the corresponding college graduation rates have not kept pace. The commission also found that as college costs increase and state subsidies decrease, higher education continues to operate within a financial model that provides no incentives for institutions to be aggressive in improving efficiency or productivity (A Test of Leadership: Chartering the Future of U.S. Higher Education, 2006).

Institutions have responded in their own ways to increased calls for improved efficiency and productivity by adopting management trends such as Total Quality Management (TQM), Continuous Quality Improvement (CQI), Responsibility Center Management (RCM), Responsibility Center Budgeting (RCB), Business Process Reengineering (BPR), Benchmarking and Strategic Planning, as detailed by Birnbaum (2000). Individual states have also tried their hand at improving quality and accountability within their systems of higher education. States have focused on access for diverse populations, improving institutional performance and student achievement. In focusing on these goals, state legislators have focused on productivity measures for faculty, testing programs and various performance funding initiatives (Beyond Dead Reckoning, p. 7).

While states have taken these measures, each attempt to bring accountability is uniquely different. Academia has yet to articulate a common outcome for undergraduate education or develop effective assessments for measuring knowledge gained during student’s undergraduate careers. As a result, the perception of institutional quality is
defined in terms of institutional resources, the quality of admitted students, and the reputation of faculty research (Burke & Modarresi, 2000).

Economic Outlook

Any examination of quality and accountability in higher education deserves an examination of the financial and budgetary landscape surrounding these issues. As the pressures for greater accountability upon institutions of higher education increase, so does the fiscal pressure from increasing costs and declining state support. Higher education is the third largest state expenditure behind elementary and secondary education and Medicaid. Yet it is highly susceptible to budget cuts. Legislators make the cuts as long as students are willing to pay the ever increasing hikes in tuition. Higher education is not an entitlement and so does not enjoy the same amount of public support as K-12 education (Boyd, 2002).

Hovey’s (1998) State Spending for Higher Education in the Next Decade report warned that despite the current economic outlook, states would struggle to provide the same level of services for the next ten years. In a survey of state economies and their higher education systems, Hovey found that to maintain current service levels, states would need to increase their spending at the same rate as the predicted increase in personal income of all Americans. Unless states increase taxes their revenue will not increase as much as total personal income.

In the late 1990s public colleges and universities enjoyed some real budget increases. But these increases barely brought funding back up to 1990 funding levels. With enrollment growth and inflationary costs increases over the last 20 years, public
funding covers a decreasing share of the cost of higher education with the difference being covered by tuition increases, that is, higher education has been under funded since the mid 1970s. In the 1990s alone, due to rising costs, students borrowed more than in the previous three decades (Benjamin, 1998).

Economic growth in the late 1990s was greater than expected and fiscal markets soared (Boyd, 2002). In 2001 a national recession hit the United States after 20 years of state annual spending growth of 6.5%. Yet higher education competed for state funding with Medicaid, No Child Left Behind, corrections, elementary and secondary education. All of these programs were dealing with increasing expenses as well. Higher education institutions responded by raising tuition (Pew Research Center, 2005). Many states removed or adjusted tuition increase caps so that institutions could make up the difference in funding lost from the states. Miami University, a state supported institution, in Oxford, Ohio implemented a policy in which tuition for in-state residents would be increased to the same level as out-of-state students. Tuition for residents jumped from $3,518 a semester in 2003–2004 to $9,118 per semester in 2004–2005 (Ohio Board of Regents, 2004). However, Miami University is still a state supported institution and is able to take the State Share of Instruction (SSI) and offer grants and scholarships to residents to help reduce their tuition costs.

Ohio Board of Regents Chancellor Roderick G. W. Chu, in his testimony to the Ohio House Finance and Appropriations Committee in February 2005 stated that higher education funding had been flat over the past five years, enrollment had increased by 17% and that inflation had increased by about 15%. The pressure to keep tuition low had
forced Ohio’s institutions to do more with less. In inflation-adjusted terms, tuition had increased an average of $1,300 per student yet state support was down $1,600 per student. (Ohio Board of Regents, 2005)

According to Tromblely (2003), tuition at Ohio’s two-year institutions increased by eight percent and by 17% at public four-year institutions, yet per capita income increased by only two percent to $29,359. These increases in college prices for families are driven by reduction in state support for students from the Ohio Legislature. Nationally, appropriations for higher education decreased in 14 states with the largest decline in Oregon of 11%. Tuition and fees rose in every state at four-year institutions. Sixteen states raised tuition and fees by more than ten percent. Seventeen states decreased their budgets for student aid in 2002 from the previous year. College and university presidents have responded to these fiscal issues by trying to bargain with states for more autonomy over their universities, for more control over operation budgets, control of tuition, and have agreed to more accountability to the states for performance in exchange for stable funding, even at lower levels and evidence of improved performance (Burke, 2005; Burke & Modarresi, 2000).

Statement of the Problem:

Ohio presents us with a well developed performance funding system to examine. Ohio has maintained a performance funding system since 1983 and its current performance funding system was finalized in 1996. Since 1996 there have been two areas of performance funding that have applied to four-year institutions exclusively, the Success Challenge and the Research Challenge. Success Challenge “challenges university
main campuses to enable resident at-risk students to successfully earn baccalaureate degrees, and challenges university main campuses to enable resident baccalaureate seeking students to complete their degrees in a timely fashion, typically four years” (Ohio Board of Regents, 2003b). Currently two thirds of the funds from Success Challenge are awarded for graduation rates of Ohio residents eligible for state based need, or at-risk students and one third of the fund is awarded for timely degree completion of resident students. With this challenge, the state is attempting to reward institutions for degree completion of financially at-risk students and for degree completion in a timely manner. For Ohio, being chronically undereducated, both goals are viewed as contributing to broader degree attainment across the state (National Center for Public Policy and Higher Education, 2005). The Research Challenge focuses on the amount of research dollars awarded to institutions from external funding agencies. This goal for the state is to make Ohio's universities more competitive for externally funded research support, and to encourage Ohio's university professors to conduct research that has strategic importance for Ohio's future economic growth (Ohio Board of Regents, 2004). Two private institutions in Ohio also compete for Research Challenge funding.

The purpose of this study is to explore the impact of Research Challenge and Success Challenge funding policy on three of Ohio’s four-year institutions of higher education.

The research questions guiding the study are:

1. How has Research Challenge funding affected the University of Cincinnati’s research initiatives?
2. How are Research Challenge funds allocated at the University of Cincinnati?

3. How effective are Research Challenge funding policies in motivating the University of Cincinnati to meet state goals?

4. How has Success Challenge funding affected Miami University’s initiatives to improve the at-risk graduation rates of its students?

5. How has Success Challenge funding affected Cleveland State University’s initiatives to improve the time-to-degree and at-risk graduation rates of its students?

6. How are Success Challenge funds allocated at Miami University and Cleveland State University?

7. How effective are Success Challenge funding policies in motivating Miami University and Cleveland State University to meet state goals?

8. Based on the professional experiences of selected campus leaders at the three Ohio four-year institutions of higher education studied, what strengths, liabilities and areas for reform can be identified?

Importance of the Study

A large body of data and knowledge concerning performance funding is from attitudinal studies. Joseph Burke and Trudy Banta have published the most extensive surveys gathered from states that use performance funding. Burke’s (2002) most recently published study of the Higher Educations Program at the Rockefeller Institute of Government survey on performance funding was sent to over 4,000 presidents, chief academic officers, senior business officials, academic deans and department chairs at all
two-year and four-year public institutions in Florida, Missouri, Ohio, South Carolina and Tennessee. Response rates were as high as 54% in some states, but Ohio’s response rate was the lowest, at 34%. Sixty-four percent of the respondents to this most recent study were from department chairs. A more balanced response is needed in terms of respondents from within institutions of higher education in Ohio and from institutions with different missions. While this survey did leave space for respondents to write comments for each question, much deeper and richer qualitative data is needed to understand the impact of performance funding at the institutional level.

Recently, Dr. Grady Bogue has directed several qualitative dissertations that examined the impact of performance funding on various institutions with differing missions in Tennessee. This recent research, which will be discussed in Chapter 2, has added to the broader and more complete understanding of the impact of a policy on individual campuses in Tennessee. A more in-depth qualitative study of Ohio institutions is warranted, based on the fact that to date, only two dissertations have been written on performance funding in Ohio, one quantitative (Schaller, 2004) and one qualitative (Dunlop-Loach, 2000).

Economic trends have greatly affected the national debates about access, equity, and accountability in higher education. In times of economic recessions, higher education is asked to continue to improve the quality of education with decreased resources and funds. When economic times improve, the dollars have not necessarily followed as higher education competes with other state needs and increased public scrutiny. Nationally, state tax revenue, in real dollars adjusted by the Higher Education
Price Index has increased by 28% from 1978 to 1998, but the proportion of state revenue allocated to higher education has declined by 27%. State appropriations per full-time equivalent students declined by four percent during the same time period, while the net tuition revenue per full time equivalent students increased by 66% (Beyond Dead Reckoning, p. 6). According to the *Digest of Education Statistics* (as cited in Alexander, 2000) state government funding as a percentage of all revenue sources for higher education fell from 44.9% in 1985 to 38.2% in 1995. Alexander (2000) found that from 1980 to 1995, tuition and fees as a percent of institutional revenue rose from 12.9% to 18.9%.

Ohio has entered tough economic conditions as its manufacturing sector has increased its productivity but employed fewer workers. Ohio is also suffering from what *Building on Knowledge, Investing in People: Higher Education and the Future of Ohio’s Economy* (2004) has termed “weak attraction” as opposed to “brain drain”. According to the report, Ohio suffers from the migration of young educated people out of the state, at roughly the same rate as other states. However, the state is not able to attract enough young, educated immigrants from other states to replace those that leave. Education and the creation of knowledge based jobs have not kept up with the changing economic conditions. With the recent national economic down turn and slow recovery, Ohio recently lifted its legislatively imposed tuition increase cap of six percent for the 2001-2003 biennium. According to the *Chronicle of Higher Education Almanac* (2005), Ohio has increased its support of higher education for the 2005-2007 biennium, increasing the budget for public colleges by about 1 percent, or $24.4-million, in the 2005-2006 Fiscal
Year, and by about 3.1 percent, or $79.1-million, in 2006-2007. These increases do not keep up with rising costs but compares well against the flat or declining appropriations of the past five years.

**Approach to Research**

Qualitative research was the method of inquiry for this study. A qualitative approach allows high level administrators at the institutions studied to express the practical impact of performance funding upon their institution and to examine issues in depth and in great detail. This study was a case study using document review, direct observation and an open-ended in-depth interview method.

A phenomenological mode of inquiry was used to understand the essence of the impact of performance funding on administrators. Phenomenology focuses on understanding the phenomena from the participant’s point of view. In this study, understanding the experience of these administrators and their interpretation of the impact of Research Challenge and Success Challenge on their institution can lead to informed future decisions on the funding policies. This phenomenological approach focused on the experience by the interview participants of the phenomenon of Research Challenge and Success Challenge, therefore it was appropriate to use an interview format without actually experiencing the phenomenon myself (Patton, 1990).

Excel software was used to code the data collected during the interviews. Inductive analysis was used to analyze the data. Inductive analysis allows the researcher to evaluate the situation being studied without imposing preexisting expectations (Patton, 1990).
Delimitations of the Study

This is a study of only one state, Ohio, and therefore can not be generalized to other states.

The results of this study can not be transposed to other administrators or even other institutions even with similar student populations (for Success Challenge) or research enterprises (for Research Challenge).

For the Success Challenge interviews, only one student affairs professional was interviewed. All other interviews were of academic, financial and budget staff at each university studied.

Limitations of the Study

Three four-year institutions were studied. These institutions have very diverse missions, ranging from a national research focus, to a more residential and liberal arts focus, and to a more commuter student focus. These institutions differ vastly in their mission, resources, reputation and student population. While each benefits differently from performance funding, they draw from the same performance funding pool of funds.

This study is focused on four-year Baccalaureate granting institutions in Ohio. Two-year technical and community colleges do receive performance funding of their own, using different performance indicators, but are not included in this study. Technical and community colleges have very similar missions; therefore performance funding can be narrowly tailored to meet their needs. Problems occur when two and four-year intuitions are competing for the same funds. Only four-year institutions were chosen for
this study because, while they may have very different missions, they are in competition for the same funds.

**Definition of Terms**

*Performance Funding*

Institutional budgets are directly impacted by their performance on certain indicators. There is a direct link between performance on an indicator and the budgeting process (Burke, 1998a). Burke classifies Ohio as a state that currently incorporates performance funding into its higher education budgeting model.

*Performance Budgeting*

Institutional budgets are modestly impacted by their performance on certain indicators. The link between performance and budget is less direct. Budgeting for an institution can be loosely based on performance on certain indicators as well as other factors (Burke, 1998a).

*Performance Reporting*

Institutional budgets are not affected by performance on specific indicators. Institutional performance on certain indicators are published and but the budget is not tied to performance on those indicators (Burke, 1998a). Burke also classifies Ohio as a state that currently incorporates performance reporting into its higher education funding model.

**Ohio Instructional Grant (OIG)**

A state based need scholarship awarded to Ohio residents who attend both public and private colleges and universities in Ohio.
Success Challenge

A performance funding challenge for four-year state supported colleges and universities in Ohio. This challenge has two components in which funds are awarded. The first component is for graduation rates of at-risk Ohio residents. The second component is for timely degree completion of Ohio residents.

Research Challenge

A performance funding challenge for four-year state supported colleges and universities in Ohio. Two private Ohio institutions also receive funding from this challenge. Research challenge awards funds to these institutions based on the amount of external research funding that they receive.

At-risk students

These are students considered financially at-risk of not completing their college or university education. These students are identified by their eligibility to receive OIG funds.

Executive

An executive is defined in this study as a participant that was interviewed that works above the college level. These respondents work for the central administration of the university. All respondents at Miami University and Cleveland State University are considered executives.
Administrator

An administrator is defined in this study as a participant that was interviewed that works at the college or department level. At the University of Cincinnati, both executives and administrators were interviewed.
CHAPTER TWO

Review of the Literature

Performance Funding Defined

Performance funding has been defined by Burke as funding for achievements, not hoped for goals. The link between performance and funding is direct, as opposed to performance budgeting, where the tie is loose and indirect (Burke, 1998b). Performance funding has six major components which vary from state to state; program goals, institutional improvement, increased state funding, improving the public perception of higher education, and meeting states needs (Burke & Modarresi, 2000).

Burke and Serban (1998) examined states using performance funding in 1996 and 1997. Their work included telephone surveys of state higher education finance officers and an examination of states performance funding programs. Burke documented a detailed list of criticisms and strengths with performance funding and the often conflicting goals of external accountability and institutional improvement. However, critics are quick to note perceived incompatibilities that impede the success of performance funding such as increased productivity and improved performance; reducing cost and raising quality; and the political process interfering with faculty governance. Other arguments are often made against the utility of performance funding. Some critics argue that the funding involved is either too little to cause institutional change or so large that it can create budget instability. Some critics argue that state budgets represent political decisions which can change rather abruptly while stability is necessary for
systems like performance funding to become effective. Still other critics argue that the cost of collecting the data to support performance funding is too costly (Burke, 1998).

Burke (1998a) identifies three methods of initiation that a state can use: (a) mandated/prescribed, where the legislature mandates and prescribes the goals; (b) mandated/not prescribed, where the legislature mandates performance funding but leaves the specific goals and performance indicators to be determined by a group involving campus leaders; and (c) not mandated, where performance funding is not mandated by the legislature, but is initiated by institutions of higher education and state governing boards.

While the core values of states using performance funding systems are commonly defined as efficiency, quality, equity and choice, they often look different depending upon how they were imposed within a state system. Given the inherent tension between external accountability and internal institution improvement, Burke (1998) examined how states adopted performance funding and the nature of the indicators used by those states. Burke theorized that in states where performance funding was mandated and indicators were prescribed, the indicators would focus exclusively on external concerns and ignore internal concerns. In states where performance funding was mandated but the indicators were not prescribed, there would be an emphasis on external concerns, but internal concerns would be included as well, due to the consultation process between campus officials and state or governance officials. In states where performance funding was not mandated, therefore indicators were not prescribed; indicators emphasized internal concerns, but did not neglect external concerns.
Burke’s (1998) findings were generally as was expected. Mandated/prescribed states’ indicators focused on efficiency over quality (external over internal), Mandated/not-prescribed states’ followed the expectations except for Kentucky whose indicators favored quality over efficiency. Of the three states listed as not mandated, only Arkansas contradicted the prediction.

Generally performance funding monies are discretionary. Only Arkansas and Colorado restricted funds to be used on activities related to performance funding. Total dollar amount given to institutions are quite small compared to their overall budget, usually 3% - 5% of operating budgets (Serban, 1998b).

Burke’s (1998) study of eleven states using performance funding (Arkansas, Colorado, Florida, Kentucky, Louisiana, Minnesota, Missouri, Ohio, South Carolina, Tennessee, and Washington) and the performance indicators found that the choice of performance indicators used determines what will be valued and rewarded by the state. Most common performance indicators pertain to undergraduate education, retention and gradation rates, transfer rates from two to four year institutions, job placement and faculty teaching loads. Performance funding indicators has moved away from emphasis on ethnicity and gender, which was prevalent in performance budgeting. Burke (1998) found little uniformity between states in the indicators used: “What is surprising is the lack of commonality among the states in their choice of performance indicators” (p. 52). Only two states that Burke studied in the survey had affordability as an indicator. Burke (1998) lists 37 separate indicators used by all states with performance funding systems; more than half were used by only a single state. Indicators were not simply taken from
previous budget systems, such as performance budgeting, where collection tools already existed, but seem to reflect a desire for genuine improvement and a healthy challenge for data collection.

Burke (1998a) discusses four types of performance indicators; input, process, output and outcomes. Inputs focus on people, monies, and physical resources to support programs and activities. Process focuses on methods used to deliver services. Output examines the quality of products produced. Outcomes attempts to measure the quality or impact of programs, activities or services to students, society and the state. Performance budgeting focuses on inputs, whereas performance funding has moved away from inputs to outcomes and outputs, with a wide acceptance of process measures. This acceptance of process measures stands in stark contrast to the intentions of performance funding, but may indicate a willingness to allow institutions time to gather baseline data in order to determine proper outcome and output measures.

Almost all campus groups in Burke and Serban’s (1998) survey perceived accountability as the major purpose of performance funding, and they want the priority to shift from accountability to institutional improvement. Chairs of faculty senates in Ohio contradicted this finding and believed that institutional improvement was the major purpose of performance funding (Burke & Serban, 1998).

Performance Funding in Ohio

In the new economy Ohio must develop a more educated workforce requiring an investment in human capital, retention of its current workforce and an increase in research and development. This will be a major challenge for the state. In February of
2003 Ohio Board of Regents Chancellor Roderick G. W. Chu addressed the Ohio House Finance and Appropriations Committee regarding the operating budget appropriations bill for the Fiscal Year 2004–2005 biennium. During that testimony, the Chancellor discussed Ohio’s challenges for the 21st Century and stressed several pressing issues including; only 21% of Ohioans have advanced degrees compared to 25% nationally and 33% in the best educated states; that by all national comparisons available, Ohio has historically under-invested in higher education; and Ohio’s tuition is ranked 10th highest in the country and prevents access to higher education and success once students are enrolled. Ohio’s higher education appropriations had been cut by over 313 million in the last three years (about $1,000 per student) which came at a time when enrollment was increasing by about five percent per year (Ohio Board of Regents, 2003). Since Fiscal Year 1996 (in constant 1996 dollars, adjusted for inflation) state spending per enrolled K-12 student increased by 40.2%, per state corrections inmate by 31.2%, per nursing home recipient by 29.5%, but decreased per full time equivalent college student by 14% (Ohio Board of Regents, 2005).

Ohio’s economy has traditionally been based on manufacturing. When the state manufacturing sector fell on hard times in the 1980s Ohio was left with an undereducated work force to adjust to the new information economy. Ohio had an antiquated higher education budgeting system prior to the creation of the Ohio Board of Regents in 1963. Ohio historically had a decentralized system of funding higher education where colleges and universities lobbied the legislature for their operating funds. In 1963 the Ohio Board
of Regents was created to develop and oversee higher education policy, including preparing budget recommendations for the legislature (Moden & Williford, 2002).

Four term (1963 – 1971 and 1975 – 1983) Governor Rhodes proposed, early in his first term, expanding higher education in Ohio so that no Ohioan would be more than 30 miles from a college or university. This led to enormous growth in the Ohio system. The Board of Regents first adopted a traditional enrollment based budget system which satisfied the board and college and university officials until the 1970s when enrollments were projected to decline in the 1980s. In response, the board created a task force to reexamine the budgeting process. The board adopted the changes recommended by the task force which included formula budgeting by enrollment levels within divisions, levels of degrees sought, and support services. A guarantee of this funding system was that institutions were guaranteed funding at 1980 levels even if enrollment dropped within any enrollment category. The enrollment decline of the 1980s never occurred, but the budgeting guarantee cost the state of Ohio 64 million dollars as institutional enrollment increased (Moden & Williford, 2002).

In the 1980s, Ohio experimented with a system of incentive funding where additional funding was given to institutions to encourage desired activities, these awards were competitive and usually required that institutions provide matching funds. The goals of these programs were to create centers of academic and research excellence by focusing resources into areas of campus strength. These initiatives were labeled the Academic Challenge, Research Challenge, Program Excellence and Productivity Improvement. Research Challenge was the only one of these programs that did not
provide incentives for future results, but rewarded campus performance. All these programs were eliminated in the recession of the early 1990s with only the Research Challenge surviving (Moden & Williford, 2002).

Dissatisfaction with the outcomes of Ohio’s higher education system caused legislative leaders and the Board of Regents to reexamine the state’s funding system. As the economy shifted, leaders realized that the performance and productivity of the system needed to improve. Ohio had many institutions of higher education, yet ranked below the national average in degree attainment. In 1996 the Board of Regents appointed a Higher Education Funding Commission, composed of regents, officials from the executive branch, legislators, campus officials and business leaders to propose a funding system more reflective of the states needs (Moden & Williford, 2002).

The funding commission conducted its work recognizing the core values of the Ohio Master Plan for Higher Education, also published in 1996. The core values of the plan were: affordable access to higher education, a high quality learning experience, research that contributes to knowledge and state-wide needs, services that help constituents meet their goals, and effective use of limited resources and accountability for the use of public funds. The funding commission recommended that an enrollment based subsidy, performance-based challenges and tuition policy be linked together in both the upcoming and future biennium budgets (Ohio Board of Regents, 1996a).

Recognizing the low levels of state support for students and high levels of tuition within the state, and with the goal of increasing affordability and access, the commission recommended that in the intermediate term, the state pursue a goal of achieving a 60%
state share and 40% student share of the cost of higher education. The commission also recommended a long term goal of a 65% state share and 35% student share of the cost of higher education as well as a 5.5% tuition cap. The commission also recommended several mission-driven performance subsidies, including Success Challenge, to be funded at five million during Fiscal Year 1998 and at ten million for Fiscal Year 1999, and Research Challenge to be funded at 4.5 million for Fiscal Year 1998 and at 5.25 million for Fiscal Year 1999. The commission recommended an annual increase in state support of seven to eight percent per year for the Fiscal Year 1997–1998 biennium, thus covering the cost of the recommendations made in the report. The commission presented their recommendations as a new core funding policy for the state and recommended that funding for the entire package rise and fall as the states overall funding resources rise and fall (Ohio Board of Regents, 1996a).

The funding commission proposed, and the Board of Regents, the Governor and the General Assembly soon adopted, a system that tied funding to performance on key indicators that were tied to state goals. The performance funding plan that was enacted consisted of five separate challenges: Performance Challenge, Access Challenge, Jobs Challenge, Success Challenge, and Research Challenge. The Performance Challenge consisted of nine separate and mostly ambiguous performance indicators. Funding during Fiscal Year 1996 was linked to performance on five of the nine service expectations for two-year campuses. The Ohio Master Plan (1996b) called for implementing all nine of the service expectations for two-year colleges and regional university campuses during Fiscal Year 1997. During the Fiscal Year 1996 – 1997 biennium, service expectations for
state four-year colleges and universities were to be developed by the Board of Regents with funds being first dispersed in the 1998 budget. The master plan outlined five performance measures, but in the end, consensus was not reached as to what measures would be agreeable to all. This challenge also suffered when it came time for the Ohio Board of Regents to reward performance with monies. In the end, one indicator relating to tuition and fees was given two thirds of the funds, leaving the other third for all the other eight indicators. The Performance Challenge suffered from a lack of funds initially and never recovered. Since the bulk of the monies it did receive went to keeping tuition and fees low, that money was soon moved to the Access Challenge (Moden & Williford, 2002).

Access Challenge focused on technical colleges, community colleges and university regional campus, along with other select institutions determined to have a special access mission. This challenge required that institutions use these funds to buy down, or restrain tuition, thus increasing educational opportunities of Ohioans. Jobs Challenge applies only to two-year colleges and rewards institutions for offering non credit training that improves the job skills of Ohio workers. Research Challenge rewards four-year institutions for the amount of externally sponsored research that is brought into their institutions with the hope that the research may lead to economic development within the state. Two private institutions also qualify for Research Challenge funds. Success Challenge also applies only to four-year institutions in Ohio. This challenge originally applied only to graduation rates of at-risk students but has since been expanded to include time-to-degree rates of campuses as well (Moden & Williford, 2002).
Success Challenge and Research Challenge History

Success Challenge, as stated above, was first proposed by the Higher Education Funding Commission to apply only to graduation of at-risk students and was to be funded at five million during Fiscal Year 1998 and at ten million for Fiscal Year 1999. The actual funding levels provided by HB 215 (Appendix A) were two million for the first year of the biennium and at four million for the second year. House Bill 215 also defined at-risk as “all degree recipients reported in the previous fiscal year at state-assisted colleges and universities who had received an Ohio Instructional Grant.” The bill also outlined the distribution of funds “Funds shall be allocated in proportion to each campus' share of eligible total degree recipients, weighted to reflect the level of degree.”

House Bill 282 (Appendix B) allocated funds for Success Challenge for Fiscal Year 2000 and Fiscal Year 2001 at $20,068,104 and $48,741,000 respectively, representing a 2,350% increase from the 1997-1998 to the 2000-2001 biennium. This bill also served to better define the program, dividing the challenge into two awards, the first being the at-risk portion, and a new portion for timely degree attainment. The bill defined at-risk as anyone who had received OIG funds anytime within the last ten years and required institutions to provide a plan to the Ohio Board of Regents on how the subsidy will be used to better serve at-risk students before they could receive the funds. The board would disseminate the plans to other institutions receiving Success Challenge funds. Two-thirds of the appropriations would be distributed for the at-risk graduation rates
This bill introduced *timely manner* as the amount of time it would take a full time
degree seeking undergraduate student to complete their degree, usually four years.
Exceptions could be made for degree programs that were designed to be completed in a
longer period of time. One-third of the appropriations would be awarded for timely
manner.

Senate Bill 261 (Appendix C) for the 2002 – 2003 biennium continued to increase
the state support for Success Challenge to 47 million for each year. However, a three
percent reduction was made in Fiscal Year 2003 due to the impact of the recession upon
the state economy. House Bill 95 (Appendix D) for the 2004 – 2005 biennium
appropriated 51 million and 56 million respectively and changed the at-risk definition
from any student who had received OIG funds in the last ten years to any student that was
*eligible* to receive OIG funds within the last ten years. This bill also changed the
percentage of funds awarded between the two portions, at-risk and timely manner. At-
risk received 71.77% of the appropriation for Fiscal Year 2004 and 74.29% for Fiscal
Year 2005. Timely manner received 28.23% and 25.71% respectively.

House Bill 66 (Appendix E) for the 2006 – 2007 biennium allocated 52.6 million
for each fiscal year. This bill also changed the at-risk language from any student eligible
for OIG funds to any student “eligible to receive an Ohio need-based financial aid award
during the last ten years”. Each bill following the original has included the requirement
that a plan be submitted each year prior to receiving funds. Only the plans from 1999 are
currently on the Ohio Board of Regents web site.
Data from institutions is reported to the Ohio Board of Regents where several tests must be met in order for an institution to receive credit for an individual student. For the at-risk portions there are five tests; the degree must be a baccalaureate degree, it must be earned on the main campus of the university, the student must have been eligible for aid, the student must be an Ohio resident and only one degree per person, per institution, per year is counted. There are no timeline restrictions applied to this part of the challenge, institutions are rewarded for the graduation rates of at-risk students, regardless of how long they take to complete their degree (Ohio Board of Regents, 2000b).

For the timely manner appropriation the guidelines are very similar; the degree must be a baccalaureate degree, earned on the main campus of a university, the student must be an Ohio resident and must meet the four year goal with exceptions made for programs that require more time, and one degree per person, per institution, per year. The formula used by the regents makes accommodations for institutions that graduate a transfer student to receive partial credit for that student even though that student did not originally start at the institution from which they graduated (Ohio Board of Regents, 2000b).

A review of the at-risk portion of Success Challenge for Fiscal Year 2007 distributions in Ohio shows that The Ohio State University received the largest appropriation of $7,040,400 as they graduated 1,992 at-risk students the previous year, or 25.06 % of the at-risk students state wide. The Ohio State University consistently receives the largest appropriation in the category as they graduate the most, or largest
number of at-risk students. Kent State University earned the next highest appropriations by graduating 12.93% of at-risk students. Miami University received $1,562,177 for graduating 442 or 4.47% of the at-risk population. Cleveland State University received $2,654,287 for graduation 751 or 7.60% of the at-risk population (Ohio Board of Regents, 2006).

A review of the timely manner portion of Success Challenge for Fiscal Year 2007 distributions in Ohio shows that The Ohio State University received $3,839,539 for their graduating 21.98% of the states timely degree totals. Again, The Ohio State University received the largest appropriation because they graduated the largest amount of timely degree students. Ohio University was next with 15.10% of the state total. Miami University graduated 12.80% of the state total and received $2,236,108. Cleveland State University graduated 3.43% of the state total and received $598,261 (Ohio Board of Regents, 2006).

From 1990 to 2005, state operating appropria tes has been flat once adjustments are made for inflation (Governor’s Commission on Higher Education and the Economy, 2004). To determine whether both Miami University and Cleveland State University fai red better with Success Challenge funds separated out verses having those funds put into the operating budget, an index was created (Appendix F) using Fiscal Year 2007 figures. In this index, the percentage of funds received through Success Challenge is compared to the percentage of SSI received by each institution studied. From this index, though Cleveland State University does better on the at-risk component and Miami University does better on the time-to-degree component, Miami University fairs better
overall, that is, Miami University does better receiving the funds through Success Challenge than if the total Success Challenge funds were distributed through SSI.

Research Challenge

Research Challenge started in Ohio in 1983; however, I will examine the program during the same timeline discussed above for Success Challenge. In the Higher Educations Funding Commission 1996 report, the commission recommended that the Challenge be funded at $4,500,000 for the 1998 Fiscal Year and at $5,250,000 for the 1999 Fiscal Year. House Bill 215 (Appendix A) allocated $12,764,000 for Fiscal Year 1998 and $14,756,861 for Fiscal Year 1998. This bill defined Research Challenge as:

   Research Challenge, shall be used to enhance the basic research capabilities of public colleges and universities and accredited Ohio institutions of higher education holding certificates of authorization issued pursuant to section 1713.02 of the Revised Code, in order to strengthen the academic research for pursuing Ohio's economic redevelopment goals. The Ohio Board of Regents, in consultation with the colleges and universities, shall administer the Research Challenge Program and utilize a means of matching, on a fractional basis, external funds attracted in the previous year by institutions for basic research. The program may include incentives for increasing the amount of external research funds coming to such eligible institutions and for focusing research efforts upon critical state needs. Colleges and universities shall submit for review and approval to the Ohio Board of Regents plans for the institutional allocation of state dollars received through this program. Such institutional plans shall provide the rationale
for the allocation in terms of the strategic targeting of funds for academic and state purposes, for strengthening research programs, and for increasing the amount of external research funds, and shall include an evaluation process to provide results of the increased support. It is the intent of the General Assembly that increases in funding for 235-454, Research Challenge, in the 1997-1999 biennium, over the 1993-1995 biennium levels, be used by campuses as unrestricted funding for research, in the same way that Instructional Subsidy allocations are used.

House Bill 282 (Appendix B) for the 2000 – 2001 biennium increased the funding to $19,436,382 and $21,568,440 respectfully. Senate Bill 261 (Appendix C) for the 2002 – 2003 biennium leveled funding to $20,000,000 for each Fiscal Year. Budget cuts due to the economic recession forced a six percent cut. Funding decreased with HB 95 (Appendix D) for the 2004 – 2005 biennium, appropriating $18,330,000 for each year. House Bill 66 (Appendix E) for the 2006 – 2007 biennium saw an increase again to $20,343,097 for Fiscal Year 2006 and $23,186,194 for Fiscal Year 2007. Fiscal Year 2006 – Fiscal Year 2007 marked the start of a broader Economic Growth Challenge and renaming Research Challenge to Research Incentive. This bill also required that a specific amount of funds awarded for this challenge be spent on Third Frontier Project-related activities.

The Ohio State University and the University of Cincinnati receive the lion’s share of the Research Challenge funds awarded annually. The Fiscal Year 2002 – Fiscal Year 2003 (Appendix G), after a six percent budget cut, awarded the University of
Cincinnati $3,122,934 for Fiscal Year 2003, or 21.67% of the funds awarded within the state. Together with The Ohio State University’s 55.01% of the award, the two institutions accounted for 76.68% of all funds awarded. This trend is constant. In Fiscal Year 2004 (Appendix H) the University of Cincinnati received $3,200,354, or 22.22% of the state total. Combined with The Ohio State University, both received 75.07% of funds awarded in the state. In Fiscal Year 2005 (Appendix I) the University of Cincinnati received $3,081,144, or 22.87% of the state total. This combined with The Ohio State University award of 53.17% accounted for 76.04% of the state total.

Academic Research on Performance Funding in Ohio

There has been little academic research conducted in Ohio in regards to the performance funding system currently used in the state. Two dissertations are reviewed here. One is a qualitative dissertation by Dunlop-Loach (2000) who examined Performance Challenge among several of the two-year institutions. The second dissertation by Schaller (2004) examines the awareness of student affairs and academic affairs personal of Success Challenge. Both dissertations are discussed below.

Dunlop-Loach (2000) examined how Ohio’s two year campuses “collected information, integrated it or not with their existing assessment measures and changed as a result of Performance Challenge’s service expectations, Ohio’s performance funding process” (p.iii). Her research questions related to “(a) the two-year campus data collection process and use of the information, (b) integration of service expectation indicators with existing assessment processes and mission, (c) barriers to improvement, and (d) changes made” (p. 71). These questions pertain to Ohio’s Performance
Challenge, which consisted of nine performance indicators referred to as “service indicators” and applied only to two-year institutions. Dunlop-Loach studied five community colleges, four university branch campuses and two co-located campuses (two university branch and two technical campuses). Subjects that were interviewed for this qualitative study were reviewers from the faculty, administration or professional technical staff, all reviewers had been responsible in some way for the functions under review and often helped write the institution’s reports.

Dunlop-Loach’s (2000) found that during the four budget cycles the Ohio Board of Regents changed the expectations to be funded three different times. This fact directly conflicts with Burke’s (2000) finding about successful performance funding programs: “Achieving results in higher education takes time. State priorities and program requirements must remain long enough to allow campuses to produce the desired and demanding results” (p. 438). Dunlop-Loach also found that the Ohio Board of Regents was not verifying data and that the secret to success seemed to be better report writing; that information gained from the reporting process was not shared internally and that “there was a flurry of activity with the illusion created among committee participants that the work was actually meaningful; however, reporting information remained outside the institution communication channels and unconnected to the energy and soul of the institution embodied in its strategic planning, program review, and North Central Association reaccreditation processes.” (p. 126). Dunlop-Loach reported that campuses did not integrate the information into existing assessment or decision-making processes, and they did not relate the information to mission. Though the Ohio Board of Regents
saw performance funding as a measure for continuous quality improvement, administrators, even with the extra money, did not see it. The faculty was not involved in the process and viewed the service expectations as unrelated to the central mission of the institution, which is teaching, learning and curriculum development.

Schaller (2004), using quantitative techniques, examined the difference in awareness of Success Challenge among student affairs and academic affairs administrators in Ohio’s thirteen public institutions of higher education. The study used a stratified random sample. Four hundred and six surveys were mailed and 224 (55.2%) administrators responded. The survey tool was adapted from Burke’s (2002) survey and consisted of five-point Likert scale responses. Two-way Analysis of Variance (ANOVA) and Pearson Chi Square tests were used to determine if there existed a significant difference in policy awareness between student affairs and academic affairs administrators.

Schaller (2004) found significant differences in awareness between academic and student affairs administrators in the following awareness constructs: familiarity with performance funding in Ohio, general knowledge of Success Challenge criteria, awareness of Success Challenge funding, Success Challenge effect on decision-making at institution, positive impact of Success Challenge at institution, Success Challenge communication and information dissemination. There was also a significant difference in performance funding awareness, with greater awareness of the policy reported at selective institutions compared to open admissions institutions.
Overall, administrators reported a low awareness of Success Challenge funding policy. Where there was a significant difference in policy awareness between academic and student affairs administrators, the student affairs administrators were more knowledgeable (Schaller, 2004).

**Trends in Performance Funding**

Tennessee, in 1979, was the first state to institute performance funding as a funding mechanism to ensure accountability. Other states began to follow in 1980s and 1990s. Since the 1970s higher education has had to compete for scarce resources in good and bad economic times. This cyclical economic pattern and scarce resources combined with states concerns about productivity and performance soon led to adoption of performance reporting, performance budgeting, and then eventually, performance funding. “The poor performance of the U.S. economy in the 1970s had produced by 1980 a situation of double-digit inflation and high unemployment known as *stagflation*, rapidly rising energy costs, a standstill in productivity growth, and declining real incomes” (Breneman, 1993, p. 91). With the 1990s early recession and then economic upswing, higher education, a discretionary item in state budgets, had to compete with the rising cost of health care, welfare and public schools. There was also great concern in the general public about the increasing cost of higher education as well as workload issues (Burke, 1998b).

The staff at the Higher Education Program at the Rockefeller Institute of Government has conducted telephone interviews with State Higher Education Finance Officers or their designees annually since 1997. With a response rate of 100%, their
Performance Reporting: The Preferred “No Cost” Accountability Program The Sixth Annual Report published in 2002 notes some very solid trends in states using performance budgeting, performance reporting and performance funding. The report (Burke & Minassians, 2002) found that states using performance reporting was on the rise with five new programs since 2001 and 14 new programs within two years, up from 25 states in 1999 to a current level of 44 states, or 88% of all states. Their survey also found states using performance budgeting on the decline. Performance budgeting was used in 23 states and had increased to 28 states in 2000 but declined to 26 this 2002. With only one state using performance funding in 1979, by 2001 performance funding was used in 19 states. In 2002, that total had decreased to 18 programs in 2002. The publication of Measuring Up 2000: The State by State Report Card on Higher Education (2000) and the corresponding public attention occurring during the recession which started in 2001, helped increase the popularity of performance funding among state legislators as it was viewed as an useful form of accountability that involved no additional monies to be distributed to higher education from the state.

Burke and Minassians (2002) wrote that legislators and politicians found performance reporting to be an attractive alternative to performance budgeting and performance funding as a form of public accountability. The authors also found that almost 90 percent of states use performance reporting, which is an increase of 50 percent in two years. This was also the first survey to find there was no increase in the amount of states using performance funding since the survey started in 1997 and that the number of states using performance budgeting declined for the second straight year. In the 1990s
policy makers felt that performance reporting would naturally lead to performance budgeting or performance funding as a form of accountability. However, the recession during 2001 and 2002 reversed the trend for states to move toward performance budgeting and performance funding. Legislators, faced with declining state budgets came to view performance reporting as an expectable and expedient means of accountability. The survey found that states often use multiple forms of accountability. Nine states use all three forms. Fourteen states use performance budgeting and performance reporting. Eight states use performance funding and performance reporting. Only one state uses only performance funding and three states use performance budgeting only. Two thirds of the 44 states that use performance reporting have at least one other program.

Burke and Minassian’s (2003) *Performance Reporting: “Real” Accountability or Accountability “Lite”: The Seventh Annual Survey 2003* found performance funding lost three programs during the survey year, down to 15, performance budgeting had lost one state in both 2001 and 2002, but had lost five programs in that years survey. Performance reporting had increased from 30 to 46 in the last three years. Survey participants attributed the decrease in performance budgeting and performance funding to continued budget problems within the state.

Funding Models

Traditionally there have been three models states have used, either separately or in combination, to fund colleges and universities. The first involves the state providing a certain dollar amount per student, adjusted annually, for each individual college or
university. In the second, incremental financing, the state negotiates budgets with an institution, which also takes into consideration new programs and special institutional circumstances. The third, aid formulas, are formulas based upon historical costs and amounts predicted on factors like new technical programs. This model was introduced in the 1950s and 1960s, during the growth era for colleges and universities and is a combination of technical judgments and political agreements. States have also used “buffering”, or averaging multi-year enrollment figures in order to avoid the negative effects of decreased funding due to lower enrollment levels, as well as “decoupling”, the funding shift from enrollment numbers to programs in order to remove enrollment as a source of funding reductions. (Serban, 1998c) Incentive funding, or grant funding was tried in the 1980s and 1990s with disappointing results in several states. This form of funding still tied funding to a promise, or funding before results. The assessment movement of the 1980s was also considered a failure. Eventually the idea of funding to hold institutions accountable emerged (Serban, 1998b).

Considering the recent trends in accountability, Burke and Minassians (2002) note that:

Performance funding, budgeting and reporting represent the main methods of assuring state accountability for public higher education in a decentralized era of managing for results rather than controlling by regulations. Although the relative popularity among these performance policies shifts with changing conditions in state revenues and campus funding, the surveys show a surge toward accountability across the country (p.2).
Quality in Higher Education

Varied and diffuse definitions of academic quality have been offered since the very beginnings of our higher education system in this country. “Academic quality is best maintained and improved when responsibility for it is located as closely as possible to the institutional process of teaching, research, and service” and “should be viewed as a professional issue not an external political or internal administrative issue” (Gaither, 1998, p. 1).

When defining the quality of educational programs, should the public look at reputation or results, the rigor of the process or the proof of outcomes? Is the purpose of quality assurance systems educational improvement or demonstration of accountability and stewardship of resources? What is quality in higher education?

Quality in higher education is often looked at in three perspectives, the first, that quality is in limited supply, thus competitive, the second, that quality should be found in each institution according to institution mission and goals, and third, that quality is found in the results, in the value added by an institution. From the limited supply perspective only high cost, large and comprehensive, highly selective, holding a national reputation, and having impressive results institutions can have quality. Those who see quality in relation to mission see quality in a variety of missions or diversity with distinction. In this view, “each campus should demonstrate quality within its mission” (Bogue, 1998, p. 9). From the value added perspective, the focus is on the question of what difference an institution makes in student knowledge, and skill and attitude.
Bogue (1998) discusses four systems of quality assurance that operate within the United States. Traditional peer review evaluation consists of accreditation; ranking and peer review. A criticism of this system, noted by Bogue, is that it can be seen as professional back scratching, offers only minimalist standards and doesn’t prevent problems with academic and administrative integrity. The second quality assurance system is the assessment and outcomes movement which developed in the latter part of the 20th century. This system calls for the development of evidence and attention to student and program performance. There is a focus on results rather than reputation. However, there is most often not just one performance indicator necessary to determine quality, but several performance indicators must be examined together.

The third system, Total Quality Management (TQM), emerged from the corporate world in the 1980s. TQM focuses on continuous improvement, system analysis, and customer satisfaction. Faculty has avoided seeing students as outright customers due to the tension between their desire to maintain academic standards and to care for students. Some faculty and administrators see TQM as appropriate for student services and administrative services but not a good fit for academics. According to Seymour (1992) TQM can give rise to a good enough and minimal standard mentality. Seymour (1991) also points out the very obvious fact that education is the one field where the customer can be satisfied, yet completely ignorant. Bogue and Hall (2003) argue that in relation to TQM, higher education faculty are more attracted to course design and services than to evaluation of current programs. They posit that faculty are not lazy, but that they don’t think of themselves as turning out widgets or competing with other professors in
neighboring institutions and that TQM has only affected administrators, rather than faculty.

Finally, periodic accountability and performance indicator reporting has also become popular with legislative bodies, policy makers and the public. As legislators and governing boards have become more concerned with issues of quality they have requested reports from institutions and systems outlining performance indicators that they feel are indicative of quality. Typical performance indicators include enrollment trends, admissions exams, retention and grade rates, licensure tests, job placement and student and alumni satisfaction (Bogue, 1998). The most recent example of periodic accountability and performance indicators that was developed for public consumption is the *Measuring Up: The National Report Card on Higher Education*, published by The National Center for Public Policy and Higher Education, originally published in 2000, and biannually thereafter.

Missing from all these ideas about quality is the notion that students are involved, or have any input into quality. Magolda (2004) writes that students are active and critical contributors to the quality of a learning experience. Bogue (1998) also raises several questions about the institutional search for quality: Are performance indicators being used to make increasingly informed decisions on policy, programs, and personnel? Are missions of programs and institutions both affirmed and advanced by performance indicators? Is quality assurance clearly linked to teaching and learning and is its impact realized? The answers to these questions are not at all clear.
Institutional Response

Institutions of higher education have recognized the need to respond to these calls for improved quality and greater efficiency and have often responded individually by adopting management or organizational theories. Often organization and management theories are taken from their original purpose and transposed on top of other areas. Often the question is “Why can’t a college be run more like a business”? Birnbaum (2000) points out that people asking that question ignore business “penchant for short-term expediency and golden parachutes. They overlook the selection of board members by management, provision of stock options to failed executives, and CEO salaried unrelated to company performance and over four hundred times higher than that of the average factory worker” (p. xiii). Birnbaum notes that the question is seldom asked the other way around.

Planning Programming Budgeting System (PPBS), developed by the Rand Corporation, adopted by the Federal Government by Robert McNamara and Lyndon Johnson, was eventually implemented by the Ohio Board of Regents. Management By Objectives, developed in 1965 became a popular management theory which quickly worked its way into higher education with the publication of MBO Goes to College (Deegan and Fritz, 1975) by two former academics. Zero Based Budgeting (ZBB), Developed by Texas Instruments, adapted by the state of Georgia, hailed as effective in business and state government, eventually was adopted by the federal government by the president, from Georgia, Jimmy Carter. ZBB was adopted mostly by public colleges and universities where it was adopted by the state government. Strategic planning also
borrowed from the business sector was introduced into higher education with the publication of *Academic Strategy* in 1983. Benchmarking was developed by Xerox and Total Quality Management by Robert Deming for auto manufacturing (Birnbaum, 2000).

**Faculty Workload**

Faculty workload initiatives in Ohio and Tennessee are good example of faculty and institutional response to legislative intrusion. While faculty workload was a performance funding issue in Tennessee and a productivity issue in Ohio, examining the implementation of this policy in these two states serves as an insightful look at how institutions respond to Legislative intrusion. Colbeck (2002) studied the effects of two different state policies with the same goal: to improve undergraduate instruction and learning, in two different states. The Ohio faculty workload mandate to increase workload by 1995 by 10% of what the workload was in 1990, and Tennessee’s performance funding incentives for institutions of higher education to meet state standards were examined. Faculty and administrators respondents in each state representing both a major public research university (The Ohio State University, and the University of Tennessee, Knoxville) and a regional comprehensive university (Youngstown State University and Tennessee Technological University) were examined and reported.

Colbeck (2002) found that in response to the workload mandate, The Ohio State University administrators lengthened the time of each class period and changed the way faculty time was reported to the state, each department developed a workload plan, and teaching improvements plans that were shared prior to the mandate were continued. A
large majority of faculty at The Ohio State University did not mention the mandate when interviewed. Of those that cited the mandate, three reasons were given for why the mandate would not improve teaching, first; there was no measurable indicator of quality, second; there was no baseline for teaching time, and third; faculty were likely to be unresponsive to external demands to improve quality. At Youngstown State University, administrators amended the collective bargaining agreement by adding ten percent to the teaching time required along with continuing other teaching improvement plans that were neither supported nor mandated by the state. Several administrators and faculty at Youngstown State University felt that the legislature was publicly proclaiming their priority of undergraduate education but in actuality operated an enrollment based funding system that placed higher value on graduate research and education.

At the University of Tennessee, Knoxville, administrators admitted to using performance funding monies to supplement the general budget as opposed to rewarding quality. A very tight state budget situation also lead to economic hardships on the institution as well as a decision to leave the student enrollment level at 25,000 in order to preserve faculty ratio’s. Few faculty mentioned performance funding when interviewed. At Tennessee Technical University, administrators perceived that compliance with performance funding standards were due to shortfalls in the university’s operating budget. Engineering faculty has been encouraged to seek outside funding to supplement their salaries. When interviewed about state policies affecting their departments and institution, budget constraints and the low priority of education in the state were mentioned.
Colbeck (2002) found that, although states used different approaches to implementing improvements to their state’s higher education system, administrator’s strategies to meet these demands seemed to “mitigate direct impact of these policies on faculty” (p. 20). In the Ohio institutions studied, the major change that was implemented was a modification to how numbers were reported to the state. In Tennessee, administrators and faculty felt that the performance funding standards did have a positive impact on the improvement of teaching and the assessment of learning, however, due to the state’s budget situation, the breakdown came in the rewarding of those activities. This reallocation of resources conflicts with Burke’s (2000) finding about stable performance funding programs and is more representative of an unstable program. While state intentions in both cases were grounded in the value of improving teaching, tension arises when quality is attempting to be defined and when quality is a measure in accountability. While most accountability measures of quality tend to be measures of efficiency or effectiveness, the goal of improving student learning was not effected by these state policies. Finally, Colbeck claims that “performance funding initiative seems more bureaucratic than innovative with limited faculty awareness of and engagement in the initiative. These findings suggest that maintaining faculty commitment to incentive-based programs requires finding ways of keeping faculty engaged in the process.” (p. 23).

Tennessee

The purpose of this study is not to examine performance funding in great detail in all the states that have implemented the policy. However, Tennessee does deserve some special examination for two reasons. First, Tennessee has a long history with
performance funding and much has been published about how the state has created and implemented their version of performance funding. Second, there have recently been several qualitative dissertations written about performance funding that are of interest to this researcher.

Tennessee was the first state to use performance funding for their higher education system. In 1975-1976 the Tennessee Higher Education Commission initiated discussions on allocating portions of funding based on performance criteria. In 1976-1977 pilot programs on 12 campuses tested the collection and use of data on a variety of performance indicators. 1979 was the first year monies were awarded as supplemental funding “amounting to 2% of the institutional component of the education and general budget.” (Banta, 1988, p. 81). In 1983 the performance funding guidelines were tightened, the state committed itself to a five year performance funding program and raised the percentage of education and general budget awarded for performance funding from two to five percent.

Bogue and Hall (2003) write that in Tennessee, over time, the process has become routine and has received less administrative support and emphasis over time. Turnover in administrative personnel, a lack of confidence by the faculty in the process and competing financial resources have led to a situation where few understand the policy and data is collected simply to receive the financial benefit of doing so.

However, Banta (1988) also found that tensions existed between institutions and their reliance on surveys and qualitative data and the Tennessee Higher Education Commission’s reliance on quantitative reporting preference. There was also tension due
to the performance funding structure’s failure to recognize the differences in institution mission. Colbeck’s (2002) survey finds that the central administration at the University of Tennessee, Knoxville, typically “used performance funds to supplement general funds, not to enhance specific departments. One administrator admitted that although there had been much discussion about how to use part of the performance funding money ‘to actually reward performance’ they had not yet figured out how to do so” (p. 16).

Banta’s (1996) survey during the second year of the 1992-1997 cycle of performance funding policy in Tennessee attempted to see how the new edition of the policy worked in two-year and four-year institutions. Banta surveyed Tennessee’s 23 campus performance-funding coordinators. Each coordinator was asked to grade each specific performance indicator on its ability to measure quality in higher education, then to determine if each performance indicator had lead to improvements in student learning on their campus. Each coordinator was then asked to provide written comments as to what the most helpful feature of the performance indicator and its measure was on their campus, then how they would change the performance indicator and measure to make it more helpful.

In Banta’s (1996) discussion of the results of her survey, the author clamed that most institutions had initiated improvement programs that probably never would have happened without the influence of performance funding. However, individual faculty members see almost no personal benefit from performance funding monies and do not see assessment as integral to their interests. Institutions are motivated to participate in performance funding because the potential for dollar gain far outweighs the cost of
assessment and there are no restrictions on how the money is used. The Tennessee Higher Education Commission has been successful in convincing legislators to continue to fund performance funding by demonstrating that colleges and universities are being held accountable. Performance funding has also been successful in Tennessee because institutions don’t compete for their performance funding dollars, a fund is set up which is 5.45% of each institution’s general budget and institutions earn their money by their performance. Performance funding has been an effective carrot and stick program that is not too heavy on the stick and has evolved over time with input from all sectors.

Tennessee, having the longest history with performance funding, also seems to have had the most academic research conducted on the policy effects the states institutions. Dr. Bogue, a central figure in the creation of the performance funding system in Tennessee, has recently chaired several dissertation committees that examined the impact of the policy at specific institutions as well as one dissertation that examined key state education policy maker’s perspectives of performance funding. Each institutional study had very similar research questions examining the effect of the policy on academic policies and decision making, strength and weaknesses of the policy, and what changes could be recommended to improve the policy. All of the studies are qualitative case studies, with one mixed methods study, utilizing interviews with key personnel, both past and present, document review and direct observation. While the studies are conducted with Tennessee institutions they are applicable to my research in that they examine similar policy effects on campus administrators and those responsible
for interpreting policy and are most affected by the policy. The research is reviewed below.

Hall (2000) conducted a case study of the effect of performance funding on the University of Tennessee, Knoxville over a twenty year period. During her study she interviewed twenty eight past and present campus administrators. The general findings of Hall’s study reveal that the policy has become routine, that there is inconsistent communication about the policy to colleges and departments, little evidence that the policy substantially effects educational policy development process and doubts about the validity of some of the performance indicators.

Hall (2000) found that “interviewees provided their assessment in relation to the policy’s effect on educational decision making, but even when probed many times, failed to communicate specific examples to confirm the hypothesis. Many times, it appeared the interviewees were communicating what they wished was happening, rather than knowing what was.” (p. 84). This finding from Hall is consistent with Ball’s (1994) observation that often political interviewees have a personal and professional stake in being interviewed and can have reasons to be careful about what they say and how they say it. Interviewees were split fairly evenly about their opinion of the impact or effectiveness of performance funding. The policy did produce some identifiable decisions that were impacted by the performance funding process. However, administrators, department chairs and deans were unable to recall the impact of these decisions for Hall’s study even though they may have been involved in the original decision making process in the early days of the performance funding policy. Reasons
cited for performance funding results not being used effectively on the campus were a lack of faith in the validity of data collected as well as a sense that the performance funding process was merely a game (Hall, 2000).

Latimer (2001) conducted a similar study, with the same research questions, at the University of Memphis, in order to develop a twenty-year perspective of performance funding at that institution. Latimer interviewed seventeen past and present university officials, including administrative staff, academic deans, department chairs and directors, and faculty and faculty leadership.

Latimer (2001) found that at the University of Memphis the performance funding policy was an administrative and regulatory burden and that the day to day tasks associated with the program was handled by the Office of Academic Programs and Assessment, that the likelihood of awareness of the program has a strong relation to how close to the president respondents served and how long they had been at the institution, and none of the faculty interviewees could name any of the performance indicators. As for the influence of the policy the educational decision making process, Latimer found that in the early days of the program it was very influential in the decision for academic programs to become accredited. In 1979 less than two-thirds of the institution’s academic programs were accredited. By 1983, 100% of academic programs were accredited. However, as the program has become routine, it has also become less influential in the strategic planning process. Latimer writes “The relationship that the performance funding policy now holds with strategic planning is somewhat at odds with the original intent of the policy. It is as if the university leadership charts whatever
particular course towards excellence that it may envision, purposefully selects indicators under their control that will maximize the performance funding, and then lets the chips fall where they may.” (p. 108).

Lorber (2001) studied the effects of performance funding policy over a 20 year period on the educational decision making process at the Tennessee Technological University in Cookeville, Tennessee. Lorber conducted 18 interviews and used status sampling as well as “snowball” sampling to identify current and former presidents, vice presidents, academic deans, department chairs and selected faculty who were involved in the creation of the performance funding policy at the university. Lorber also included randomly selected faculty who were not involved in the performance funding process on the campus to be interviewed as well in order to determine what some stakeholder may not know about the performance funding policies.

Lorber’s (2001) research found that few academic-related policy changes occurred as a direct result of performance funding. Lorber’s study also found that performance funding has become very influential in the preparation for accreditation and peer visit reviews, has helped the institution emphasize outcomes and the value added component of higher education, has allowed institutions to identify areas of weakness, and has provided additional funds for the campus. However, Lorber also found that performance funding had a negative impact on the university. The study found that performance funding policies continued to accentuate communication problems between the central administration and the academic disciplines, created tension between faculty and the administration as monies received by the institution through performance funding
were often used for purposes often perceived to be unrelated to performance funding, and performance funding processes had become an annual paper exercise for administrators rather than a process that the entire institution participated in.

Russell (2000) studied the perceptions of current and past executive directors of the Tennessee Higher Education Commission, current and past executives of the University of Tennessee system and the State Board of Regents system, presidents and chief academic officers at all nine of the state universities and at three community colleges, selected members of the original (1974-1980) state advisory committee and selected legislative officers including the Chairs of House and Senate Education Committees. Russell worked with different research questions but one question did pertain to the overall impact of the performance funding system on higher education. Russell found:

The impact of performance funding is viewed as positive because it has focused priorities and provided accountability. Performance funding supports institutions focus on mission statements, student learning, and accreditation of programs, graduation and job placement rates, along with identifying areas of weakness. The accountability provides concrete examples for legislature and the public to determine how their tax dollars are being used. It also provides a way of assessing how well the Tennessee institutions are performing on agreed upon standards for accountability (p. 54).

El-Khawas (1998) examined the creation of the performance-funding program in Tennessee and sees the situation differently, through a lens of organizational and
individual non-compliance. El-Khawas looked at the performance indicator development process and found that decisions made which allowed campuses more flexibility in determining compliance in meeting goals were actually undercutting the general policy goals. Institutional measures caused institutions to focus on change in centralized functions as opposed to change deeper in the function of the institution. The advisory board became a venue for continual negotiations for determining compliance after the state demonstrated a willingness to adjust definitions. El-Khawas argues that performance funding focuses attention on certain areas at the neglect of others. And that when a policy is in place for such a long time, the changes that would have occurred without the policy are indistinguishable from changes that occurred because of the policy.

Comparing State Programs

Burke and Modarresi’s (2000) study of opinions of state and campus policy makers critical to the success and survival of performance funding programs, is an attempt to identify characteristics of stable and unstable programs. Surveys were mailed to governors, their educational aides and budget officers, legislative chairs of the fiscal and education committees, chairs of higher education coordinating boards and their senior officials. Surveys also went to presidents, vice presidents, academic deans, and chairs of faculty senates at all public colleges and university in nine of the ten states that used performance funding in December of 1996. In this study, responses from states that later dropped performance funding; Arkansas, Colorado, Kentucky and Minnesota, were considered the unstable group. Missouri and Tennessee were used for the stable group because they most closely matched projected assumptions about successful performance
funding programs. These two states are characterized by “careful design, gradual implementation, considerable continuity, and general acceptance by stakeholder groups” (p. 439). Ohio and Florida were determined to be too uncertain, and South Carolina too controversial to be included in the stable group.

A limitation of this study is that there was a greater response rate from campus representatives than from state officials or coordinating and system officers. Therefore, the results of this study do not adequately reflect the perceptions or attitudes of state, coordinating or system officials. Burke (2000) found that, more than unstable programs, stable programs use a limited number of indicators, have stable state priorities, restrict but provide substantial funding, and have policy values that stress quality over efficiency.

In addition, Burke (2002) found that unstable programs had considerably more input from outside stakeholders such as governors, legislators, and community and business leaders. The goals of performance funding: improved higher education, demonstrated accountability, and increased state funding were considered accurate predictors of stable programs. Concern about state priorities was a priority for the unstable group, as was protecting campus autonomy, avoiding budget instability, rushing program implementation, shifting program requirements, and incurring implementation costs. States with stable programs favored the value of quality more than unstable programs. Both groups gave low scores to the values of equity and choice. Burke speculates that respondents may have misperceived equity as limited to race and gender and were not considering the issue of fair treatment of institutions and encouraging access for all students. Burke also speculates that choice may be misinterpreted and not
understood as meaning to provide campuses with options in selecting among indicators or other program components. Burke concluded that stable performance funding programs did not ignore the challenges of performance funding, but those respondents felt that their programs incorporated workable approaches to those issues. Systems that incorporate the tentative assumptions confirmed by this research are not guaranteed success, but success would be difficult without demonstrating those characteristics.

Serban’s (1998a) study of those involved in the design, planning, implementation and evaluation of performance funding was an attempt to examine critical opinions and attitudes of these stakeholders. 1,813 surveys were sent to state policymakers and campus representatives in the nine states using performance funding in 1996, Arkansas, Colorado, Florida, Kentucky, Minnesota, Missouri, Ohio, South Carolina, and Tennessee. State policy makers included governors, higher education aides to governors, chief state budget officers, chairs of higher education/education and fiscal legislative committees of senates and houses of representatives, officers of coordinating bodies, chairs of system governing boards, and system administration officers. Campus representatives included presidents, vice presidents for academic affairs, vice presidents for finance, academic deans, and chairs of faculty senates or faculty governance bodies.

The survey received an overall response rate of 50.6%. The purpose of the survey was to determine perceptions, opinions and attitudes of those surveyed concerning performance funding in general and in their state as well. Questions asked were divided into two areas, conceptual and operational. Conceptual questions concentrated on purpose, values, performance indicators, indicator weights, success criteria, funding
levels, sources of funding, and the relationship between performance funding and state budgets. The operational questions concentrated on participation in the development process, difficulties of planning and implementation, overall advantages and disadvantages, effectiveness, methods of improving the current performance funding programs and prospects for the future.

Limitations to the study include the volatility of performance funding during the survey period. At least one state had abandoned performance funding by the time the survey was published and several other states were making significant changes to their system. There was a very low rate of return among legislators and chairs of system governing board. Interestingly, no surveys were returned by the Ohio governor’s office and only one survey was returned by an Ohio legislator. Faculty and students were not surveyed.

Serban (1998a) found several interesting results: almost all campus groups perceived accountability as the actual purpose of performance funding and expressed a desire to shift the focus to institution improvement. Legislators were split between institution improvement and meeting state needs as the desired purpose of performance funding but they agreed that the current purpose was increasing budgets. Most campus respondents, coordinating agency and system administration officers believed that efficiency was the value performance funding promotes. Most respondents preferred a combination of improved institution performance over time, comparison with peer institution, targeted external standards or a combination of all three as their first choice for success criteria. Respondents also preferred a less than six percent allocation of their
general budgets to performance funding. Respondents wanted performance funding to be in additional money as opposed to reallocation of the base budgets. And finally, respondents were still generally undecided about the effectiveness of performance funding, however, state officials were more optimistic about the future and potential of performance funding than are campus leaders.

Burke (2002) and the staff at the Higher Education Project at the Rockefeller Institute sought to measure the response to performance funding by key stakeholders in the five states using performance funding in 1999 and early 2000. Over four thousand surveys were sent to presidents, chief academic officers, senior business officials, academic deans, and department chairs at all public two-year and four-year institutions in Florida, Missouri, Ohio, South Carolina and Tennessee. With an overall response rate of 45%, Ohio achieved the lowest response rate of 37%.

The survey was similar to the tool used by Serban (1998a) and contained twenty-one generic questions with a few questions that were state specific. Most questions contained a five-point Likert scale and four questions contained a “can’t judge” category that was not calculated into means or percentages. Two limitations were noted, department chairs accounted for 64% of respondents and a sizable amount of deans and department chairs responded “can’t judge” or did not answer questions that pertained to issues outside of their academic interest. The study sought feedback in the areas of familiarity and dissemination, stakeholder influence, performance as a budgeting factor, purposes of performance funding, policy values, indicator preference, success standards, campus use of performance results, impact on campus performance, achievements of
Burke (2002) found that familiarity with performance funding varied widely with the greatest familiarity in South Carolina and the least in Ohio. Overall, respondents to this survey were less familiar with performance funding than the respondents in the Serban (1998) survey. Two-thirds of Ohio’s deans and over 80 department chairs had little or no familiarity with performance funding. Overwhelmingly, respondents felt that performance was an important factor in budgeting. All states, except Florida, ranked performance second or third from a list of six budgeting factors. Ohio ranked performance second. South Carolina reported that performance funding results are used in more decision making areas than any of the other reporting states. Ohio reported the least use of performance funding in campus decisions. Across the board states, including Ohio, ranked Mission Focus as the area most impacted by performance funding on campuses. Only South Carolina did not rank Mission Focus as first, but second to Administrative Efficiency. Only 44% of Ohio respondents felt performance funding had increased accountability. Campus leaders in all states said that choice of performance indicators as the greatest problem with the program. And Ohio was the least optimistic about the future of the program continuing, but a majority of the Ohio respondents do feel that the program will continue.
CHAPTER THREE

Research Method

This is a qualitative study which utilizes the case study approach. Quantitative methodology is appropriate to measure a phenomenon while qualitative methodology attempts to understand the phenomenon (Patton, 1990). This qualitative study seeks to understand the impact of performance funding (Research Challenge and Success Challenge) on the decision making processes in three of Ohio’s thirteen four-year institutions of higher education through document review, interviews, and direct observation. “Every type of empirical research has an implicit, if not explicit, research design. In the most elementary sense, the design is the logical sequence that connects the empirical data to a study’s initial research question, ultimately, to its conclusions” (Yin, 1994, p.19). There are three different approaches to collecting data in qualitative interviews. This study will use a standardized open-ended interview approach. This approach calls for specific questions to be asked of each respondent and allows for limited follow up and probing questions. This approach is best utilized when it is important that each respondent is asked the same questions (Patton, 2002). Little qualitative research exists on the impact of performance funding on institutions of high education in Ohio. The need to understand the impact of this program in Ohio and the exploratory nature of qualitative research would appear to be a good match of study topic and method (Creswell, 2003).

Triangulation is the combination of methods used to study a phenomenon and can be both qualitative and quantitative (Patton, 1990). Denzin (1978) has defined four types
of triangulation: data, investigator, theory and methodological. For this study I will employ data triangulation by interviewing specific personnel at each institution, observing, reviewing specific documents and observing physical spaces. Interviews will be conducted in person. Questions will be open ended and follow up and probing questions will be asked in order to discover rich data. For the document review, I will review relevant performance funding documents created by the universities studied. Both the Success and Research Challenge require institutions to provide reports to the Ohio Board of Regents about their programs. For Success Challenge, campuses must submit reports outlining their efforts to improve graduation rates of at-risk students and time-to-degree for all students. These reports are shared among institutions by the Ohio Board of Regents for best practices. Institutions receiving Research Challenge funds must submit reports outlining how they plan to allocate funds received from the program. Fund recipients also submit reports detailing eligible research expenditures from the previous year. All research activities must lead to the creation of new knowledge. I will also be able to observe physical spaces, such as research facilities that apply to the Research Challenge as well as tutoring, mentoring, financial aid and student services offices and staffs which apply to the Success Challenge.

Rationale for Method

Research strategies and designs may overlap but several conditions should be considered prior to selection of a research design. Researchers need to determine the type of research question being studied, the amount of control that a researcher has over the people or phenomenon being studied, and whether the focus of the research is on
contemporary or historical events? An experimental research design is appropriate when the research question is *how* or *why*, when the study is of contemporary events, and some degree of control over events being studied can be achieved. A case study approach is more appropriate when the how or why being studied is contemporary and the researcher has no control over the events being studied (Yin, 1994). Qualitative methods focus on exploration, discovery, and inductive logic. The researcher attempts to make sense of the situation being studied without imposing preexisting theories of causality. Research starts with specific observations and moves toward general patterns. Understanding comes from the researchers experience with the setting. Theories of what is happening are grounded in experience with the program instead of imposed prior to observation with hypothesis or deductive constructions. Qualitative research focuses on individuals, and studying individual experiences and seeks to avoid hypothesizing or stereotype people’s experiences prior to conducting the research (Patton, 1990).

A case study approach is best utilized when complex issues are being studied. “A case study design is employed to gain an in-depth understanding of the situation and meaning for those involved. The interest is in process rather than outcomes, in context rather than a specific variable, and in discovery rather than confirmation. Insights gleaned from case studies can directly influence policy, practice and future research” (Merriam, 1998, p. 19). Using a qualitative approach such as this, I am making assumptions that knowledge is socially constructed and that the study participants are seeking understanding of the world in which they work. These meaning can be varied depending on their situation. As a researcher I will rely as much as possible on the
experiences of the study participant’s views and attempt to make sense of meaning that others hold of their world (Creswell, 2003).

A great deal of research about performance funding is quantitative. The researcher, however, did find several qualitative dissertations that examined the effects of performance funding upon a state system and institutions. Five studies examined Tennessee’s experience with performance funding in four-year and technical colleges (Hall, 2000; Latimer, 2001; Lorber, 2001; Russell, 2000; Shaw, 2000). I was able to find one qualitative dissertation of performance funding in Ohio (Dunlop-Loach, 2001), which is a study of two year institutions. Schaller’s (2004) dissertation looked at Success Challenge awareness between student affairs and academic affairs administrators, but this was a quantitative study. A deeper and richer exploration of the nature of the impact of performance funding on campus decision making processes within Ohio’s four-year institutions of higher education is warranted. State legislators are under budgetary constraints as well as public pressure to demonstrate accountability. At a time when any budget item may be cut to balance budgets, lawmakers need to have a complete picture of the impact of this policy on campus performance. This study also gives a voice to campus administrators most impacted by performance funding systems.

The case study approach is frequently used in a variety of research fields, including social science, policy and public administration, and education. Although case studies are frequently used, there often exists uncertainty centering on the exact nature of what a case study really is and its appropriate usage. According to Yin (1994) “the case study has long been stereotyped as a weak sibling among social science methods.
Investigators who do case studies are regarded as having deviated from their academic disciplines, their investigations as having insufficient precision (that is quantification), objectivity, and rigor” (p. xiii).

The detailed data and holistic account provided by case studies can advance knowledge in the fields in which it is used. “Education processes, problems, and programs can be examined to bring about understanding that in turn can affect and perhaps even improve practice. Case study has proven particularly useful for studying educational innovations, for evaluating programs, and for informing policy.” (Merriam, 1998, p.41). Case studies encourage the use of multiple data collection points. This leads to triangulation and reduces the risk of systematic distortions that may occur if only one method is used. Case studies, while not just providing a single snapshot of an event, also provide rich descriptions of a phenomenon which can provide a detailed historical account of an action or event.

Case studies may appear very easy to do. In reality they may be one of the most time consuming research methods available to researchers. Data may need to be collected from various settings and locations. This may encumber the researcher with unique expenses such as travel, accommodations, and time away from the job. Researchers may enter a case study unprepared and become overwhelmed by the data complexity of collection methods and data analysis process. Completed case studies may be too long and involved for policy makers and educators to read (Hall, 2000).
Researcher Positioning

This researcher works in student affairs in higher education and does not work with state level budgeting issues in the course of performing his job responsibilities. The researcher did work in higher education in the state of Ohio prior to the start of research portion of this dissertation. The researcher did not work or earn any degrees at any of the institutions that are being studied. At the time the research was conducted for this study the researcher did not live or work in Ohio. The topic came to the researcher’s attention during his course work and through interactions with program faculty. Therefore the researcher is able to analyze and process the experiences of the study participants without bias.

Inquiry and Interview Approaches

Design flexibility is a part of the qualitative method. Qualitative inquiry can not be completely defined prior to the actual study as new avenues of questioning may arise during the interview process which will need to be examined. The naturalistic and inductive nature of qualitative methods requires that operational variables and hypothesis not be determined prior to interviewing the study participants, or that the instrumentation be finalized either (Patton, 1990). As the researcher for this study, I am not trying to make judgments about the value or appropriateness of Research Challenge or Success Challenge in Ohio, only to examine the experiences and perspectives of those most familiar with the funding policy on several Ohio campuses.
Basic Research Question

The purpose of this study is to explore the impact of Research Challenge and Success Challenge funding policy on three of Ohio’s four-year institutions of higher education.

The research questions guiding the study are:

1. How has Research Challenge funding affected the University of Cincinnati’s research initiatives?
2. How are Research Challenge funds allocated at the University of Cincinnati?
3. How effective are Research Challenge funding policies in motivating the University of Cincinnati to meet state goals?
4. How has Success Challenge funding affected Miami University’s initiatives to improve the at-risk graduation rates of its students?
5. How has Success Challenge funding affected Cleveland State University’s initiatives to improve the time-to-degree and at-risk graduation rates of its students?
6. How are Success Challenge funds allocated at Miami University and Cleveland State University?
7. How effective are Success Challenge funding policies in motivating Miami University and Cleveland State University to meet state goals?
8. Based on the professional experiences of selected campus leaders at the three Ohio four-year institutions of higher education studied, what strengths, liabilities and areas for reform can be identified?
Sites

As this is a qualitative study of performance funding in Ohio’s four-year institutions of higher education the goal is to gain rich and meaningful data. Performing a study of this nature would be an overwhelming task if all thirteen institutions were studied. Therefore, three representative institutions are studied in depth. All sites will be Ohio four-year institutions of higher education and each institution is regionally accredited. Ohio’s performance funding was broadly defined to meet the strengths of several different missions within the state. The Research Challenge generally applies to Ohio’s large research institutions, the largest recipients are consistently The Ohio State University and the University of Cincinnati. Case Western University and the University of Dayton, both private institutions, also receive a large portion of these funds. The two different portions of the Success Challenge also apply to different types of campus missions. The at-risk portion of these funds applies to more urban, commuter student oriented institutions such as Wright State University, the University of Akron, Cleveland State University, the University of Toledo, Youngstown State University, Central State University and Shawnee State University. Each of these institutions is located in urban areas (with the exceptions of Central State University and Shawnee State University) and are largely commuter campuses. The time-to-degree portion of funding applies to more residential campuses such as Miami University, Ohio University, Bowling Green State University and Kent State University. Each of these institutions is located in rural areas and has large residential populations. For this study, one institution from each of these three broad categories was selected.
Individuals

The populations studied were individuals on campus that held key leadership positions and are typically surveyed for attitudinal studies about performance funding down to the department chair level. This study does not examine faculty perspectives as the literature is pretty clear that faculty is largely unaware of performance funding incentives. For this study, various positions were interviewed at each institution in each of the three broad categories described above. This approach provided depth within each institution studied and valuable insight into the effects of performance funding in the decision making process on those institutions.

Procedures

First contact was made by one of my dissertation committee members who has extensive knowledge of Ohio’s budgeting system and has many campus contacts. This committee member contacted one person from each campus to secure their agreement to help me set up the interviews. Each campus representative contacted agreed to help me set up my interviews. I contacted each campus representative to discuss my research and to help with the coordination of the interview process. Once the selected interviewees had agreed to be interviewed by me, I contacted each person directly to secure their agreement.

Prior to the interviews a copy of the interview protocol and consent form was emailed to each interviewee. At the interview, consent forms were signed by all participants. After the interviews were completed, transcripts of the interviews were emailed to the participants to be reviewed for accuracy. In some cases, respondents were
contacted via phone and were asked additional questions. The identities of the participants will be kept confidential as it adds to the validity of the data and is an important ethical consideration (Denzin & Lincoln, 2000).

Collection of Data

Data for this study was collected through open ended interview questions. Follow up and probing questions were asked. This process allowed me to understand the impact performance funding has had on the participants and their decision making process.

Interview Procedures

Participants were initially contacted through email (Appendix J, K, L). Follow up contact to arrange the interviews were conducted via email and by phone (Appendix M). Copies of the interview protocol (Appendix N, O, P) were sent to the participants prior to the first interview. This first round of interviews were conducted in person, recorded, and then transcribed. I also take notes during the interview process. Participants were then sent transcripts of the interviews to ensure accuracy. This study involved interviewing participants within Ohio’s institutions of higher education that are very powerful. Most research in education is research down which applies to interviewing students or teachers. Researching up is researching the leadership in education policy and is a relatively new phenomenon according to Walford (1994). Mickelson (1994) warns that when researching the powerful in education, researchers should not be so concerned with rapport that researchers and end up not challenging evasive responses and accept bland answers. When interviews the powerful, the researcher should always be prepared in order to appear knowledgeable on the topic being studied as the powerful are
able to challenge the questions asked of them. The powerful are good public relations operatives and researchers should not accept a *public relations* answer to questions. When designing interviews for the powerful, semi-structured interviews are most appropriate as the participants are very knowledgeable about the topic being studied and should be allowed to elaborate on their understanding of how systems work (Walford, 1994).

**Data Analysis Methods**

All interviews were recorded and transcribed by a professional transcriber. Transcripts were coded by question and by response. All collected interview information was kept confidential. Interview participants were coded for confidentiality. Only the researcher had access to the taped information. Once transcription has occurred, the tapes were locked in the researcher’s office at California State University, Northridge. Audiotapes were destroyed upon successful completion of the dissertation. Telephone or email follow up interviews were completed by the researcher and notes from those interviews were kept confidential and in the possession of the researcher. After the interviews were transcribed, they were sent to the interviewee for review. Each participant was given the opportunity to make corrections, additions or deletions to the transcription. All tapes, notes and written materials will remain in the possession of the researcher in a secured area of the California State University, Northridge office.

Grounded theory was used in the analysis of all data. Grounded theory is developed as a theory that is grounded in data that often focuses on process. Schram (2003) warns that grounded theory is often misinterpreted to imply that a researcher is
simply a *blank slate* that gathers data then steps back to watch a theory emerge. A researcher should recognize that grounded theory does involve induction, deduction and verification.

Ball (1994) warns that interviewing the powerful in education can often be *game-like* and when analyzing interviews with the powerful, researchers should view the interview as part of the *play of power* instead of separate from it. Kogan (1994) notes that the care an academic researcher uses to analyze data by triangulation of different accounts and data sources is what separates academic research from journalism. While journalist may be interested in the short term and scandal, academics must be focused on long term analysis and understanding of events. According to Whitty and Edwards (1994) and Walford (1994) the powerful also have the ability to challenge comments written about them which may lead to the research feeling the need to self censor for various reasons. Often these issues do not arise when researching down.

The primary audience for this study is state policy makers, as such the analysis focuses on utility and relevance to the policy decision making process (Patton, 2002).
CHAPTER FOUR

Research and Findings

This chapter summarizes a series of interviews with fifteen administrators and high level executives at three of Ohio’s four-year institutions of higher education. Each interviewee is an administration official within the university who has a unique perspective of the financial impact of the program as well as institutional initiatives created to attract those funds. All but one interviewee works in the budget, finance or institutional research office. Each institution was chosen specifically for their unique position within the state to receive these funds. The University of Cincinnati was chosen to study Research Challenge because of the amount of federally funded research conducted by university faculty. Miami University and Cleveland State University were chosen to study Success Challenge because of their student populations. Miami University was chosen because of its large residential student population and Cleveland State University was selected for its commuter student population.

The interviews were conducted face-to-face and on-site at each institution. One interview was completed over the phone. The on-site interviews added depth and insight into the campus culture of each institution. Each campus represents a different educational mission and student body. Each campus represents a different experience with a state funding policy that applies state wide. Significant themes that emerged at each institution are discussed in this chapter.

Interviews were open ended with slight differences between Research Challenge and Success Challenge questions. Interviewees were allowed the freedom to discuss
issues not included in the guiding questions and to add information, as they deemed necessary. The guiding questions were used as a guide, not a strict format. I asked questions and commented on participant responses during the interview. A sharing of information took place.

After the interviews were complete, follow-up questions were directed to those participants where clarification was needed. All participants were given the opportunity to add or expand on the information that had been gathered.

University of Cincinnati

The University of Cincinnati Institutional Plan for the Use of Research Challenge Funds for FYs 2006 & 2007 (Ohio Board of Regents, 2006 - 2007) breaks down how Research Challenge funds will be spent during the budget cycle. Thirty percent was spent on recruitment and retention of world-class faculty, 20% on Interdisciplinary Research Institutes/Centers, 10% for Third Frontier Initiatives, 30% cost-sharing for extramural grant proposals and equipment funds, and 10% for undergraduate and graduate research programs.

Interviews at the University of Cincinnati were conducted over a two-day period. Each interview was conducted face to face in the interviewee’s office. The interviewees all had a great deal of working knowledge of how the university functions, with only one interviewee having less than 20 years experience on the campus. All were open and honest, and provided differing perspectives, about the impact of Research Challenge on the campus.
Respondents at the University of Cincinnati displayed different levels of understanding of Research Challenging funding and its role on the campus. On this campus funds are collected by the university, thirty percent of the funds are given to the provost to be used at their discretion, thirty percent is given to the colleges based on their research holdings, and the remaining forty percent is given to the vice president for research. The colleges are supposed to use their share to invest in research. For the vice president for research, the funds are used to fund special research projects, recruit and retain “world class researchers”, initiate multi-disciplinary research and fund Third Frontier projects.

Understanding and Importance at the Executive Level

At the executive level, a clear and concise picture emerged as to how the funds were spent. The funds are the only discretionary funding available to the university to meet their research needs “it goes to help recruit and retain world-class faculty, Interdisciplinary Research Programs, Third Frontier initiatives, cost sharing on external grants, like NSF grants, and then undergraduate and graduate research programs”.

At this level the importance and value of this funding was clear. One executive stated:

That funding that I get through that source goes into my discretionary pot. And, my experience with it has been typically using it as a discretionary pot to help with faculty start-up… It’s enabled us to try to better leverage, just as the State’s doing, better leverage those areas of research that can in turn bring in additional competitive federal dollars. So, its been used by us as strategically to seed
initiatives, interdisciplinary initiatives, for example, to support young investigators that’s helped us. Basically to provide resources which in turn will better help us to leverage additional resources.

The understanding of the importance and impact of the funding at this level was also consistent during these executive interviews:

So, they need start up funds. If the college doesn’t have the amount of funds that are needed, I help out, …So we leverage it four ways. These people are people that will be interdisciplinary. They’re hired with the understanding that they’re already going to interact across colleges. So the colleges understand that and I think that’s the way to jumpstart some new initiatives and get some new talent. And then more recently, we used it to retain some faculty who had offers to go elsewhere and again it was a three- to four-way split between the provost, the dean, the department and vice president for research.

Understanding and Importance at the Administrator Level

Interviews with participants at the College and Department level revealed a different understanding of the program. While these participants knew about the program and were aware of the funding mechanism, they clearly were not as positive about the impact of the funding in their particular area. One Administrator questioned the impact of the funding on interdisciplinary research which it is often claimed as funding interdisciplinary collaborations on campus which might not otherwise happen:

The very significant problem with evaluating something like Research Challenge or any program that’s designed to stimulate and reward folks for doing research is
you usually end up giving the money to people who end up being extremely productive, and then you’re faced with this question “Did it really make any difference in that person’s professional development?” We have something on campus called the University Research Council. There’s about a half million dollars of funding for research now that’s provided on an annual basis and those are very modest grants that are given out. And when you look at funding history for that program, you say ‘wildly successful’, wildly successful because it’s very, very common for, to getting assistant professors to be successful when you are winning seed grants, then you go on to do great things. They were the best people to begin with. Did that help them? Absolutely. Would they have done it anyway? Quite possibly. And that’s the kind of thing when you’re thinking about the assessment. I often see with Research Challenge, the Board of Regents making the case for the legislature that they’re very highly leveraging those funds to win federal or any kind of sponsored research. Those numbers can look extremely impressive. The issue there is that would have happened anyway. It’s really in some sense control, that you can’t really do the experiment very well. At the department level the impact seems to very different. Under the current funding model, 40% of the Research Challenge funds received by the university is given to the colleges based on their research holding generated. But there is no mechanism to ensure the funds get down to the departments that generated the funds. When asked “Is the impact of Research Challenge on this campus meaningful?” one administrator replied:
Well, again, I’m not so sure how to answer that. If you’re talking in terms of the fact that we did it, money comes in to the university and that it was spent in a useful way. I can’t answer that, because I don’t know if we’ve ever gotten any of the funds. It hasn’t trickled down to the departments. I have no working knowledge that it’s working, it’s coming to the university, and they’re using it for other more productive reasons. However, I do think that, as I said before it was part of the research equation… I do think it did have some meaningful impact, I just can’t tell you anything more than that.

At the college level, one administrator was aware of the funding but was not able to identify any real impact of the program upon their college beyond two continuing initiatives to fund research institutes that were in existence prior to their arrival at their current position:

We get certain allocations for the college. We honestly do not know for sure. We couldn’t uncover it before your visit. Whether the amount we get, which is very modest, is proportional in any formulaic way to our external funding. We get our cut, or is this a discretionary decision being made by the research office? We honestly don’t know how much money we get; we don’t know why we get that much. Within the college, again, our funding right now is locked up to specific programs, and so now if it happens that those two programs are in our biggest externally funded departments, but if things you know, things have evolved over the years and so we have other departments that are rising in external funding. Right now they are not getting in this fashion they are not seeing any benefit.
Frankly, Research Challenge is not reinforcing any growth that’s happening there nor, if you will, punishing any erosion that’s happening… I honestly don’t know how much Research Challenge dollars are used by the vice president for research in a discretionary fashion to provide start-up funds for faculty.

Principle Investigators

Some administrators were not sure if Research Challenge funds were distributed back to the Principle Investigators who created the research base funds for which the university was being rewarded. One administrator stated “Well, we do have a formula for the overhead distribution that does give back into the colleges, and give back to some extent; give back to the PI’s themselves.” Another administrator, at the department level for a department that does generate a significant level of external funding, contradicted that statement with:

Well, I’m sort of the trickle down, the lowest person on the totem pole on your list. Our only real interaction with the Research Challenge has been the putting together information for the research office as well as for other members of the university about how the department … might fit in with certain aspects of the Research Challenge. So, our own experience at this point has been in providing that supportive information for the University to be able to compete in the Research Challenge. That’s the only experience, really the only interaction that I have had with Research Challenge to date.
Faculty Awareness, Recruitment and Motivation.

When interviewees were asked about the general faculty’s awareness of Research Challenge funding, very differing opinions were expressed. On the executive level, there was a clear understanding that the faculty was aware of Research Challenge funding, while at the department level and below, the impression was different. One Administrator stated:

Yes. I’d say maybe in a few ways. Through their colleges, they should be because of the allocation that goes to the college that probably between the dean and the associate dean for research and maybe some of the department chairs they would know about it. So, it depends on how much they talk about it. I also have a group called the “research officers” of the university. Which are representatives from each college or some stand-alone schools and institutes and the various people who are involved in the infrastructure for doing research like the Intellectual Property Office, head of Entrepreneurial Affairs. We talk about that all the time; and talk about how it’s allocated and what our allocation is for the next year and things like that. I think in that group they are supposed to go off to their units and talk about these things, so I would hope that they do. But I don’t know how much they do. But they definitely seem to know to come to me to ask for money. Now they may not realize the only money they’re asking for comes from Research Challenge, because I don’t have any other money to give them. One administrator expressed the same belief that faculty are aware of Research
Challenge but provided a different perspective on how and why they would be aware:

I believe they are. The reason I say that is because our faculty are very involved through the Faculty Senate and those places like that. All the committees, we do a lot of committees and we involve faculty on all so, because the Research Challenge dollars are state appropriated dollars that come in every new season, so I think they know pretty much they’re there. I don’t know how much knowledge the new faculty who comes in; I don’t know how much knowledge on the west campus, which is the academic side versus the College of Medicine side. I don’t know if they know as much about it as they do probably on the College of Medicine side, because those people are so research oriented, they know every dollars’ worth of research dollars that are available. I don’t think that happens as much on the other side of campus. I don’t know how well we do as far as letting the new faculty, I don’t know when they come in and they do their beginning things what do they verse them on all the things that are there such as Research Challenge dollars. I mean research, yeah, Research Challenge dollars. I’m not sure; it’s probably better known on the east campus than it is the west campus. The east campus being the College of Medicine campus.

Another administrator also felt that faculty was aware of Research Challenge because of the creation of the vice president for research position within the university who has sponsored campus wide proposal competitions. This respondent felt that because of the creation of this position, Research Challenge was a topic that more faculty
were aware of, however, the remaining problem on campus is the divide between the medical and non-medical faculty on campus:

Proposals are asked for regularly with regard to these sources that are done on a competitive basis. I think they are very aware. I think it’s probably gotten a little better. Awareness is more widespread with the advent of the vice president for research position. I think that separating it off from the graduate school, having it be seen as a cabinet level advocate, has made that awareness not only the awareness but the credibility that the competitive system is capable of making serious awards to people more evident on campus. If we had one issue here, which isn’t really Research Challenge’s problem itself, it’s that with the medical and non-medical on campus which tends to be the case a lot with very large research institutions sometimes you have some kind of a gap or a gulch between medical and non-medical research. I think the vice president for research has worked very hard to make sure people believe that there is research support for all the disciplines. And I think that’s raised that awareness from where it was initially. We had a more robust medical research strategy than we had general research strategy. But I think that has changed dramatically within the last five to seven years. And this position which has been around for about three has just made that even stronger. So it will be a more uniform effect now.

At the college level, one administrator guessed that currently only two departments from their college were aware of Research Challenge. In the past, more
departments were aware of the funding because of previous campus competitions to create proposals to receive Research Challenge funding.

At the department level, one administrator, when asked about faculty awareness, they framed their response in terms of faculty providing information to the university about how their own research could position the university to receive Research Challenge funds as opposed to the faculty’s awareness that they could receive funding themselves for their own research needs:

Well, I can really only speak for my department. The faculty that were really involved in the Research Challenge, which probably accounted for about half of my faculty were made aware of what this was for. They didn’t just provide information blindly. They were made aware of what was going on by several members. …what that meant was, was that the group in the College of Medicine that were soliciting this information and the group in the College of Engineering specifically targeted faculty to let them know what the Research Challenge was about. What were the top priorities and to ask if they felt they fit within that to respond. And then it was my job to see that they did respond. So, I also informed them what was going on in terms of the Research Challenge. So, I actually think faculty was pretty much aware.

One administrator claimed, more frankly “Largely, no. Certainly if they’re aware of it, it’s not something that’s playing a significant role in their decision making about what research programs to pursue or that sort of thing.”
Impact on Planning

Each respondent was asked about the impact of Research Challenge upon leadership decisions on the campus. Their responses were varied and did not present a consistent view of the impact of Research Challenge funding. One administrator, taking more of faculty member’s perspective, stated:

The fact of the matter is that the vast majority of these funds are generated based on the hard work, and the creativity, and the ingenuity of individual faculty, who are applying for sponsor awards, and for whom awarding those Research Challenge funds is inconsequential. There’s no connection, no necessary connection, there would be only a very indirect connection to support the individual faculty member.

A more global perspective was discussed by another administrator, who stated: It’s enabled us to try to better leverage, just as the State’s doing, better leverage those areas of research that can in turn bring in additional competitive federal dollars. So, it’s been used by us as strategically to seed initiatives, interdisciplinary initiatives, for example, to support young investigators. That’s helped us. Basically to provide resources which in turn will better help us to leverage additional resources, which I think is the idea at the State level, I think we try to do the same on a local level.

One administrator was able to give a very rich and detailed example of how Research Challenge has had an impact upon the institution:
Well, I do think it does impact the planning. I was part of a process this summer for the president and Provost Perzigian that looked at specific priorities for the university in the future. This was a very complicated process. I actually chaired one of three committees that was actually doing this. Now I was not on the, specifically on the committee that focused on research initiatives, more on looking at which departments would have priorities in the future. But, as a part of the overall process I was well aware what their process was. It was a complicated process, which included a lot of different things. But I do know that things such as challenges from the state did work its way into the equations that help set the priorities for the university. Simply because a lot of the priorities at the state level are also going to be priorities at the national level, even though the state might be a more readily source of funds. But nano science and those types of things, which certainly hold a big stake potentially in the future, the state in terms of the Research Challenges were in fact things that rose to the top in setting priorities for the University over the next few years to keep up with those challenges. Again, I’m not so sure I can say specifically the Research Challenge was talked about and everything was set according to that, but it certainly did play a role in setting some of the priorities for the University.

One administrator provided a clear example as to how Research Challenge is involved in the planning process at the institution:

There are two big problems with strategic planning at an institution like this. One is that it never gets focused. It goes into broad scan period and it never comes
out. So you never bring it down to a level that you’re going to actually execute.
And the second problem is that people want to know at the beginning of that
process that there’s some funding source for a strategy that they agree on and
push. I think the planning process here has been made effective, especially in the
research area by a belief that the leadership could deliver a set of resources to pull
it off. Now it hasn’t just been Research Challenge. As I say, the sharing formula
with regard to the federal grant has been a big help…. And so, I think Research
Challenge and other things have made leadership credible because they can do the
visioning, they can do the focusing, and then they can organize a research
program behind it.

Increase Research and Research Funding:

Respondents were asked to talk about the ways the Research Challenge funding
may have increased or impacted the amount of research done on the campus. One
administrator explained:

Yes. Definitely. By investing in, when we talk about these Interdisciplinary
Research Programs, we have a faculty member X in College of Medicine and
faculty member Y in Engineering. There’s no true incentive for them necessarily
to get together. They know what they have to do to fund their research program
and keep it going. If Research Challenge dollars can be used to get them together
by doing these pilot grants, and then they see what each has to bring to addressing
a problem, then, you know, that’s something that wouldn’t happen otherwise.
Some of this may happen just because if people happen to meet each other, but
it’s a big university, you’re on one far corner of the university. The other end is, it’s connected but its a few miles that way. It’s hard to get people together. By doing something like that it brings them together or it wouldn’t have been done otherwise. And example was the last competition for these Interdisciplinary Public Grants. I got 38 grants, which meant that two colleges had to get together and there were 140 faculty out of those 38 grants, which showed it was something to get people together. We were all only able to fund five, but we’re doing another round this fall.

Another administrator expressed something of an opposing viewpoint:

Q: Okay. In some of my conversations I’ve had, it looks to me like the way Research Challenge funds go back to departments is through seed money and to help recruit faculty, to keep faculty here, so have you ever been involved in those kind of processes?
A: Not me.

Q: No. Okay. Have you received any proposals, I’m not a hard science person, but, proposals for research, like we have this money here, we want to put it out, have a competition to the faculty, go ahead and put those proposals together and we’ll pick some to fund.
A: Well, we see those. At the University of Cincinnati that happens all the time.
Q: From the institution?
A: From the institution.
Q: Who puts out those challenges?
A: But what I’m saying is I haven’t seen any more recent challenges and financial support that I recognize as being specifically being related to the Research Challenge. For example, Dean Stern, College of Medicine put out a new program this year for bridge funding for people who are in-between grants, but haven’t quite lost their funding from the first grant, they still have exciting research, still waiting to hear from the other grants. They may have a six month to a year hiatus in between. So, he put up money that was all brand new. And I don’t, I think he put that up out of his own resources, I don’t think he put that up out of Research Challenge funds. I haven’t seen any increase in stipends for graduate students, and a redistribution of money for initiatives that are for graduate student support, tuition support, specifically for initiatives in a focused area. I haven’t seen any of that. I can’t tell you that I recognize any penny that has trickled down to our department that is the result of Research Challenge. Now that doesn’t mean that doesn’t exist, that just means I have not seen any money that I identify as Research Challenge. I’m not so sure they would necessarily say this is Research Challenge money.

Q: Right.

A: They may just have a program and we don’t know where the money comes from.

Q: Okay.

A: Neither do the other departments.
Examples of Positive or Negative Decisions Related to Research Challenge:

Respondents were asked to give examples of both positive and negative decisions that have been made, due to the impact of Research Challenge, at the university. Two of the respondents talked about the creation of two separate institutes on campus, the Sensors Institute and The Institute for Nano Scale Sciences and Technology. Both were created from a competitive process geared at getting faculty to write grants across colleges in order to create a new institute at the university.

A more common theme among the respondents was to not be able to identify a specific decision, either positive or negative, but to have a general sense that it was working well on campus and having a positive impact. One respondent talked about the larger picture of purposefully creating a system for dispersing Research Challenge funds to other campus constituents besides the College of Medicine. This respondent felt that that policy decision was significant and was able to list several colleges and departments that had received funds for serious investigation due to this policy decision.

Economic Impact

When discussing the economic impact of Research Challenge funding, several different views were expressed. There was a general consensus that there was an economic impact involved with Research Challenge funding, however, the opinion as to the degree of the impact on the state varied.

One executive seemed unaware of the goal of Research Challenge to aid the state in economic growth and expressed some frustration as to how the economic impact was actually measured within the state compared to Third Frontier funding:
So, you’re right. The state has the initiative to invest in research, to create new jobs in the State of Ohio and that’s the explicit goal of the Third Frontier Grant funding. We were told two years ago, when we wrote our plans for our Research Challenge allocations that a percent of it had to go to the Frontier grants that then translates into jobs. The problem is that’s hard. It’s interesting to me that jobs within the University don’t quite count the same when those are pretty high-level jobs. They contribute to the economy. … We have an incubator on campus called Biostart, which is for the life sciences, and a fair number of companies have from the University of Cincinnati are there. You’re not talking big numbers then, I think it’s like 1, 2 or 3 people. …But the Third Frontier does have the goal of creating new jobs in the State. I didn’t know that the Research Challenge dollars had that as an explicit goal except for the part that we can use of that as support of the Third Frontier initiatives. I would say the Third Frontiers are only three years old and that’s not enough time to really see an impact. …I’ve never been asked in the stuff I submit to them how many new jobs have you created, but for Third Frontier we’re asked that all the time.

One administrator was also skeptical about the direct economic impact that Research Challenge has shown:

That’s a quite a mountain to climb. Having a small company, understanding much better what the impediments are to bringing some kind of product to market that will be successful. This is a small piece of that larger puzzle and certainly we would be unrealistic to expect that Research Challenge in
and of itself could have much impact on the kind of economic development that you’re discussing. So, my guess is that we would have a hard time identifying technologies that were funded through Research Challenge that led to products. There’s faculty and post-docs, technicians, graduate assistants, all of whom are here eating, drinking and paying taxes, expending those dollars that they’re getting through the sponsored activity. That’s a clear impact. I think a very clear impact. The sort of great ideas that somebody’s able to commercialize, well, maybe so. But, Research Challenge is not doing that, Research Challenge is part of the picture.

One administrator felt that the economic goals of Research Challenge were realistic, but that the direct connection between hiring faculty and funding specific research to economic growth was a rather difficult connection to make. This administrator also felt the Research Challenge was not meeting the goals of the state and that a more concerted effort involving more money and focus is truly necessary:

I think that in some areas, it is a very realistic goal. In some areas, I think that in areas like medicine, engineering, taking the whole package, right? Not trying to break it down piece by piece, but that whole package of seed money which will lead to external funding which will lead to marketable things, which will lead to technology trends. There are some examples of that I think are very real and are happening. I think it’s perhaps a little short-sighted perhaps in that, direct line is rarely that direct and the path from first dollar spent to economic growth in the end is not that straightforward. I believe that there are some good
examples where it has been a nice clean progression like that, say in our College of Engineering, College of Medicine. And so in that sense of it, I think it probably is in fact a pursuable goal. But I think it’s probably not quite as clean as that. I think in particular, we live in a too small of a world now to be quite sure that dollars spent on a public institution in Ohio will lead to economic development in Ohio, as opposed to, let’s say I developed a patent which is picked up by a company in California or a company in Singapore. That piece of it, I think is probably quite uncertain. Research activity here will lead to economic development here? But, I don’t rule it out completely. And it may well be that you have, I think you need more than isolated examples, you need real tech hubs, you need a Silicon Valley or research triangle if you really want to be a magnet. If that’s their vision then I think, you know, more than just a little here or a little there. Again, you need to be very focused. And you need to put a lot of eggs in one basket and if you really wanted to build that kind of tech center that people would locate companies to in order to take advantage of that.

Research Challenge Strengths

Respondents at the University of Cincinnati were pretty consistent in their opinion concerning Research Challenge strengths and that the program should be continued. This opinion was shared between both executives and administrators. Respondents felt that the flexibility of the funds coming into the university was the greatest strength of the program. One administrator provided a clear opinion and example:
To the extent that these are unrestricted funds, they can be used for strategic investment and sometimes to meet immediate means, they can be used to develop program strengths, but they can also be used …we have a very, very promising junior faculty member in chemistry who was being courted by a pharmaceutical company. The research team and college and department all joined together to make a counter offer to keep this young woman here. The fact that, to the extent that the Research Challenge dollars were a part of that pot of discretionary money that the research team call on at a moment’s notice; that allowed us to intervene to keep a very, very distinguished young faculty member here who we otherwise would have lost.

One executive expressed much the same sentiment, but add that the programs longevity has also become a large asset to the program:

Well, I think its greatest strength is that it’s not restricted and its discretionary, which allows it to be plugged in to broaden strategies and so, I think its second greatest strength is it lasted for 20 years. When I said it was big enough to matter, you know 10 million was a lot more useful than a million-and-a-half; something that lasts for 20 years is a lot more useful than something that lasts for two to four. So, I think its scale and its longevity have made it a serious tool. If this was attached to a governor for a term, it just can’t get there from here. Your recruitment takes a couple of years, and then getting up to full speed after they get here is a couple years more. You know the payoffs for this thing are a longer tale than a term or two even. And so I think the scale of longevity is very useful. You
can put together five-year recruiting packages. And if one of the elements of that is a program that people feel is at-risk, it won’t be as effective.

Research Challenge Weaknesses

Common themes emerged as to the perceived weakness of the program. The amount of total Research Challenge funds that the university receives was a very common theme expressed at all levels. One executive stated:

I believe it can be more of an impact if there was more money that was put into it, because we have to spread it so thin. When you spread $3 million across the campus of this size with almost 2,000 faculty and 34,000 students, $3 million is not a lot of money. I know it’s over $3 million now, I can’t remember now exactly how much. Probably $3.5 or $3.8 now but another half-million to $800,000 to a University of this size doesn’t do what it could. If that number was more like $15 million, we probably could make a lot more difference in what it does, and probably help solve some of the economic problems of the State of Ohio a lot better than what we’re doing currently. I just don’t think there’s enough done for the research institutions in the State of Ohio. And having come from three, two other institutions that were not major research institutions, that’s a total reversal of the way one feels. … You think it should be put into your institution and used to help the students and those type of things. Once you’ve worked in two major research institutions that bring in a lot of money from national brands, you pretty well realize that research is a good thing. Research is not a thing that actually always pays for itself. We probably subsidize research
the same as we do most other things. It’s the recognition and the things that you get out of it.

Another executive felt that the administration of the program at the Board of Regents level was the greatest weakness. This respondent felt that the Board of Regents should use stronger benchmarks and reporting systems to determine who gets the allocations and how much those allocations should be.

One executive felt that the program’s strength could also be its weakness. They stated:

I think its greatest weakness is its greatest strength. I don’t mean to sound rhetorical. It’s not focused. Those funds come in as discretionary funds to the university, so they’re subject then to use for all sorts of purposes that might not as clearly meet the intent as somebody in the legislature might think. It tends to be a diffusion, there’s not a coherence then. On the other hand, there are so few sources of discretionary funding that it’s a godsend from the perspective of the dean or the vice president for research when you’re trying to get some specific program launched. From a statewide perspective, if you think it ought to be used to, I can’t quite imagine someone saying these funds should never be used to support a Classics Department or an English Department. What are the chances of those folks ever bringing in a link to economic development? They can be used in that way. They are used in that way, because of the discretionary sort of nature. On the other hand, then that serves other purposes to make the person strong and
it goes beyond the sort of central calculus of whether there’s more federal funding for the institution.

Research Challenge Improvements

The respondents presented several ideas as to how the program should be improved. The most popular response was to increase the funding of the program, which was shared by several executives and administrators. Larger philosophical answers about the role of research in higher education in Ohio were also discussed. One respondent suggested that the state should decide which institutions would be responsible for research, increase the funding to those institutions, and not fund the rest, claiming that such a policy would help create a Silicon Valley or a “research triangle” similar to that of North Carolina. Another respondent stated that the major research universities should be forced to collaborate to a greater extent or lose the funding all together.

Miami University

Miami University is a largely residential campus located in Oxford, Ohio, just outside of Cincinnati Ohio. Miami University is often referred to as a “Public Harvard” because of the academic quality of the students admitted to the university. Miami University is a mostly undergraduate institution, offering a limited number of masters and Ph.D. programs.

According to the National Center for Education Statistics Miami University main campus has a total enrollment of 16,722, of that total 14,951 are undergraduates in 2006 - 2007. Eighty five percent of the student population is White non-Hispanic. Miami University has an 80% graduation rate and a 0% transfer out rate for first-time, full-time
undergraduates who began their program in 1999. As discussed in Chapter 2, Miami University does very well in the timely degree portion of Success Challenge because of their student population. The average time-to-degree for Miami students is 3.7 years, or actually four academic years. Of the student attending Miami University in 2004 – 2005, 86% of the student population received financial aid. Of that population 77% received institutional grants averaging $11,180.

Miami University’s *Success Challenge: Program Report and Plan Fall 2005* submitted to the Ohio Board of Regents states:

As reported in earlier Success Challenge plans, the University does not utilize a single definition for ‘at-risk’ students. Alternatively the University targets programs and activities to many populations of students. For example, these populations include but are not limited to student who are on academic probation, students with documented learning disabilities, those at economic risk of not persisting, students of color, transfer and commuter students, international students, student athletes, self-identified and referred students requiring special tutoring, and students who have not declared majors. These are not discrete populations and, by design, the University endeavors to provide as broad a network of programs as possible to ensure that every student desiring assistance has knowledge of and access to the support structure.

The report then goes on to briefly describe the programs that are offered for these students to utilize. Some of these programs include Advising, Residence Hall programs, Financial Assistance Counseling, First Year Seminars, Learning Disabilities Services,
Scholastic Enhancement Program (SEP) which is a program for students deemed at-risk by the university, Tutorial Assistance Program (TAP), and Supplemental Instruction (SI) for challenging classes such as Calculus, Chemistry and Economics.

At Miami University six individual interviews were conducted over a two-day period. All interviews were conducted in the respondent’s office on campus. All of the interviewees worked in either the Academic Affairs, finance or institutional research offices on campus. No student affairs professionals were interviewed.

University Budget

At Miami University Success Challenge funds are technically not spent on any specific program geared to increase retention and graduation rates. Success Challenge funds allow the university to free up resources for high school early exposure programs, grants and scholarships to attract a diverse student body, as well as assistance programs on the campus. Funds that are received by the institution are not segregated from the universities operating budget. All monies received are placed into the general university fund. The university offers several programs that are directly aimed at increasing retention and improving graduate rates. However Success Challenge funds are not directly linked to those programs or to the salaries of the people running these programs.

One executive reported:

I cannot point to certain positions on campus and say that’s funded by Success Challenge. Now, of course we could do that because we do have a block of money. But if we chose to we could tell you exactly how we could decide to spend those dollars on the programs that are provided. Programs that are provided
there cost much more than the Success Challenge dollars that we have. So, what we do in fact is take those dollars and use them and support the myriad of programs that we have that are aimed at retention and graduation rates, and so forth.

The Success Challenge funds being placed in the general fund as opposed to separating them out in the budget was a conscious decision made by the leadership at Miami University because of their past experiences. One respondent reported that they were discouraged by previous programs that had eventually been discontinued and then the university’s overall budget had been cut. One executive stated:

We elected not to take those dollars and separately identify them budgetarily and say this program is funded by that, because there’s been a history in this State for programs to come and go. And we did not like, you know there were professorships and Program Excellence and Academic Excellence and all that, it got all folded in and then State budgets were cut and the money was gone. We didn’t want, these were initiatives that were so important to Miami and to the State of Ohio recruiting students like that, that we wanted to have them in the base budget as such, knowing these dollars had come in to fund them. If the dollars went away, we would be committed to, of course all programs undergo review. We never, we deliberately elected not to set those up as separately funded with designated funds identified as Success Challenge. But, I can tell you that those programs were implemented when we got Success Challenge funds because of
what we would do with it is use it to drive success factors, especially for the
students whose profile might indicate less success otherwise.

There was a definite sense among all those interviewed at Miami University that
if Success Challenge funding went away, that the programs offered would continue.
Interviewees reported a strong institutional commitment to the programs offered to
increase retention and graduation rates. One administrator reported:

Because it’s a small percentage of the total budget, that if the money is there and
because it goes into our general fund and it kind of splinters out, it’s a piece of the
pie, it’s not like we say all $3 million is going, it’s all going to go to academic
programs, we don’t do that. As I’m sure other institutions have it geared really
fully to any particular program, ours is kind of trickles out across a whole variety
of programs, so I don’t think it has a decided effect on a decision that’s being
made on whether or not a program or policy should be put in place or should be
withdrawn if the money goes down. I think the vice president will probably agree
with me on that. It’s there as an extra resource to then enable us to free up money
to do other things that we may not necessarily be able to do, but once again, I
don’t think we would close down the Learning Center or stop academic advising
if the Success Challenge money went away. What would we do? There would be
a chain, you know, everyone would have to buy less pencils and pens or
something.
The Impact on Planning

Respondents were very consistent in their comments about the campus’ motivation to improve on retention and graduation rates. There was a clear sense that Success Challenge funds had very little impact on the university and the programs they offered to increase student retention. Respondents commented that the impact of a 3.5 million challenge award on a 500 million budget was small. The university had not created any programs specifically because they had these funds available, but created programs on their own initiative and the challenge funds has simply allowed the institution to cushion the cost of those programs, specifically as the awards did not nearly cover the cost of the programs offered. One respondent remarked that Success Challenge had “zero” impact on the decisions made by the leadership on campus. There was a general sense that even if Success Challenge did not exist, the campus would still apply its own internal pressure on itself to improve on these figures. Campus retention and graduation rates were reported to be a great point of pride on the campus and was much more important to the campus culture than any reward system imposed on it by the State.

In addition to the programs that Miami University reports to the state on an annual basis, one executive stated that Success Challenge funding also allowed the institution to:

Put some emphasis into that in to reaching out into communities that we hadn’t been before. But to provide them scholarships and grants that would enable students from less privileged financial background be able to attend and then once they were here to provide enrichment programs through the vice president of
student affairs area and to make sure they receive the kinds of assistance that was needed for them to be successful and to achieve academically.

At-risk Students

There seemed to be only moderate awareness among all the executives and administrators as to the population that is officially considered at-risk by the State of Ohio. Only one respondent had a solid idea of how many at-risk students attend the main campus of Miami University. One executive discussed the genesis of the at-risk portion of the Success Challenge and his frustration at the state considering financially challenged as academically at-risk:

Well, let me say that when Success Challenge was implemented in Columbus, some of us personally were very disappointed that the decision makers in Columbus watered down the impact from rewarding institutions that had high success to changing the formula and the distribution of dollars so that it encompassed some of those institutions that are not successful, but were in their districts, and so they wanted the money to go to them. And nonetheless, Miami got either the most or next to the most in the Success Challenge distribution. And I say that because, you know it was to reward degrees completed and then it was added to those at-risk which were determined by OIG eligibility, which I think is a stereotype of bad proportions to say those who qualify for financial aid are most at-risk academically.

Discussions of the at-risk portion of Success Challenge seemed to elicit responses that were defensive about the campuses student body and the selectiveness of the
institution. Administrators seemed to go out of their way to show that the institution cared deeply about increasing the diversity of the socioeconomic status of their student population. The example was given that the campus does bring in a certain population of students that are not necessarily positioned for academic success, such as athletes, music and art students, as well as reaching out to communities where students generally would not apply to an institution like Miami University.

Questions about the at-risk population did bring up two topics that the university has initiated that seek to attract a more diverse socio economic class student body, the first being the Miami Tuition Plan which was explained as:

We are trying to make Miami more accessible to a broader range of financial needs. We have a Miami Tuition Plan, I don’t know if you’ve heard anything about that. But, we have a tuition plan. Our tuition plan is at a private school rate. It’s the same rate for in state, out-of-state and then again, our tuition that is stated is what the out-of-state tuition is. Although, it’s just one tuition. But then each Ohio resident gets what’s called the Ohio Resident Scholarship. We take in all the money that the State of Ohio gives us, every dollar is put into that and then we simply give that as a rebate to each student or a scholarship or it’s called a grant or whatever you want to call it. We have an Ohio Leader Scholarship that’s based primarily on that. So, that the cost for a student from a low-income family will be here and the cost for a student from a high-income family is going to be here. The range is about 2,000 or 3,000 or something like that. So we’re being very
aggressive about trying to make this campus more affordable for low-income students.

The second program is an access initiative where:

Every family in Ohio that has a family income of $35,000 or less can come to Miami tuition free. They don’t have to pay for it. They can come tuition free. We will work hard to try to find grants and all and things like that for them and other aspects as well. So, I’m not answering your question correctly. I want to let you know that we’re trying to work hard at making Miami affordable to a broader set economic backgrounds.

The Role of Student Affairs

Programs that have been created to increase student retention and graduation rates are often a collaboration between student affairs and academic affairs. Any student participating in the programs would probably not know, nor care, which department is providing all the resources for that program. One administrator commented on the degree of collaboration between the two departments:

Certainly if you look at those programs, some of those are, much of our First Year work is through residence life. Residence life is very much involved in Success Challenge, advising first-year students and having programs that we purposely aimed at making students successful in their first year. That’s obviously a big role and why we have a 90 percent success rate. In fact our vice president for student affairs was invited to Washington perhaps two years ago to testify at Congress on how Miami was so successful in retaining students. So student
affairs is very much involved and there’s a program called the “SEP – Scholastic Enhancement Program.” Students that we define to be at-risk, at-risk either for cultural reasons, academic preparedness reasons are placed into a SEP Program. It’s a program that is run by Student Affairs. Obviously academic affairs is involved in that program, but the coordinator of that is a person in student affairs as well.

One administer was certain that key student affairs personal were aware of Success Challenge because she called them up once a year to ask about the programs they were doing to be included in her report to the Ohio Board of Regents:

Oh, good question. They are aware of it because I call them every year and ask them, okay, we have to do our annual report on how we’re spending our Success Challenge monies and what are the programs that you’re doing to help on retention graduation rate for all students and specifically for students who would be considered low SES, low-income, at-risk in terms of their, what high school they come from, being first generation, that sort of thing. They know that we receive a set of monies, but that it’s not, I’m not sure that they know we get $3 million. It doesn’t show up. When they get their budget, it doesn’t say, you know, general monies X percent, Success Challenge, another percent. I don’t think it separates it out, so they know we get money from the State for it because we have to report how we use the monies.
State Goals

Generally speaking the respondents were familiar with the state goals for Success Challenge and felt that those goals were reasonable and fair. However, two respondents expressed concern about the goals for Success Challenge and the way that State has gone about achieving those goals. One executive reported:

I’m going to speak real honestly. I don’t think the State knows what goals are for higher education funding. They talk out of two sides of their mouth. They’re all for education, but when it comes down to it, we’ve lost ground without the factoring in inflation. It’s a shame that Ohio has not made an investment in higher education. If you look at West Virginia or Kentucky, they spent almost twice as much per capita per student than Ohio. Durham, North Carolina they put a big investment in higher education 20-30 years ago. And they got research triangles, we’re talking about Nano Technology in Columbus to the tune of $3 million. That was only a corporate (inaudible) I mean, come on. There is, on the one hand we have to do something for higher education, on the other hand, let’s beat them until morale improves.

Another executive provided a very clear example of how frustrating it was for them to deal with the Ohio Legislature:

For some reason, legislators do not relate the vote to us the way they do primary secondary. They just see us as a drain on the State commerce. So, I feel that all the time. I’ve had any number of conversations with the members of the Finance Committee, particularly in the Legislature. And every time it always
comes around, what do you do to cut the budget? What do you do to cut?
There’ve been, if you will, bloodletting for as long as I’ve been in higher
education. Every year there’s some reduction here, some reduction there. They
tally the increase, but for Miami having a steady enrollment, we’ve had to take,
I’ve budgeted in a three percent cut every year from the state. That’s huge.
That’s huge. So I feel the pressure from the legislature that we’re not doing
enough to be more efficient. I feel that they do not want to fund us, they much
rather fund the student directly, like they do for primary secondary…. So, I feel a
real sense of a whole lot of different emotions I guess is running around in
Columbus, as far as the legislators are concerned. They all want to do something
about higher education, but they don’t know what to do.

Accountability and Improvement

When asked about the role of public accountability, respondents expressed very
different views about the role of the legislature, the Ohio Board of Regents,
accountability and improvement. One administrator felt that the legislature was
interested in accountability, “access issues, time-to-degree, less remedial classes, student
transition between high school and universities between regional campuses and
community colleges” while the Ohio Board of Regents was more interested in
institutional improvement.

One executive was very adamant about where they stood on the issue of the
State’s interest in accountability or institutional improvement:
Right today, I would say accountability. . .they ask questions about how are you being fiscally responsible for the State monies that you have, so it’s all accountable. They’re asking what programs are you cutting, they’re not asking how are you improving the quality of the education that you’re doing? They don’t ask that question. They ask what programs are you cutting? How are you saving dollars? It’s accountability. Enough said. Don’t get me started.

One executive was able to summarize several experiences that had occurred during interactions with the legislature and the Ohio Board of Regents. When asked about pressure to improve upon their time-to-degree and graduation rate numbers, this respondent admitted that there is a rather competitive component of the campus culture that strives to match the rates of other “aspirational” institutions. When asked if they felt any pressure from the legislature or the Ohio Board of Regents to improve on those numbers, they replied “In a word. No.” However, this executive felt that from the legislature “what I feel every day is that they would feel good or better if they would see blood on the streets here on the campus, really slashed and burned and really annihilated the place, that they would feel better about it.”

Success Challenge Strengths

When asked about the strengths of the Success Challenge program, some respondents replied that the discretionary nature of the program was a strength, that it has provided some incentive for the university as well as some recognition for the university in an area where the university does well.
When asked about the strengths of the program, respondents often discussed the strengths from the perspective of the state or from the perspective of other institutions. Often times respondents quickly passed over any strengths and immediately started talking about the program weaknesses.

Success Challenge Weaknesses

One executive provides a good example of immediately talking about another institution when asked about the weaknesses of Success Challenge. While this respondent feels that the funding level is inadequate, they then go on to talk about other institutions:

Q: Okay. In your opinion, what is the greatest weakness of the program?
A: Money. Of course. That’s a no-brainer, isn’t it? I guess it’s, the State University system in Ohio is diverse enough in terms of institutions represented. That one-size fits all program doesn’t work for us. What the needs are on this campus and what the needs are at Central State are so different. It has nothing to do with race. It has to do with street value, Shawnee State, Youngstown State or Cleveland State. What you see at Cleveland State and Miami area is different as could be. Cleveland State is a much more commuter-oriented campus. A much different profile student body, not better or worse. Better in some ways and worse in others. And to say that we have a program that’s going to at least include Cleveland State and Miami University at the same time is kind of silly. So Success Challenge, I would say, is probably essential to Cleveland State.
Q: Well to follow to that, is that maybe why the Board of Regions did the two different funding mechanisms, one for timed degree to help residential institutions and graduation for at-risk for northern institutions?

A: Well, I don’t see enough difference in the dollars. That’s just my opinion.

One administrator responded that the ability of the state to tamper with the funding amounts was it’s greatest weakness “That it is a line item and that it is subject to tinkering by either agencies or members of the General Assembly. It is subject to going away and it would be lost. They probably could put more money into it, but I rather see the money, personally, go into a foundation formula, I think.”

Changes to Success Challenge

Overall, the respondents at Miami University expressed very different views about keeping Success Challenge. There was no clear consensus as to whether it should stay or go as a state program.

One executive would prefer a return of a program called Selective Excellence, which allowed the State to set aside money at the state level to allocate to the best programs around. This program allowed Miami University to improve on some of the quality programs on their campus. This executive felt that Miami would be doing the Success Challenge retention and time-to-degree initiatives anyway and that a system was needed to allow institutions to focus on their own priorities or areas of quality. Success Challenge moneys should be diverted into an academic enhancement program which takes into account the different missions and student bodies of the institutions receiving
the funds. This respondent also felt that some system needs to be in place to account for the different missions and student bodies.

Another executive felt that linking at-risk students to OIG funding was simply a mistake. “Ohio has a funding policy in my opinion that breeds mediocrity and not excellence and Success Challenge was an opportunity to step out of that” which the state missed in it’s effort to include everyone in Success Challenge. “Because everybody has to get a little bit. And so there’s one president of one of the institutions in Ohio that would say the performance funding shouldn’t be your graduation rate percent. It should be the increase in it. What do you think their graduation rate is? It’s 30 percent. They stand to gain a lot. We’re not going to grow.” This executive felt that if there was going to be a Success Challenge in the state that success should be measured against national standards that predict, based on your student population inputs, and then reward institutions for achieving above and beyond that national standard.

Another executive did not support keeping Success Challenge as a state policy. This respondent pointed out that given how well Miami University does with retention and graduation rates that their funding actually went down recently:

But we lost almost four percent of time-to-degree from last year to this year from ’06 to ’07. Our at-risk dollars went up one percent, but our dollars available for timely baccalaureate degree went down by three-and-a-half percent… We have the highest percent by leaps and bounds. But as a percent of the total number, we went down, because Ohio State or UC or OU or Bowling Green, somebody, they
have more, they have a larger graduation class. Ohio State graduates almost 8,000 students.

Cleveland State University

Cleveland State University is a commuter campus, located in downtown Cleveland, with a very small residential population. Cleveland State University has a total enrollment, according to the National Center for Education Statistics, of 15,482, of that total 9,558 are undergraduate students. Of the campus population, 62.5% are White non-Hispanic and 20.6% are Black. Cleveland State University is mostly an undergraduate institution, but has a large Masters of Business Administration program, a law school and a teacher education program. For first-time full-time undergraduates who began their program in 1999, 30% have graduated and 38% have transferred out. Eighty three percent of the student population in 2004 - 2005 received some sort of financial aid. Of that population 63% receive loans averaging $3,759.

The majority of interviews at Cleveland State University were conducted during one day of interviewing on the campus. A total of four interviews were conducted. Three of the interviews were conducted in person, in the offices of those being interviewed. One interview took place after the initial interviews and was conducted over the phone.

Campus Motivation

Cleveland State University has many programs that are designed to help increase the retention and graduation rates of their students. The university has a large commuter population, and until very recently, was an open admissions university. They have a large population of students that need developmental work:
And what we have found, also we have a lot of first generation students and low income students and the university is a very broad mix because we have highly talented, very high academic achieving students, as well as students in our honors program. But there is of course students that come into the university that have the potential but are not quite prepared to hit the ground running.

Some of the programs and initiatives created to help these students include a first-year experience program; academic advising that includes a program called ASAP (As Soon As Possible) which is an intervention program where mid-term grades for freshmen are reported to administrators. This program offers a key intervention point for intrusive advising, getting students to the services that they need early, before it is too late; mentoring programs and tutorial services; and academic enrichment workshops for study skills, critical thinking, and how to de-stress during exam time. Cleveland State University offers freshmen success scholarships which were established to assist students and to help motivate them to achieve at a high level. The Link program is offered through the career services area and is targeted towards students of color. This is a co-op program offered with corporate sponsors who have partnered with the university. The AHANA program (Asian, Hispanic, African American, Native American) is a peer mentoring and workshop program geared to increase retention among those students.

When executives were asked about the low retention and graduation rates at the university and the creation of these intervention programs, replies were pretty consistent that Success Challenge had played little role in their creation. One executive responded to the question:
I think what motivated it was looking across the university and seeing, you know, higher failure rates or higher dropout rates, specifically within the freshmen year, particularly among first generation and low income students. And these are not all students of color. In fact, the largest percentage of first generation student, the largest number of first generation students at the university is white students… I think the driver is student success. The driver is not that there’s a pot of money over there that you can get a piece of.

Another executive also echoed the sentiment that the university was self motivated to increase student retention and graduation rates:

Well, I think what we would do is we would still hold that as an important, a real important goal. Because student success is, at least internally here at CSU, student success is the primary job of everyone here from the top down. That’s kind of our overall, overriding mission statement, if you will. We would probably reallocate within our budget if we didn’t have that funding from the State in order to keep students on course and on track for graduation and that would mean cutting into other things that we do here if we had a cut in funding from Success Challenge and it didn’t exist any longer.

One executive discussed the financial side of the campuses motivation to improve retention and graduation rates from an outreach perspective. Cleveland State University has a large population of incoming transfer students as well as students who will eventually transfer to other four-year institutions. Success Challenge funding is based on the freshman cohort. If an entering freshman attends Cleveland State University for two
years and then transfers to another institution and graduates in four years, Cleveland State University receives no Success Challenge funding for that student. Like wise, if a transfer student arrives at Cleveland State University and graduates within two or four years, Cleveland State University does not receive any Success Challenge funding for that student either:

If we got a kid with a 3.8 average and I got a shot of getting him in here as a freshmen versus him going to Tri-C (Cuyahoga Community College) for two years and coming over here as a junior. Why wouldn’t it be worth my while to try and figure out financially if we can make it or break even to get him over here for all four years? What the university gains from doing that is a tremendous amount in terms of money, but also student life on campus, then all of a sudden you got a bunch of 18 year olds with a lot more energy than a bunch of 26 year olds, like a lot of our students are that come here. They’re here for four hours and they go back to their family…So, I think it changes the dynamic of the campus, but there’s a financial reason too. We just got through with a big study which McKenzie did for us to show financially what the impact would be. But, nowhere did we put Success Challenge into the mix in terms of that’s a reason we got to do this.

Measuring Success

A clear theme that emerged with the executives interviewed was their dissatisfaction with how the state is measuring success. One executive felt that the
campus’ unique mission was not taken into consideration when the Board of Regents developed the criteria for success with this specific challenge. They stated:

I can tell you that Cleveland State has some serious questions when they went to the performance system, it was somewhere in the 90s and I can’t even tell you. …

For a commuter school whose students normally takes a long time to get through, we felt that there are other things that we ought to be rewarded for because we weren’t going to do all that well the way they set up the program, and so, and, I think I would still feel that way, what is success? So if somebody comes up with an arbitrarily definition of how the state’s going to define success, then is that fair for a commuter school with kids coming in and out of the system all the time struggling to get a degree? Is that the only — there’s only like three, I think, of these challenges, maybe four, now that they just added one. But there is none that says you’re doing a community service by helping kids, or adults, make their way into the Bachelor’s degree market, even though they have to struggle. You have to teach them at nights and weekends. I guess we had some serious reservations about the original programs conceived.

The state defines success through the guidelines of the Success Challenge criteria. However, interviewees reported that if a student attends Cleveland State University and then plans to transfer to another state university, Cleveland State University receives no reward for this student, even though this was the original goal of the student. On the other hand, if a student starts at a community college and then transfers to Cleveland State University and graduates in a timely manner, Cleveland State University again
receives no Success Challenge funds for that student. There is also no recognition from
the state of the large number of part time attending Cleveland State University.

This executive was very articulate about his how the Board of Regents has
defined success without taking into account the different university missions and the
effect of that decision upon Cleveland State University:

I think they, somebody said this is a good measurement of how successful you
are. So, that’s that. So, that’s how we’re going to measure, so, Miami will
always win. You know, our other argument was, we went down and tried to
argue for getting another better system of allocating capital dollars to us, if you
look at FTE’s, which was how they were funding us and the year we were making
this argument with the Board of Regents in the mid 90s, Miami actually had more
FTE’s than they had headcount. Because their average student was taking more
than 15 courses and they were like, I mean credit hours, and they were like in,
meanwhile we got 16,000 students and 10,000 FTE’s, but as I tried to point out to
the Board of Regents, they came up, they all go in to the bathroom all 16,000 will
bring their cars. I got to provide facilities and food and bathrooms and parking
spaces for 16,000 and you’re funding me for ten. You’re pretending that, those,
that extra .6 didn’t come in cars and don’t go to the bathroom and don’t use any of
our facilities. You’re only funding me for 60 percent of the bodies around here.
So, where’s the recognition that I got a huge portion of part-time students, and
what does that do to my plant, my equipment, and I don’t get funded for that.
University Budget

Funds received from the state for Success Challenge are lumped into the overall budget by the university “They just get lumped in with the budget. It’s just another piece of total revenue for the university”. Funds are then distributed to the colleges based on the total credit hours that they have delivered. Success Challenge funds do not go directly to student affairs. The student affairs budget is based on FTE’s per college and the colleges are billed for their share of FTE’s. Success Challenge funds do not directly fund positions or programs directly related to improving student retention and graduation rates of their students. According to one executive:

Well, it’s what we call here in Ohio, we call it an unrestricted form of subsidy. Which means along with the other two components of unrestricted subsidy, the SSI, the State’s Share of Instruction, and something called Access Challenge. Success Challenge basically comes to the University in an appropriation from the State every year and we spend it on basically instructional side of the University, funding the instructional side of the university. Being it’s unrestricted and it goes to support a wide array of different programs so it’s not something that has, shall I say, strings attached to it that has to go for specific programs.

This executive felt that given the historically under funded situation in Ohio that the Success Challenge funding has had little impact upon the institution:

So all the grant programs together for the universities I don’t think they’ve had, I mean the challenge type grants have had the impact they could or should the State intended because of how badly they’ve treated the universities in terms of overall
funding that the rest of us say, well, it’s not even worth, you know, so we’ll grow a million dollars there, but you want to cut $4 million off of our SSI payments, so what’s the sense to it. We’ll just forget about it. If the State doesn’t want to fund us, then we have to figure out another way to get it. So I mean, I don’t think under the current system in Ohio it’s had a whole lot of impact. I would be surprised if there are places that told you, man, we’ll die without that. Now, we fight to get what we’re entitled to, but I don’t think they made a big enough carrot that anybody’s making policy based on grants.

State Goals

Respondents interviewed had a good understanding of the State’s goals involved with Success Challenge funding and were quick to offer thoughts on how the state policy was not meeting the stated goal. One executive stated:

I think the goals of the State is certainly in finance and the administration area to have more at-risk students succeeding in college and graduate, so that they come in and graduate. So, I think that’s their goal. I think their mistake is not looking at that success across the board, only looking at it by institution and not really tracking it so that there is some credit. And maybe that has changed at this point. I don’t think so. I don’t think so. I think these are goals without looking at what success means to individual institutions and what it means for the Ohio Board of Regents and the total outcomes for the State.

Another executive, when asked about the state goals was much more concerned about how the goals were developed and managed by the Board of Regents. This
executive was clearly frustrated by the process used by the Board of Regents to develop the challenge, the political nature of the decisions made and the apparent disregard for unique university missions:

I think their goal is, I don’t want to be cynical. At one point I believe their goal was to make sure that Ohio State, Miami, OU, Kent, and Bowling Green got all the money. I’m not totally convinced that it isn’t one of the driving forces between us having some of that support. So the rest of us, maybe, you know Cincinnati will be in that category. But the rest of us whose missions are a little bit different and we’re commuter universities and where Toledo and Akron and Youngstown are formerly municipal universities and, you know, they became part of the system that we have a different mission. So, we think they probably did it to give the money to some of the other guys instead of us.

This executive was then asked about how the Board of Regents had divided Success Challenge into two categories to try to benefit both residential and commuter campuses:

I think that was after the discussion and argument and so forth that there was some recognition of that as need to be part of the formula. But, I don’t think that’s where they started, I think that’s where they were forced to end up, because, you know in those days, the urban legislators still had some clout in the legislature. I think if you would do the formula all over again, God knows what it will show. It probably should all go to charter schools or something. Vouchers, that’s the next big thing. We’re only paying X, Y, and Z. So, I think it’s a good
thing, I think the formula itself, it all could stand some tweaking and some recognition of different missions that different universities have. … I think what we asked them to do was, and ultimately they did do this, they asked us all to send our missions down to the Board of Regents. They then accepted our missions and they actually told us that we that our mission statement was as good, if not better than any of the others, and then proceeded not to fund us to do our mission, but to do somebody else’s mission. So, I think that was one of the things, you really want to do a rational measurement and the Success Challenge grant ought to be based on how each university succeeded in accomplishing their mission that they drew up and that you stamped as approved. They don’t want us to do degree completion in adults and get people who are 35 years old a degree. If you don’t want us to do that, then tell us to stop doing it. Don’t fund us at all for those, then we’ll have to do what you want us to do. But if you say this is a good thing, then attach our Success funding to our ability to succeed and fulfilling the mission that we’ve set out.

Accountability and Improvement

Respondents held differing views on the role of accountability and improvement and the impact they play on the campus. However, respondents did report that the real driving force for improvement came from within the university, not from external forces. One executive reported:

I think that’s a part of it, but I mean that’s nationally, just you know, public accountability and higher education across the board, it’s on the radar screen at
the national level, at the State level and certainly at the institutional level. But I would say that the primary driver of students graduating in a timely manner is actually holding ourselves accountable. It’s not the force of the public. You know, I don’t see anybody beating down our doors saying we got to be more accountable. In fact, they’re probably beating down our door saying thank you, because you are admitting our students and you are working with them. And, you see them achieve, and you do see them maturing and become successful in a variety of ways. I also think that the driver is the President of the University, Michael Schwartz, who’s really pushing and keeping us accountable.

Student Affairs

One executive reported that student affairs personnel had a general knowledge of Success Challenge and the role that funding played on the campus:

I would say certainly at the leadership level, they are aware of it. They have all read, for example, this. They were a part in developing this, because I didn’t develop this in isolation, you know, the programs that are involved. So, I think it is generally, generally so. Would I say they are aware and even at deeper levels that the university has been a recipient of Success Challenge funding, but I typically do talk with my leadership team about Success Challenge funding and what is going on at the Board of Regents and the differences and what it looks like, what the funding looks like, you know annually for Cleveland State compared to other universities in the State. So it’s at that general level.
Decision Making Process

One executive reported that Success Challenge had not driven the decision making process on campus, or impacted planning on the campus because the amount that the university receives is relatively small:

I don’t think that it ever drove any decisions, if that’s your question. I don’t think there was any way we were going to be able to remodel the institution into becoming a huge, having that be a huge funding source to us. So I guess the question is, has it driven decisions? I would guess not. The amount that we get is not enough for us to say should we try to make an effort to get students in and out of here. What we are doing now and I don’t think it’s because of the Success Challenge, I can tell you it’s not because of Success Challenge, we have decided to aggressively recruit freshmen that will get in and get out of here in four years. Not because Success Challenge would be positively effected, but because the university needs to grow. We’ve been growing very well with transfer students. But, they only pay us for 60 credit hours, I need people that can, we should make every effort to get students in the door that are going to pay us for their full education.

One executive also talked about the difficulty in increasing the number of students at Cleveland State University in order to impact their Success Challenge funding levels due to their current hold harmless funding situation with the state:

You know, because of the amounts that we get out of any of these grant programs is such a small portion of SSI total that we get from the state. And, because
we’ve been on the hold harmless for a whole bunch of years now, if we increased our enrollment by, you know, ten percent next year, we probably wouldn’t get any more funding, because we wouldn’t have driven ourselves far enough up the ladder that we climbed out of the hold harmless.

Success Challenge Strengths

Respondents at Cleveland State University felt that the greatest strength of the Success Challenge program was simply the recognition by the state that some institutions have at-risk students and are willing to put some extra funding into the success of these students. One executive stated:

The greatest strength is the fact that we have funds that are, even though they’re unrestricted funds from the State, we have a mission or a goal, I suppose, from the State that says that they’re going to carve out a portion of, or at least set aside, that they’re going to designate a portion of our subsidy to, in other words, giving us that three or 3.2 million. They want to set the tone or give the message that programs to assist graduation success, etc. are important. I don’t think if the state had not done that and kind of put kind of their own mark on the fact that they too are interested enough to provide funds for that very specific purpose. It’s not to say that the universities as a whole wouldn’t be concerned with that, the state recognized that was an issue and a problem. And, by doing so, I think that every administrator here at CSU knows that there is this thing called Success Challenge and what it’s supposed to be used for. And that’s to help ensure that students just don’t not come here and flounder and not be given some sort of aid and assistance
to get them through and get their degree, which is the primary reason why, you know, we’re in business and the State funds higher education.

Success Challenge Weaknesses

When respondents were asked about their opinions on the weakness of the Success Challenge program, one executive talked about the definition of success:

You know, how is success defined? I think that’s the greatest weakness, how is success defined related to the individual institution and who gets counted and who doesn’t get counted. If you’re not full-time, you don’t get counted. Part of the challenge is the other things students have to manage in their lives. You know, unfortunately, I would love to believe that education is the top priority for everyone, but it’s not. The reality is family and work are sometimes hard to juggle. There was one student who is now an employee at the university. When he was a student, he told me that he went to school one semester and he worked full-time the next semester, because his choice actually came down to “Do I go to school or do I pay my bills?”

Another executive focused on the unrestricted nature of the funds as both a strength and a weakness:

Well, this is going to cut both ways, I think that maybe its greatest weakness is that it comes to us in an unrestricted fashion. Now that’s not to say that we don’t use those funds to help support some of these programs, but the State has never really tied the funding directly to specific programs and/or measurements of graduation rates, etc. etc. So, from a budgetary standpoint, it’s nice to have a
certain level of funding coming from the State, but from a goal or programmatic end Success Challenge’s, one of the weakness is the fact there are no strings attached to it, its unrestricted money.

Success Challenge Improvements

Respondents would keep Success Challenge but offered two modifications. One executive would add a Mission Challenge which would take into account the specific missions of the institution which is not currently accounted for. Another executive would actually prefer more accountability in the program:

In other words, I mean a report just telling the State what it is we do, I don’t think is much accountability. I mean I would want to see more real hard evidence as to the quality and the type of graduates that we’re turning out and I don’t know that, that just comes when you look at statistics on graduation. It would probably be a little bit more of an in-depth program. We probably would have to have a director or something to it out of the Board of Regents that graduation Success Challenge was something that was more or less administered and directed at Universities with, number one wouldn’t get that amount unrestricted any longer. They would get it based upon their performance of things like quantity and quality of graduates as well.
CHAPTER FIVE

Conclusions and Recommendations

Overview of the Study

This study was conducted to explore the impact of Research Challenge and Success Challenge funding at three four-year institutions of higher education in Ohio. This study involved the collection of data through numerous mechanisms including open-ended interviews, document analysis, first-hand observation and extensive review of the literature.

The study was guided by the following research questions

1. How has Research Challenge funding affected the University of Cincinnati’s research initiatives?
2. How are Research Challenge funds allocated at the University of Cincinnati?
3. How effective are Research Challenge funding policies in motivating the University of Cincinnati to meet state goals?
4. How has Success Challenge funding affected Miami University’s initiatives to improve the at-risk graduation rates of its students?
5. How has Success Challenge funding affected Cleveland State University’s initiatives to improve the time-to-degree and at-risk graduation rates of its students?
6. How are Success Challenge funds allocated at Miami University and Cleveland State University?
7. How effective are Success Challenge funding policies in motivating Miami University and Cleveland State University to meet state goals?

8. Based on the professional experiences of selected campus leaders at the three Ohio four-year institutions of higher education studied, what strengths, liabilities and areas for reform can be identified?

Summary of Findings

1. How has Research Challenge funding affected the University of Cincinnati’s research initiatives?

   The University of Cincinnati along with The Ohio State University and Case Western Reserve University receives the largest share of Research Challenge dollars. Therefore, the potential for a significant impact on the institution is great. Several themes emerged during the analysis and evaluation of data related to this research question.

   Research Challenge funding has led to the creation of a vice president for research. The university receives Research Challenge funds, which are then divided between the provost, the vice president for research, and then the colleges that generated the initial external funding. The vice president coordinates grant writing challenges for university faculty, helps recruit and retain faculty, interdisciplinary research programs, Third Frontier initiatives and cost sharing on external grants. The vice president often partners with colleges and the provost in efforts to recruit faculty and outfit labs.
As a discretionary source of funding, the Research Challenge funds are viewed as a valuable funding stream for the research enterprise of the university by campus executives.

Research Challenge funding does not directly pay for research conducted at the university, but most directly pays for seed grants so that faculty can conduct small experiments to gather data which can then lead to externally funded federal grants, attracting “word class faculty” and equipment.

There is a distinct difference in perceptions as to the utility and usefulness in Research Challenge funds based upon the interviewee’s position within the university. Above the college level there was a much more positive view of the Research Challenge program. At the college and department level, interviewees were less impressed with the impact of Research Challenge funds upon the research initiatives at the university. It would be nice if all faculty and staff at the university that are involved in the research endeavors of the university were aware of Research Challenge and its goals. Realistically, it is not necessary that a certain level of awareness be achieved by the faculty for the challenge to successful. The interviews clearly demonstrated, or articulated, that campus executives were aware of the program, understood the goals of the program, and had bought into the goals of the program, which is most important in order for the challenge to be successful on the campus.

How has the state’s position changed in regards to the explicit goals of Research Challenge to increase the amount of externally funded research
conducted in the state? Obviously the amount of externally funded research secured by the state has increased since the creation of the Research Challenge in 1983 just as the total amount of dollars to be awarded for research has increased. So how has the state improved over that time period? A review of the Ohio Board of Regents document *The Issue* (April, 2004) (Appendix Q) indexes Ohio’s per capita spending on Research and Development and compares it nationally starting in 1980, just prior to the creation of the Research Challenge. This chart effectively demonstrates how much money has been spent in the state for academic research from 1980 to 2000. In 1980 Ohio received 63% of the national per capita average on university research within the state. By 1983, when the Eminent Scholars program was created, Ohio had fallen to receiving about 56% of the national average. In 1985, when the Research Challenge funds started to appear, Ohio had made little progress since 1983. Ohio continued to fall to a low of 55% in 1986. However, from 1986 to 2000, Ohio made steady progress, with one or two little blips, until, in 2000, Ohio was receiving 75% of the national average spent for academic research. An Action and Investment Fund, created in 1988 also contributed to the states increasing share of research funding. This graphic demonstrates that over time, Ohio colleges and universities have been able to invest Research Challenge (and other funds) and leverage externally funded research within the state.

According to The Governor’s Commission on Higher Education and the Economy (2004), from Fiscal Year 1997 to Fiscal Year 2002, Ohio Universities
received 2,040 invention disclosures from faculty, staff and graduate students, filed 1,095 patent applications, executed 373 licenses and option agreement with business and industry, secured 569 U.S. patents, and formed 59 new start-up companies. However, these numbers need to greatly improve for Ohio to become a leader in innovation. The Governor’s Commission, in an attempt to increase the quality and quantity of research produced on college campuses recommended plans to help the state increase its share of external research funding 10% above the national average by 2015. Research Challenge funds seem well positioned to help the University of Cincinnati progress toward this goal.

2. How has Success Challenge funding affected Miami University’s initiatives to improve the time-to-degree and at-risk graduation rates of its students?

Success Challenge funding seems to have had little effect upon initiatives at Miami University to improve time-to-degree and at-risk graduation rates, according to those interviewed for this study. Miami University has a rather selective admissions policy and their students are prepared for success. There seems to have already existed, prior to the creation of the challenge, a strong culture at the university that cares about student success. Their student body typically graduates in four years.

Their OIG, or at-risk, student population is rather small and Success Challenge funding generated by these students is minimal. In Fiscal Year 2007, Miami University graduated 4.47% (Appendix T) of the state at-risk population and 12.80% (Appendix U) of the time-to-degree population of the state.
Combined, Miami University received 7.25% of all the Success Challenge funds in Fiscal Year 2007. Miami does a great job of graduating the students that it attracts, with the exception of its minority students. It is certainly a challenging task to improve Miami’s graduation rates beyond what they are now. Miami University, like many other institutions, is not prepared for a rapid expansion of its student body in order to increase its Success Challenge funding awards, however, it has initiated two separate tuition plans in order to attract a more economically diverse student body. Because the funding for Success Challenge is based on the percent of the statewide graduation rates of at-risk students, Miami University can gain significant funding by increasing the numbers of financially at-risk students on its campus.

The student population that the interviewees categorized as at-risk is limited to a small minority population, athletes and performance (music, art) students, or portfolio students. This observation by the interviewees illustrates the fact that students who may be academically at-risk are not necessarily financially at-risk, and vice versa. Student success programs on campuses are geared for the academically at-risk. Not necessarily the financially at-risk. A review of the Miami University Success Challenge: Program Report and Plan, Fall 2005 recognized the importance of providing various types of assistance to a wide range of their student body, but no program described in the document is geared specifically for the financially at-risk.
It is interesting to note that one of the interviewees at Miami University had related to the researcher some information that was incorrect. One executive stated that: “I say that because, you know it was to reward degrees completed and then it was added to those at-risk which were determined by OIG eligibility, which I think is a stereotype of bad proportions to say those who qualify for financial aid are most at-risk academically.” In fact, the at-risk component was the original component of the Success Challenge. The time-to-degree component was added in the second biennium of the program.

3. How has Success Challenge funding affected Cleveland State University’s initiatives to improve the time-to-degree and at-risk graduation rates of its students?

Success Challenge has had little effect upon Cleveland State University’s initiatives to improve time-to-degree and at-risk graduation rates, according to those interviewed for this study. The student body at Cleveland State University mandates that they must offer numerous programs to help their students become successful. Receiving Success Challenge funds has not altered or increased the institutions motivation to help these students. The funds help the university offer the services but these services would be offered even if the funds were not provided by the Board of Regents, given that the services are essential for their student body to be successful.

In Fiscal Year 2007 Cleveland State University received 7.60% of the at-risk funds available and 3.43% of the time-to-degree total, for a combined total of
6.21% of Success Challenge funds available. In total dollars, Cleveland State University received $3,252,285 in Success Challenge funds. Respondents claimed that if the Success Challenge funds were not there, they would still offer the programs needed for student success. The loss of three million dollars annually would seem to have a greater impact upon a Cleveland State University than it would a Miami University. Cleveland State University students would certainly have a harder time paying the cost of tuition increases due to loss of state support than Miami University students.

One of the respondents at Cleveland State University claimed that it was more productive for the university to seek out academically solid four year students that would spend their entire academic career at Cleveland State University than to focus on increasing gains in Success Challenge funding. It is certainly true that by attracting a four year student the university received four years of funding for that student. However, the respondent mis-stated how Success Challenge works and how it could benefit the university. The respondent incorrectly claimed that the university receives no credit for graduating transfer students. The formula used by the Board of Regents does account for transfer students. In Cleveland State University, or any public university in Ohio, if an incoming transfer student graduates within four years of when they started their academic career, the graduating university is able to report that student as their graduate for a timely manner Success Challenge award. Also, if an at-risk student transfers into the university (a likely scenario for students from Cuyahoga
Community College), since there is no timely degree component for the at-risk component, whenever that student graduates from Cleveland State University, the university will be able to make an at-risk claim for an award. The respondent would be correct, however when examining the reverse situation. If one of their students leaves Cleveland State University and then graduates from another institution, either as a timely degree student or as an at-risk student, Cleveland State University would not get any credit for that student.

Several respondents also expressed their frustration with how the state is defining success with the goals of Success Challenge. Although they did not offer more appropriate definitions of success that they wish to be measured by, their frustration is validated somewhat by the Commission on the Future of Higher Education in America’s observation that the population attending college is changing and that “of the nations nearly 14 million undergraduates, more than four in ten attend two-year community colleges. Nearly one-third are older than 24 years old. Forty percent are enrolled part-time” (U.S. Department of Education, xi).

4. How are the Research Challenge and Success Challenge funds allocated on each campus studied?

At the University of Cincinnati the Research Challenge funds come into the university and the provost, the vice president for research and the colleges that generated the grant holdings are given a share the total amount. The provost receives 30%, the vice president for research receives 30% and the remaining
40% is awarded to each college in proportion to their external research awards. According to the University of Cincinnati document *Institutional Plan for the Use of Research Challenge Funds for FYs 2006 & 2007* (Ohio Board of Regents, 2006 – 2007), Research Challenge funds are spent on recruiting and retaining world-class faculty, Interdisciplinary Research Institutes/Centers, Third Frontier Initiatives, Cost-sharing for Extramural Grant Proposals and Equipment Funds and Undergraduate and Graduate Research Programs.

At both Miami University and Cleveland State University, Success Challenge funds are placed into the general budget. These funds do not directly pay for programs or personnel that provide support to students in order to improve time-to-degree or graduation rates for at-risk students.

5. How effective are Research Challenge and Success Challenge funding policies in motivating the institutions studied to meet state goals?

At the University of Cincinnati, Research Challenge funds are very effective in helping the institution meet the state’s goals for Research Challenge. As a discretionary funding source, it lends the university some flexibility to fund initiatives which can be leveraged to increase externally funded research. Executives interviewed at the university were consistent in their view that Research Challenge funds were a positive tool in helping the university recruit faculty, provide seed monies and fund start up projects.

At Miami University and Cleveland State University, the funds certainly aid the institutions in funding programs that are aimed at improving time-to-degree
programs and increasing graduation rates. Administrators at Miami University and all but one administrator at Cleveland State University understood the goals for Success Challenge and seemed to be in agreement with the goals. However, both of these institutions seem motivated, not by the funding policy, but by their own institutional culture. Both institutions had respondents that commented that the total Success Challenge funds awarded were not really significant to their total budget. Respondents at both universities claimed that if the funds were not awarded, they would still provide the same services. While Miami University may be better positioned to recover from a lose of such funds, Cleveland State University seems less well positioned to recover the lost funds. Respondents at both institutions were frustrated that as Success Challenge had increased, the formula funding had not kept pace.

6. Based on the professional experiences of selected campus leaders at the three Ohio four-year institutions of higher education studied, what strengths, liabilities and areas for reform can be identified?

At the University of Cincinnati Research Challenge funds were viewed by executives as a highly effective tool to leverage additional externally funded research. Respondents interviewed felt that the program’s greatest strength was its flexibility and longevity. The flexibility of the program allows them to meet emergent needs in a timely manner and helped the university position itself for a recent boom in federally funded research. The longevity of the program has allowed the university to use the program as a recruiting tool for new and rising
faculty stars. By being able to offer this program as an incentive, the longevity of
the program lends credibility to any packages that may be offered to new faculty.

Administrators also focused on that same flexibility as a weakness of the
program, suggesting that the incoherent or defused nature of the program harms
serious attempts to focus on emergent areas of research. One respondent was
concerned that often what the funds were actually spent on might not be what a
legislator may have intended those funds be used for. The funding level of the
program was also discussed as a serious weakness to the program. Given the large
amounts of research that occur at the university, the size of the research enterprise
and the stated goals of the program, respondents were consistent in their claim
that the state still needs to be investing more funds into research.

While administrators at the University of Cincinnati agreed that increasing
the funding for the program would improve the program, there was no other areas
of consensus. In fact there were conflicting opinions as to how to improve the
program. One administrator suggested that only the top research institutions be
able to compete for the funds in order to create a research triangle, similar to that
of North Carolina. It is true that 75% of Research Challenge funds are awarded to
two universities. However, this suggestion seems rather self serving and does not
take into account the research focus and culture of faculty across the state, let
alone the tenure and promotion structure of all the public universities across the
state and higher education in general. Another administrator suggested that
research institutions needed to cooperate with each other in order to receive funds.
And yet another administrator suggested that the state coordinate the research efforts of the universities. That is, in order to be funded by the state, only certain research could occur at specific institutions. Executives at the University of Cincinnati were more concerned with the funding levels more appropriately matching the needs of the state and the state goals that the institutions were being held accountable to.

Executives at Miami University and Cleveland State University did not offer many strengths for Success Challenge other than it was an additional discretionary source of funding. But that strength was often offset by the recognition that other funding sources had been reduced in recent years and that Ohio’s funding levels were low to begin with. Success funds did allow the institutions to focus resources on their own time-to-degree and graduation rate concerns without having to use other general funding sources.

One view that was expressed at Miami University was that state funds could be better used if the state directed funds to the university to be spent to improve the quality of other programs or to further enhance high quality programs at the university. If Success Challenge funds went away, executives at Miami University would still fight for those funds from the state, but their current programs would continue. However, one executive would like to see additional funds provided by the state that the university could concentrate in other areas of the university to offer other program improvements or enhancements.
At Cleveland State University executives cited the flexibility of the program as both a strength and a weakness. One executive cited the program as a recognition from the state as to the difficulties faced by commuter campuses. However, a weakness of the program cited by two executives was how to define success with their student population. They felt that the state had not gone far enough in the policy development to truly recognize the nature of their student body and reward them for the challenges that they are trying to meet.

While the executives that were interviewed said that they felt the program should be continued, one executive suggested that a Mission Challenge be incorporated into Success Challenge or in addition to Success Challenge. This executive felt that while the Ohio Board of Regents may have approved of the institution’s mission statement, they are not actually funding it with the current Success Challenge.

Conclusions

In qualitative research, the researcher is seeking to understand the experience of those individuals studied. The goal, in this study, is not to transpose the finding of this research onto all other Ohio colleges and universities and the executives and administrators that work with Research Challenge and Success Challenge. Therefore, making broad conclusions and specific recommendations is difficult. Following the examination of the findings from this study, the following conclusions have been derived:
Changing Behavior

As with any policy, the purpose of that policy ultimately is to change behavior. When examining Success Challenge on the campuses studied, it is hard to observe to what level the policies have changed any institutional behavior.

Research Challenge at the University of Cincinnati has helped the institution leverage its research activities, initiated interdisciplinary research activities, attract world-class researchers and furnish research laboratories. The university has created a vice president level position to create research initiatives and administer Research Challenge funds. Certainly, research would have occurred at the University of Cincinnati without the funds. The availability of the Research Challenge funds had aided the university in attracting faculty and leveraging external funding for research. As a result, the state’s position in regards to externally funded university research has improved significantly since 1980.

At Miami University, given the student body on that campus and the pre-existing culture to graduate their students, it is difficult to demonstrate that Success Challenge policy has directly changed the behavior of the campus in terms of time-to-degree and at-risk graduation rates. The campus’ two recent tuition plans, first to charge the same tuition for in-state and out-of-state student, and second, to offer free tuition to families making less than $35,000, seems well positioned to attract a more diverse socio-economic student body. Thus, presumably, graduating more at-risk students. The Success Challenge funds are certainly welcome by the university given the flat SSI funding by the state, but other funding streams could probably have a greater impact on
the institution. The programs offered by the institution that do address at-risk students as defined by the state, are broad programs, such as the First Year Residential Living Learning Communities, that address the overall campuses climate of success.

At Cleveland State University, their student population demands that they focus on the issues related to at-risk graduation and time-to-degree. The campus’ focus on these issues is also not motivated by additional monies provided by Success Challenge. On this campus as well, there is a strong desire to offer the services necessary to their students to success. There is also a feeling that Success Challenge funding does not meet their own needs as an institution by not considering the real challenges their student body faces. Here again, there seems to be little evidence that Success Challenge funding is changing any institutional behavior.

State wide graduation rates shift slowly over time as degree attainment numbers take into account the entire state population. The most direct route to impacting degree attainment is to graduate more of the students that are admitted into college. Success Challenge has only been in place since 1996, not yet long enough to significantly impact statewide degree attainment numbers. The funds have certainly impacted the campuses studied and state wide baccalaureate degree attainment has increased by 12% from 2001 to 2005 yet Ohio ranks near the bottom nationally for baccalaureate degree attainment (Ohio Board of Regents, 2006). Research Challenge has been in place since 1983 and since that time per capita investment in Ohio has risen significantly against the national average. Ohio still does not do well in national comparisons in both these areas. It is not entirely clear that Success Challenge, in itself has influenced Miami University and
Cleveland State University to improve their at-risk and time-to-degree attainment numbers. Would Ohio be any worse off if these Success Challenge funds were not created and the funds simply inserted into the SSI? It is hard to say. The impact of the Research Challenge seems much easier to gauge given the systems that the University of Cincinnati has put in place to effectively leverage the monies.

When examining the number of degrees awarded in Ohio, baccalaureate graduation rates have increased 12% from 2001 to 2005 (Ohio Board of Regents, 2006). When using degrees awarded per 100,000 population for baccalaureate as a metric, Ohio is slightly above the national average from 2001 to 2005. Ohio increased from 447 to 497 baccalaureate degrees awarded per 100,000 population from 2001 to 2005. Yet increases in the national population over that same time matched Ohio’s progress, as a result, Ohio’s level of degree production relative to the rest of the country remained nearly unchanged (Ohio Board of Regents, 2006).

Research Challenge and Success Challenge Funding

While Research Challenge and Success Challenge funding may provide a limited impact given overall declining budgets, they do have an impact on the campuses studied according to the participants of this study. In all instances, funding is an unrestricted source of revenue that the institution can use as it sees fit. Almost all interviewees talked about how if there was not funding coming in from this source to accomplish their goal, they would have to take monies from other budget items, and thus having a negative impact on the campus. Many interviewees were well aware of recent budget cuts and
were very sensitive to how much worse off their campus would be without this additional funding source.

It may be a matter of semantics, but Success Challenge could more properly be viewed as a reward for past performance as opposed to a challenge to improve future performance. Success Challenge funds are awarded based on the percent of state graduation rates for at-risk and timely degree students, it is not based on improving your own graduate rates. It seems much easier for Miami University or Cleveland State University to increase their own graduation rates for these two areas than to increase their overall numbers versus the rest of the state. For example, Miami University may increase their at-risk graduation rate from 70% to 75% in one year, which is significant, but if The Ohio State University increases their rate in the same year by a less significant amount, because of the total numbers involved, Miami University could actually end up receiving less money in a year where they made significant progress on their own campus.

Schaller Dissertation

The Schaller dissertation *Performance Funding in Ohio: Differences in Awareness of Success Challenge Between Student Affairs Administrators and Academic Affairs Administrators at Ohio’s Public Universities* deserves some comment at this point. The Schaller (2004) study does not easily compare to this current study. Schaller examined implementation of Success Challenge by measuring awareness. While Schaller found differences in awareness of Success Challenge between student affairs and academic affairs professionals at selective and non-selective institutions in Ohio, that study’s quantitative approach required a stratified random sample be selected. However,
this study required that interviewees possess a certain degree of awareness of Success Challenge. In fact, awareness of Success Challenge was necessary in order to participate in the interviews. Therefore, comparisons on the nature of awareness would not be appropriate.

Recommendations for Further Study

A few possibilities come to mind for further areas of study as a result of completing this study. Other institutions that receive large amounts of Research Challenge funding, namely, The Ohio State University and Case Western Reserve University, should be studied to examine the impact of the funding upon the research completed at those institutions.

Institutions such as Bowling Green State University, University of Akron, University of Cincinnati, The Ohio State University and Kent State University also receive a large portion of Success Challenge funding for at-risk graduation rates. Their student populations are distinct from Miami University’s and Cleveland State University’s student populations. A similar study of these institutions and how they utilize Success Challenge funding would be beneficial to the literature in this area.

Success Challenge and Research Challenge have been a fairly consistent and reliable source of funding for the institutions of Ohio since their creation in the 1980s and 1990s. However, to the institutions involved in this study they tend to serve simply as a supplement to the general budget. This study along with the studies suggested above would create a solid picture of the State of Ohio for the leadership to make appropriate
decisions about the future of these programs and state initiatives to improve the economy and degree attainment of its citizens.
References


Ohio Board of Regents (1996a, November 15). The higher education funding commission of the Ohio Board of Regents: Final report and recommendations, Columbus, OH.


APPENDIX A

HB 215, 122nd General Assembly

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**Success Challenge**

The foregoing appropriation item, 235-420, Success Challenge, shall be used by the Ohio Board of Regents to promote degree completion by students deemed to be at-risk of educational failure. In fiscal years 1998 and 1999, an "at-risk" student shall be defined to mean all degree recipients reported in the previous fiscal year at state-assisted colleges and universities who had received an Ohio Instructional Grant.

In future fiscal years, the definition of "at-risk" students may be jointly revised by the Board of Regents and representatives of state-assisted colleges and universities to encompass different or additional measures of risk, including educational, economic, physical, or cultural disadvantage.

Funds shall be allocated in proportion to each campus' share of eligible total degree recipients, weighted to reflect the level of degree.

**Research Challenge**

The foregoing appropriation item 235-454, Research Challenge, shall be used to enhance the basic research capabilities of public colleges and universities and accredited Ohio institutions of higher education holding certificates of authorization issued pursuant to section 1713.02 of the Revised Code, in order to strengthen the academic research for pursuing Ohio's economic redevelopment goals. The Ohio Board of Regents, in consultation with the colleges and universities, shall administer the Research Challenge Program and utilize a means of matching, on a fractional basis, external funds attracted in the previous year by institutions for basic research. The program may include incentives for increasing the amount of external research funds coming to such eligible institutions and for focusing research efforts upon critical state needs. Colleges and universities shall submit for review and approval to the Ohio Board of Regents plans for the institutional allocation of state dollars received through this program. Such institutional plans shall provide the rationale for the allocation in terms of the strategic targeting of funds for academic and state purposes, for strengthening research programs, and for increasing the amount of external research funds, and shall include an evaluation process to provide results of the increased support. It is the intent of the General Assembly that increases in funding for 235-454, Research Challenge, in the 1997-1999 biennium, over the 1993-1995 biennium levels, be used by campuses as unrestricted funding for research, in the same way that Instructional Subsidy allocations are used.
Of the foregoing appropriation item 235-454, Research Challenge, $100,000 in fiscal year 1998 shall be disbursed to the University of Toledo to support the Plant Science Research Facility.

Of the foregoing appropriation item 235-454, Research Challenge, $100,000 in fiscal year 1999 shall be disbursed by the Board of Regents on a project by project basis to the Ohio Plant Biotechnology Consortium for state university projects approved and recommended by the consortium. These monies are intended to promote a statewide coordinated effort which is necessary to develop discoveries in Ohio's universities into technologies for use by Ohio's farmers. All Board of Regents' requests for release of these monies shall be submitted to the Controlling Board for approval. The Consortium shall develop guidelines by which state universities may apply for these monies for plant biotechnology projects. The project proposals shall identify ways in which the existing infrastructure shall be used in these projects and how the Cooperative Extension Services shall be used to disseminate the resulting information.

The Ohio Board of Regents shall submit a biennial report of progress to the General Assembly.
APPENDIX B

HB 282, 123rd General Assembly (July 1, 1999 to June 30, 2001)

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Success Challenge

The foregoing appropriation item 235-420, Success Challenge, shall be used by the Ohio Board of Regents to promote degree completion by students enrolled at a main campus of a state-assisted university.

In each fiscal year, two-thirds of the appropriations shall be distributed to state-assisted university main campuses in proportion to each campus' share of the total statewide bachelor's degrees granted by university main campuses to "at-risk" students. In fiscal year 2000 and fiscal year 2001, an "at-risk" student shall be defined to mean any undergraduate student who had received an Ohio Instructional Grant during the past ten years. An eligible institution shall not receive its share of this distribution until it has submitted a plan that addresses how the subsidy will be used to better serve at-risk students and increase their likelihood of successful completion of a bachelor's degree program. The Board of Regents shall disseminate to all state-supported institutions of higher education all such plans submitted by institutions that received Success Challenge funds.

In each fiscal year, one-third of the appropriations shall be distributed to university main campuses in proportion to each campus' share of the total bachelor's degrees granted by university main campuses to undergraduate students who completed their bachelor's degrees in a "timely manner" in the previous fiscal year. For the purposes of this section, "timely manner" means the normal time it would take for a full-time degree-seeking undergraduate student to complete the student's degree. Generally, for such students pursuing a bachelor's degree, "timely manner" means four years. Exceptions to this general rule shall be permitted for students enrolled in programs specifically designed to be completed in a longer time period. The Board of Regents shall collect base-line data beginning with the 1998-99 academic year to assess the timely completion statistics by university main campuses.

Research Challenge

The foregoing appropriation item 235-454, Research Challenge, shall be used to enhance the basic research capabilities of public colleges and universities and accredited Ohio institutions of higher education holding certificates of authorization issued pursuant to section 1713.02 of the Revised Code, in order to strengthen the academic research for pursuing Ohio's economic redevelopment goals. The Ohio Board of Regents, in
consultation with the colleges and universities, shall administer the Research Challenge Program and utilize a means of matching, on a fractional basis, external funds attracted in the previous year by institutions for basic research. The program may include incentives for increasing the amount of external research funds coming to such eligible institutions and for focusing research efforts upon critical state needs. Colleges and universities shall submit for review and approval to the Ohio Board of Regents plans for the institutional allocation of state dollars received through this program. Such institutional plans shall provide the rationale for the allocation in terms of the strategic targeting of funds for academic and state purposes, for strengthening research programs, and for increasing the amount of external research funds, and shall include an evaluation process to provide results of the increased support. It is the intent of the General Assembly that increases in funding for appropriation item 235-454, Research Challenge, in the 1999-2001 biennium, over the 1993-1995 biennium levels, be used by campuses as unrestricted funding for research, in the same way that Instructional Subsidy allocations are used.

The Ohio Board of Regents shall submit a biennial report of progress to the General Assembly.
APPENDIX C

SB 261, 124th General Assembly (July 1, 2001 – June 30, 2003) Budgetary Modifications; no change from original budget in HB 94

GRF235-420 Success Challenge $47,041,000 $47,041,000
GRF235-454 Research Challenge $20,000,000 $20,000,000

SUCCESS CHALLENGE

The foregoing appropriation item 235-420, Success Challenge, shall be used by the Board of Regents to promote degree completion by students enrolled at a main campus of a state-assisted university.

In each fiscal year, two-thirds of the appropriations shall be distributed to state-assisted university main campuses in proportion to each campus's share of the total statewide bachelor's degrees granted by university main campuses to "at-risk" students. In fiscal years 2002 and 2003, an "at-risk" student means any undergraduate student who has received an Ohio Instructional Grant during the past ten years. An eligible institution shall not receive its share of this distribution until it has submitted a plan that addresses how the subsidy will be used to better serve at-risk students and increase their likelihood of successful completion of a bachelor's degree program. The Board of Regents shall disseminate to all state-supported institutions of higher education all such plans submitted by institutions that received Success Challenge funds.

In each fiscal year, one-third of the appropriations shall be distributed to university main campuses in proportion to each campus's share of the total bachelor's degrees granted by university main campuses to undergraduate students who completed their bachelor's degrees in a "timely manner" in the previous fiscal year. For the purposes of this section, "timely manner" means the normal time it would take for a full-time degree-seeking undergraduate student to complete the student's degree. Generally, for such students pursuing a bachelor's degree, "timely manner" means four years. Exceptions to this general rule shall be permitted for students enrolled in programs specifically designed to be completed in a longer time period. The Board of Regents shall collect base-line data beginning with the 1998-99 academic year to assess the timely completion statistics by university main campuses.

RESEARCH CHALLENGE

The foregoing appropriation item 235-454, Research Challenge, shall be used to enhance the basic research capabilities of public colleges and universities and accredited Ohio institutions of higher education holding certificates of authorization issued pursuant to section 1713.02 of the Revised Code, in order to strengthen academic research for
pursuing Ohio's economic redevelopment goals. The Board of Regents, in consultation with the colleges and universities, shall administer the Research Challenge Program and utilize a means of matching, on a fractional basis, external funds attracted in the previous year by institutions for basic research. The program may include incentives for increasing the amount of external research funds coming to eligible institutions and for focusing research efforts upon critical state needs. Colleges and universities shall submit for review and approval to the Board of Regents plans for the institutional allocation of state dollars received through the program. The institutional plans shall provide the rationale for the allocation in terms of the strategic targeting of funds for academic and state purposes, for strengthening research programs, and for increasing the amount of external research funds, and shall include an evaluation process to provide results of the increased support.

The Board of Regents shall submit a biennial report of progress to the General Assembly.
APPENDIX D

HB 95, 125th General Assembly, July 1, 2003 to June 30, 2005

GRF 235-420  Success Challenge  $51,113,077  $56,113,077  
GRF 235-454  Research Challenge  $18,330,000  $18,330,000

SUCCESS CHALLENGE

The foregoing appropriation item 235-420, Success Challenge, shall be used by the Board of Regents to promote degree completion by students enrolled at a main campus of a state-assisted university.

Of the foregoing appropriation item 235-420, Success Challenge, 71.77 per cent of the appropriation in fiscal year 2004 and 74.29 per cent of the appropriation in fiscal year 2005 shall be distributed to state-assisted university main campuses in proportion to each campus's share of the total statewide bachelor's degrees granted by university main campuses to "at-risk" students. In fiscal years 2004 and 2005, an "at-risk" student means any undergraduate student who was eligible to receive an Ohio Instructional Grant during the past ten years. An eligible institution shall not receive its share of this distribution until it has submitted a plan that addresses how the subsidy will be used to better serve at-risk students and increase their likelihood of successful completion of a bachelor's degree program. The Board of Regents shall disseminate to all state-supported institutions of higher education all such plans submitted by institutions that received Success Challenge funds.

Of the foregoing appropriation item 235-420, Success Challenge, 28.23 per cent of the appropriation in fiscal year 2004, and 25.71 per cent of the appropriation in fiscal year 2005 shall be distributed to university main campuses in proportion to each campus's share of the total bachelor's degrees granted by university main campuses to undergraduate students who completed their bachelor's degrees in a "timely manner" in the previous fiscal year. For the purposes of this section, "timely manner" means the normal time it would take for a full-time degree-seeking undergraduate student to complete the student's degree. Generally, for such students pursuing a bachelor's degree, "timely manner" means four years. Exceptions to this general rule shall be permitted for students enrolled in programs specifically designed to be completed in a longer time period. The Board of Regents shall collect data to assess the timely completion statistics by university main campuses.

RESEARCH CHALLENGE

The foregoing appropriation item 235-454, Research Challenge, shall be used to enhance the basic research capabilities of public colleges and universities and accredited Ohio
institutions of higher education holding certificates of authorization issued pursuant to section 1713.02 of the Revised Code, in order to strengthen academic research for pursuing Ohio's economic development goals. The Board of Regents, in consultation with the colleges and universities, shall administer the Research Challenge Program and utilize a means of matching, on a fractional basis, external funds attracted in the previous year by institutions for basic research. The program may include incentives for increasing the amount of external research funds coming to eligible institutions and for focusing research efforts upon critical state needs. Colleges and universities shall submit for review and approval to the Board of Regents plans for the institutional allocation of state dollars received through the program. The institutional plans shall provide the rationale for the allocation in terms of the strategic targeting of funds for academic and state purposes, for strengthening research programs, for increasing the amount of external research funds, and shall include an evaluation process to provide results of the increased support. Each institutional plan for the investment of Research Challenge moneys shall report on existing, planned, and/or possible relationships with other State of Ohio science and technology programs and funding recipients in order to further ongoing statewide science and technology collaboration objectives. The Board of Regents shall submit a biennial report of progress to the General Assembly.
APPENDIX E

House Bill 66, 126th General Assembly, July 1, 2005 to June 30, 2007

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SECTION 209.63.33. SUCCESS CHALLENGE

The foregoing appropriation item 235-420, Success Challenge, shall be used by the Board of Regents to promote degree completion by students enrolled at a main campus of a state-assisted university.

Of the foregoing appropriation item 235-420, Success Challenge, 66.67 per cent of the appropriation in each fiscal year shall be distributed to state-assisted university main campuses in proportion to each campus's share of the total statewide bachelor's degrees granted by university main campuses to "at-risk" students. In fiscal years 2006 and 2007, an "at-risk" student means any undergraduate student who was eligible to receive an Ohio need-based financial aid award during the past ten years. An eligible institution shall not receive its share of this distribution until it has submitted a plan that addresses how the subsidy will be used to better serve at-risk students and increase their likelihood of successful completion of a bachelor's degree program. The Board of Regents shall disseminate to all state-supported institutions of higher education all such plans submitted by institutions that received Success Challenge funds.

Of the foregoing appropriation item 235-420, Success Challenge, 33.33 per cent of the appropriation in each fiscal year shall be distributed to university main campuses in proportion to each campus's share of the total bachelor's degrees granted by university main campuses to undergraduate students who completed their bachelor's degrees in a "timely manner" in the previous fiscal year. For purposes of this section, "timely manner" means the normal time it would take for a full-time degree-seeking undergraduate student to complete the student's degree. Generally, for such students pursuing a bachelor's degree, "timely manner" means four years. Exceptions to this general rule shall be permitted for students enrolled in programs specifically designed to be completed in a longer time period. The Board of Regents shall collect data to assess the timely completion statistics by university main campuses.

SECTION 209.63.39. ECONOMIC GROWTH CHALLENGE

The foregoing appropriation item 235-433, Economic Growth Challenge, shall be used to enhance the basic research capabilities of Ohio's public and private institutions of higher education, support improved graduate programs throughout the state, and promote the transfer of technology developed by colleges and universities to private industry to further the economic goals of the state.
Of the foregoing appropriation item 235-433, Economic Growth Challenge, $18,000,000 in each fiscal year shall be used for the Research Incentive Program to enhance the basic research capabilities of public colleges and universities and accredited Ohio institutions of higher education holding certificates of authorization issued under section 1713.02 of the Revised Code, in order to strengthen academic research for pursuing Ohio's economic development goals. The Board of Regents, in consultation with the colleges and universities, shall administer the Research Incentive Program and utilize a means of matching, on a fractional basis, external funds attracted in the previous year by institutions for basic research. The program may include incentives for increasing the amount of external research funds coming to eligible institutions and for focusing research efforts upon critical state needs. Colleges and universities shall submit for review and approval to the Board of Regents plans for the institutional allocation of state dollars received through the program. The institutional plans shall provide the rationale for the allocation in terms of the strategic targeting of funds for academic and state purposes, for strengthening research programs, for increasing the amount of external research funds, and shall include an evaluation process to provide results of the increased support. Institutional plans for the use of Research Incentive funding must demonstrate a significant investment in Third Frontier activities funded at the institution. For a college or university with multiple Third Frontier grants, as much as ten per cent of that institution's Research Incentive funding may be invested in Third Frontier Project-related activities. Each institutional plan for the investment of Research Incentive moneys shall report on existing, planned, or possible relationships with other state science and technology programs and funding recipients in order to further ongoing statewide science and technology collaboration objectives. The Board of Regents shall submit a biennial report of progress to the General Assembly.

In fiscal year 2006, both those state-assisted doctoral degree-granting universities and those accredited Ohio institutions of higher education holding certificates of authorization under section 1713.02 of the Revised Code electing to participate in the Innovation Incentive Program shall initiate a comprehensive Innovation Incentive Plan designed to enhance doctoral programs and areas of research that have the greatest potential to attract preeminent researchers and build research capacity; enhance regional or state economic growth by creating new products and services to be commercialized; and complement Ohio's Third Frontier Project.

Funding for the Innovation Incentive Program shall be generated from those state-assisted universities electing to set aside a portion of their allocation of the current doctoral reserve as provided in appropriation item 235-501, State Share of Instruction, and state matching funds provided in appropriation item 235-433, Economic Growth Challenge. Additionally, those accredited Ohio institutions of higher education holding certificates of authorization under section 1713.02 of the Revised Code electing to participate in the Innovation Incentive Program shall be required to set aside an amount
comparable to the state-assisted universities. The criteria for the determination of this amount shall be developed by the Board of Regents.

Of the foregoing appropriation item 235-433, Economic Growth Challenge, $2,343,097 in fiscal year 2006 and $4,686,194 in fiscal year 2007 shall match funds set aside by the state-assisted universities for the Innovation Incentive Program. The set aside begins in fiscal year 2006 and is intended to increase incrementally over a period of ten years with the goal of setting aside a total of fifteen per cent of the doctoral reserve from appropriation item 235-501, State Share of Instruction, by 2016.

The Board of Regents shall use the combined amount of each participating state-assisted university's set aside of the doctoral reserve that has been withheld, the state matching funds earmarked under appropriation item 235-433, Economic Growth Challenge, and the amount set aside by each accredited Ohio institution of higher education holding a certificate of authorization under section 1713.02 of the Revised Code electing to participate in the Innovation Incentive Program to make awards through a competitive process under the Innovation Incentive Program. Only universities electing to set aside the prescribed amount shall be eligible to compete for and receive Innovation Incentive awards. The participating universities shall use these awards to restructure their array of doctoral programs.

Of the foregoing appropriation item 235-433, Economic Growth Challenge, $500,000 in fiscal year 2007 shall be distributed for the Technology Commercialization Incentive. The purpose of the Technology Commercialization Incentive is to reward public and private colleges and universities for successful technology transfer to Ohio-based business and industry resulting in the commercialization of new products, processes, and services and the establishment of new business start-ups within the state. The Third Frontier Commission, with counsel from the Third Frontier Advisory Board, shall establish the eligibility criteria for public and private colleges and universities interested in applying for Technology Commercialization Incentive funding. To qualify for the funds, public and private colleges and universities must maintain a significant investment in their own technology-transfer and commercialization operation and capabilities, and possess a significant history of successful research partnerships with Ohio-based business and industry.
### Comparison of Shares of SSI vs. Shares of Success Challenge for Cleveland State and Miami, FY 2007

<table>
<thead>
<tr>
<th></th>
<th>Cleveland State</th>
<th>Miami University</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of SSI Formula Distribution, FY 2007</td>
<td>5.45%</td>
<td>4.63%</td>
</tr>
<tr>
<td>Share of Success Challenge Distribution, FY 2007</td>
<td></td>
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</tr>
<tr>
<td>At-risk Component</td>
<td>7.60%</td>
<td>4.47%</td>
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<tr>
<td>Timely Degree Component</td>
<td>3.43%</td>
<td>12.80%</td>
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<tr>
<td>Both Components Combined</td>
<td>6.21%</td>
<td>7.25%</td>
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<tr>
<td>Index of Success Challenge Distribution to SSI Formula Distribution</td>
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<td></td>
</tr>
<tr>
<td>At-risk Component</td>
<td>1.395</td>
<td>0.965</td>
</tr>
<tr>
<td>Timely Degree Component</td>
<td>0.629</td>
<td>2.762</td>
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<tr>
<td>Both Components Combined</td>
<td>1.139</td>
<td>1.564</td>
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</table>

Source: Ohio Board of Regents  
Created by Dr. Matt Filipic
<table>
<thead>
<tr>
<th>University</th>
<th>FY 2002 Final Research Challenge (w/ cut)</th>
<th>Approved Claim</th>
<th>Claim % of Total</th>
<th>Direct Match</th>
<th>Incentive for Collaboration</th>
<th>Research Chall w/ 6% cut</th>
<th>Final w/ both Budget Cuts</th>
<th>FY 2002-2003 Percent Change</th>
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</thead>
<tbody>
<tr>
<td>Akron</td>
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<td>$11,095,285</td>
<td>2.73%</td>
<td>$403,411</td>
<td>$176,569</td>
<td>$579,360</td>
<td>$565,481</td>
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<tr>
<td>Bowling Green</td>
<td>$259,956</td>
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<td>$235,845</td>
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<td>$90,271</td>
<td>$49,275</td>
<td>$139,546</td>
<td>$136,056</td>
<td>124.5%</td>
</tr>
<tr>
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<td>$3,122,934</td>
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</tr>
<tr>
<td>Cleveland State</td>
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<td>$191,499</td>
<td>$110,369</td>
<td>$302,369</td>
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</tr>
<tr>
<td>Kent State</td>
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<td>$587,963</td>
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</tr>
<tr>
<td>MCO</td>
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<td>$11,228,165</td>
<td>2.76%</td>
<td>$408,242</td>
<td>$176,568</td>
<td>$584,511</td>
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<td>-2.2%</td>
</tr>
<tr>
<td>Miami University</td>
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<td>$2,307,262</td>
<td>1.28%</td>
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<td>$135,385</td>
<td>$324,335</td>
<td>$316,715</td>
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<td>Ohio State</td>
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<tr>
<td>Ohio University</td>
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<td>$201,306</td>
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<td>Shawnee State</td>
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<td>0.00%</td>
<td>$0</td>
<td>$24,682</td>
<td>$24,682</td>
<td>$24,682</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Toledo</td>
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<td>$8,927,401</td>
<td>2.02%</td>
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<td>$143,718</td>
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<td>$15,473,861</td>
<td>4.30%</td>
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<td>$205,313</td>
<td>$504,454</td>
<td>$784,343</td>
<td>2.7%</td>
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<td>Youngstown</td>
<td>$66,011</td>
<td>$710,347</td>
<td>0.17%</td>
<td>$28,867</td>
<td>$61,593</td>
<td>$87,421</td>
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<td>Private Universities</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Case Western</td>
<td>$1,501,703</td>
<td>$170,162,790</td>
<td>8.18%</td>
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<td>$1,485,142</td>
<td>$1,448,014</td>
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</tr>
<tr>
<td>Dayton</td>
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<td>$39,958</td>
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<td>Private Total</td>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<td>$1,642,500</td>
<td>$18,500,000</td>
<td>$18,330,000</td>
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</tbody>
</table>
# APPENDIX H

## RESEARCH CHALLENGE AWARDS

**FY 2004**

<table>
<thead>
<tr>
<th>University</th>
<th>Approved Claim</th>
<th>Claim % of Total</th>
<th>Direct Match</th>
<th>Incentives for Collaboration</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akron</td>
<td>$13,499,389</td>
<td>3.00%</td>
<td>$432,263</td>
<td>$172,021</td>
<td>$1604,284</td>
</tr>
<tr>
<td>Bowling Green</td>
<td>$4,666,656</td>
<td>1.04%</td>
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<td>$100,022</td>
<td>$249,424</td>
</tr>
<tr>
<td>Central State</td>
<td>$2,046,275</td>
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<td>$65,524</td>
<td>$40,000</td>
<td>$155,529</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>$99,945,638</td>
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<tr>
<td>Cleveland State</td>
<td>$6,699,579</td>
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<td>$192,596</td>
<td>$108,013</td>
<td>$290,519</td>
</tr>
<tr>
<td>Kent State</td>
<td>$12,257,037</td>
<td>2.73%</td>
<td>$392,482</td>
<td>$188,023</td>
<td>$580,505</td>
</tr>
<tr>
<td>MCO</td>
<td>$12,555,712</td>
<td>2.68%</td>
<td>$414,854</td>
<td>$172,023</td>
<td>$586,876</td>
</tr>
<tr>
<td>Miami University</td>
<td>$5,971,283</td>
<td>1.33%</td>
<td>$191,206</td>
<td>$132,017</td>
<td>$232,223</td>
</tr>
<tr>
<td>NEG/COM</td>
<td>$2,521,733</td>
<td>0.50%</td>
<td>$80,748</td>
<td>$52,007</td>
<td>$132,753</td>
</tr>
<tr>
<td>Ohio State</td>
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<tr>
<td>Ohio University</td>
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<td>$878,968</td>
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<tr>
<td>Shawnee State</td>
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<td>0.00%</td>
<td>$0</td>
<td>$24,003</td>
<td>$24,003</td>
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<tr>
<td>Toledo</td>
<td>$11,688,414</td>
<td>2.60%</td>
<td>$374,274</td>
<td>$144,018</td>
<td>$518,993</td>
</tr>
<tr>
<td>Wright State</td>
<td>$18,463,782</td>
<td>4.11%</td>
<td>$591,228</td>
<td>$200,025</td>
<td>$791,253</td>
</tr>
<tr>
<td>Youngstown</td>
<td>$1,160,279</td>
<td>0.26%</td>
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<td>$68,009</td>
<td>$105,162</td>
</tr>
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<td>Public Total</td>
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<td>$14,401,800</td>
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<tr>
<td>Case Western</td>
<td>$187,571,776</td>
<td>41.61%</td>
<td>$1,451,072</td>
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<td>$1,451,072</td>
</tr>
<tr>
<td>Dayton</td>
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<td>$326,928</td>
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<td>Private Total</td>
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<td></td>
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<td>$500,000</td>
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<td><strong>TOTAL</strong></td>
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<td>$16,179,800</td>
<td>$1,600,200</td>
<td>$18,380,000</td>
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</table>

*Ohio Board of Regents*

6/24/2003
# APPENDIX I

## RESEARCH CHALLENGE AWARDS

**FY 2005**

<table>
<thead>
<tr>
<th>University</th>
<th>Approved Claim</th>
<th>Claim % of Total</th>
<th>Direct Match</th>
<th>Incentive for Collaboration</th>
<th>Total FY 2005</th>
</tr>
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<tbody>
<tr>
<td><strong>Public Universities</strong></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Akron</td>
<td>$12,745,213</td>
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<td>$503,813</td>
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<tr>
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<td>$231,589</td>
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<td>2.49%</td>
<td>$335,260</td>
<td>$175,804</td>
<td>$511,154</td>
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<tr>
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<td>$402,366</td>
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<td>0.00%</td>
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<td>$22,456</td>
</tr>
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<tr>
<td><strong>Private Universities</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Case Western</td>
<td>$209,812,197</td>
<td>81.15%</td>
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<tr>
<td><strong>Subtotal</strong></td>
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<td><strong>Administration</strong></td>
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<td><strong>Grand Total</strong></td>
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<td>$1,496,974</td>
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</tr>
</tbody>
</table>
Email to Cleveland State University from committee member

Dear

Mike O'Neal is a former WSU employee who is completing a doctoral program at OU while working in California. He is writing a dissertation on the effect of Success Challenge at Cleveland State and at Miami and the effect of Research Challenge at UC. I am on his committee. His research plan calls for him to interview key decision-makers on each campus to obtain their perspectives on the effect of the program on campus decisions. At Cleveland State, he would like to talk to you, the Provost or someone in that office who could speak to the effect of Success Challenge on decisions there, someone senior in finance and/or budget who could provide that perspective, and some Student Affairs people who could speak to the effect of Success Challenge in funding need-based aid, retention efforts, etc. Because he is now working in California, he is hoping to make a sweep through Ohio in September, stopping at each of the three campuses. His tentative schedule would have him at Cleveland State on September 22 and 25.

I have two favors to ask of you. First, would you be willing to be interviewed by Mike? Second, would you be willing to help him schedule the other interviews at Cleveland State? If so, I would have him contact you or your office directly. You could tell him if his proposed dates seem workable, provide him with some suggestions about the people he should talk to, and - if you are willing – help him get on their calendars.
Email to University of Cincinnati from committee member

Dear

Mike O'Neal is a former WSU employee who is completing a doctoral program at OU while working in California. He is writing a dissertation on the effect of Research Challenge at UC and the effect of Success Challenge at two other universities in Ohio. I am on his committee. His research plan calls for him to interview key decision-makers on each campus to obtain their perspectives on the effect of the program on campus decisions. At UC, he would like to talk to one of the provosts, xx, xx, and a dean and a department chair responsible for research-intensive disciplines and with enough history to be able to comment on Research Challenge. Because he is now working in California, he is hoping to make a sweep through Ohio in September, stopping at each of the three campuses. His tentative schedule would have him at UC on September 18 and 19.

I have two favors to ask of you. First, would you be willing to be interviewed by Mike? Second, would you be willing to help him schedule the other interviews at UC? If so, I would have him contact you or your office directly. You could tell him if his proposed dates seem workable, provide him with some suggestions about the people he should talk to, and - if you are willing – help him get on their calendars.
Email to Miami University from committee member

Dear

Mike O'Neal is a former WSU employee who is completing a doctoral program at OU while working in California. He is writing a dissertation on the effect of Success Challenge at Miami and at Cleveland State and the effect of Research Challenge at UC. I am on his committee. His research plan calls for him to interview key decision-makers on each campus to obtain their perspectives on the effect of the program on campus decisions. At Miami, he would like to talk to you, the Provost or someone in that office who could speak to the effect of Success Challenge on decisions there, another senior person in finance or budget who could provide their perspective, some Student Affairs people who could speak to the effect of Success Challenge in funding need-based aid, retention efforts, etc. Because he is now working in California, he is hoping to make a sweep through Ohio in September, stopping at each of the three campuses. His tentative schedule would have him at Miami on September 20 and 21.

I have two favors to ask of you. First, would you be willing to be interviewed by Mike? Second, would you be willing to help him schedule the other interviews at Miami? If so, I would have him contact you or your office directly. You could tell him if his proposed dates seem workable, provide him with some suggestions about the people he should talk to, and - if you are willing – help him get on their calendars.
Dear

Since the late 1990s Ohio has utilized performance funding as a means to provide additional funding to campuses. This funding, for Ohio’s four-year institutions of higher education, is based on institution performance on a limited number of performance indicators. The monies awarded by the state come in the form of Success Challenge and Research Challenge funds to four-year institutions. As a doctoral student in higher education administration at Ohio University, I am interested in the effect these funds have had on your campus and the educational decision making process. As part of my research I am conducting campus interviews with key campus administrators involved in the performance funding process.

By participating in this study, you will be contributing to a better understanding of how performance funding affects Ohio’s four-year institution of higher education. The outcomes of this research have the potential to inform decisions that are made about performance funding at the legislative level.

I am requesting and hoping that you might agree to participate in this study. I will be contacting you by phone the week of ?? to set up an interview time. I will be traveling to Ohio and will be on your campus the following days: ?? and ???. Any time that you may make available to me will be greatly appreciated. I am also available to meet after work hours if that best fits your schedule.

I am enclosing a copy of the Informed Consent Form for this study. At the time of our interview I will need to obtain a signed copy for my records. Your interview responses will be held confidential- neither your name nor position will be revealed without your permission. Participation in the study is voluntary. In at any time you wish to withdraw your participation, you may do so without penalty by contacting me.

If you have any questions regarding this study, please contact Mike O’Neal at 818.677.6115 or mike.oneal@csun.edu or Dr. Marc Cutright at 740.593.4459 or email to cutrightm@ohio.edu

If you have any questions regarding your rights as a research participant, please contact Jo Ellen Sherow, Director for Research Compliance, Ohio University 740.593.0664.

Sincerely,

L. M. O’Neal
Doctoral Student in Higher Education Administration
Ohio University
Thank you for agreeing to talk with me today about Research Challenge at your institution. I would like to tape this interview. May I have your permission to do so?

Background:

How long and in what capacities have you been employed at this university?

1) Please describe your experience with Research Challenge at this campus.

2) What impression do you have concerning the affect of Research Challenge funding at this institution?

3) How does Research Challenge funding play into leadership decisions made on this campus?

4) Are research faculty on this campus aware of Research Challenge?

5) How does Research Challenge funding effect the type or amount of research done on this campus?

6) How is funding generated by Research Challenge spent?

Probe: Does the money go back to the department that generated the funds or does it go into a general pool?

7) What motivates faculty more in their search for external funding for research, individual or institutional reputation or prestige, achieving tenure, or Research Challenge funds?

8) Is the impact of Research Challenge on this campus meaningful?
9) In your opinion, what are the state goals of Research Challenge?

Probe: How effective is Research Challenge in helping your institution meet these goals?

10) Please give me an example of a decision at this institution, positive or negative, that can be traced to the influence of Research Challenge.

11) In your experience with Research Challenge, what is its greatest strength? Can you provide me with an example to illustrate this strength?

12) In your experience with Research Challenge, what is its greatest weakness? Can you provide me with an example to illustrate this weakness?

13) If the Research Challenge did not exist in Ohio, what decisions would you make differently in regards to gaining research dollars for your institution? Please explain.

14) If you were the Governor of Ohio, what would you do with the policy?

Probe: Should the policy be modified?

Probe: Should the policy be discontinued?
APPENDIX O

Interview Protocol

Miami University (Success Challenge)

Thank you for agreeing to talk with me today about Success Challenge at your institution.

I would like to tape this interview. May I have your permission to do so?

Background:

How long and in what capacities have you been employed at this university?

1) Please describe your experience with Success Challenge at this campus.

Probe: What can you tell me about your student population as it relates to Success Challenge?

2) What impression do you have concerning the affect of Success Challenge funding at this institution?

3) How does Success Challenge funding play into leadership decisions made on this campus?

4) To what degree are key student affairs personnel aware of Success Challenge?

5) How is funds generated by Success Challenge spent?

Probe: Does the money go back to the department that generated the funds or does it go into a general pool?

6) What programs or services has this institution created to increase student time-to-degree?

Probe: What about at-risk graduation rates?
7) What role does public accountability play in the institution’s motivation to improve student time-to-degree?

8) Is the impact of Success Challenge on this campus meaningful?

9) In your opinion, what are the state goals of Success Challenge funding?
   Probe: Is the state more interested in institutional accountability or institutional improvement?
   Probe: How effective is Success Challenge funding in helping your institution meet these goals of accountability or institutional improvement?

10) Please give me an example of a decision at this institution, positive or negative, which can be traced to the influence of Success Challenge.

11) In your experience with Success Challenge funding, what is its greatest strength?
    Can you provide me with an example to illustrate this strength?

12) In your experience with Success Challenge funding, what is its greatest weakness?
    Can you provide me with an example to illustrate this weakness?

13) If the Success Challenge did not exist in Ohio, what decisions would you make differently in regards to improving student time-to-degree and at-risk graduation rates at your institution? Please explain.

14) If you were the Governor of Ohio, what would you do with the policy?
    Probe: Should the policy be modified?
    Probe: Should the policy be discontinued?
APPENDIX P

Interview Protocol

Cleveland State University (Success Challenge)

Thank you for agreeing to talk with me today about Success Challenge at your institution.

I would like to tape this interview. May I have your permission to do so?

Background:

How long and in what capacities have you been employed at this university?

1) Please describe your experience with Success Challenge at this campus.

Probe: What can you tell me about your student population as it relates to Success Challenge?

2) What impression do you have concerning the affect of Success Challenge funding at this institution?

3) How does Success Challenge funding play into leadership decisions made on this campus?

4) To what degree are key student affairs personnel aware of Success Challenge?

5) How is funds generated by Success Challenge spent?

Probe: Does the money go back to the department that generated the funds or does it go into a general pool?

6) What programs or services has this institution created to increase graduation rates for at-risk students?

7) What role does public accountability play in the institution’s motivation to improve at-risk student graduation rates?
8) Is the impact of Success Challenge on this campus meaningful?

9) In your opinion, what are the State goals of Success Challenge funding?
   Probe: Is the state more interested in institutional accountability or institutional improvement?
   Probe: How effective is Success Challenge funding in helping your institution meet these goals of accountability or institutional improvement?

10) Please give me an example of a decision at this institution, positive or negative, which can be traced to the influence of Success Challenge.

11) In your experience with Success Challenge funding, what is its greatest strength? Can you provide me with an example to illustrate this strength?

12) In your experience with Success Challenge funding, what is its greatest weakness? Can you provide me with an example to illustrate this weakness?

13) If the Success Challenge did not exist in Ohio, what decisions would you make differently in regards to improving graduation rates of at-risk students at your institution? Please explain.

14) If you were the Governor of Ohio, what would you do with the policy?
   Probe: Should the policy be modified?
   Probe: Should the policy be discontinued?
Why Should the State Invest in University Research?

Research... The term evokes images of laboratories, scientists in white lab coats and test tubes. It brings to mind the possibilities of new discoveries and inventions that can make life longer, richer ... and easier. Although everyone understands the importance of research at a conceptual level, policymakers may ask: Why should the state invest in research?

There are three primary reasons why the state should continue to invest in research:

- The state’s investment leverages larger federal and industrial research grants;
- As the primary teaching mode for training graduate students, research is a critically important part of workforce development for high-value jobs;
- Research provides the foundation for a high proportion of the innovations that lead to new commercial products, and new jobs.

This brief will look at the reasons the state should continue to invest in research. In addition, the paper will provide information about how funding is used for a typical laboratory, and it will highlight a few of the exciting research projects currently being carried out at Ohio’s universities.

Using Research Challenge Funding to Leverage Federal Research Dollars

| Daniel B. Gerther, Ph.D. |
| Assistant Professor, Civil and Environmental Engineering |
| Joined Faculty of the University of Cincinnati in September 2000 |

- Research Challenge Start-up Funding: $120,000
- External Research Funding from: National Science Foundation
  U.S. Environmental Protection Agency
- Total Value of External Funding: $682,593

The State’s Investment Leverages Federal and Industrial Research Dollars

The state’s investment in research represents a small but important share of total dollars spent on research and development at Ohio’s universities. The big money for research is at the federal level—primarily involving funding provided by the National Science Foundation and the National Institutes of Health. According to the National Science Foundation, almost $1 billion ($992 million) was spent on research and development activities at Ohio’s doctorate granting institutions during FY 2001.

The money that Ohio invests in research is important in leveraging funding at the federal level. In particular, Research Challenge has had a dramatic impact on the amount of federal dollars that have come to Ohio for research (leveraging ratio = $10 in federal support for every $1 invested by the State of Ohio since FY 1980). The chart below shows how money for academic research has been increasing since the advent of several Regents’ research initiatives in the mid 1980’s. Universities are able to use the money provided through Research Challenge as start-up grants for young researchers, or to enhance and home research proposals.

The General Assembly’s investment in Research Challenge enables research proposals from Ohio faculty members to be more competitive for federal grants. For example, the University of Cincinnati used $120,000 in funding it received from the state through Research Challenge to provide start-up funds for one of its assistant professors, Daniel B. Gerther, Ph.D. Using the state’s start-up investment, Dr. Gerther has been able to bring in over $550,000 in federal grants from the National Science Foundation and the U.S. EPA.
APPENDIX R

Consent Form and Letter

Title: Performance funding in Ohio’s four-year institutions of higher education: A Case Study.
Researcher: L. M. O’Neal, California State University, Northridge
Department: Student Housing and Conference Services

Federal and university regulations require signed consent for participation in research involving human subjects. After reading the statements below, please indicate your consent by signing this form.

Explanation of Study
The purpose of the research is to describe the impact of performance funding policy on Ohio’s four-year institutions of higher education.

The researcher will conduct site visits and face-to-face interviews with participants at each institution being studied. A second follow-up interview will be conducted by phone or email. Participants will be given the opportunity to review their interview transcripts and make additions or corrections. Participants may respond to the review by phone, email or in written form.

Each face-to-face interview and follow-up phone/email interview will be approximately one hour in length. The interviews and reviews will be completed within one year.

No experimental procedures are involved in this study.

Risks and Discomforts
There are no significant risks or discomfort associated with this research.

Benefits
The potential value of the increased knowledge to be gained about how performance funding has affected four-year institution of higher education in Ohio is an important step in learning how to address concerns related to this topic in the future. Policy makers and legislatures need to be able to effectively gauge the impact of their policies on the day to day functioning of state institutions of higher education.

Confidentiality and Records
All collected interview information will be confidential. Interview participants and institutions will be coded for confidentiality. Audiotapes and notes will be done for the first interview. Only the researcher will have access to the taped information. Once transcription has occurred, the tapes will be locked in the researcher’s office at California State University, Northridge. Audiotapes will be destroyed upon successful completion of
the dissertation. Telephone or email follow up interviews will be done by the researcher and notes from those interviews will be kept confidential and in the possession of the researcher. After the interview has been transcribed, it will be sent via email to the interviewee for review. Each participant will be given the opportunity to make corrections, additions or deletions to the transcription. The researcher agrees not to publish any information not approved by the participants. All tapes, notes and written materials will remain in the possession of the researcher in a secured area of the California State University, Northridge office.

Compensation
No compensation is available to participants of this research.

Contact Information
If you have any questions regarding this study, please contact Mike O’Neal at 818.677.6115 or mike.oneal@csun.edu or Dr. Marc Cutright at 740.593.4459 or email to cutrightm@ohio.edu.

If you have any questions regarding your rights as a research participant, please contact Jo Ellen Sherow, Director for Research Compliance, Ohio University 740.593.0664.

I certify that I have read and understand this consent form and agree to participate as a subject in the research described. I agree that known risks to me have been explained to my satisfaction and I understand that no compensation is available from Ohio University and its employees for any injury resulting from my participation in this research. I certify that I am 18 years of age or older. My participation in this research is given voluntarily. I understand that I may discontinue participation at any time without penalty or loss of any benefits to which I may otherwise be entitled. I certify that I have been given a copy of this consent form to take with me.

Signature__________________________________________Date__________________
Printed Name_________________________________________
APPENDIX S

IRB Approval

OHIO UNIVERSITY
Office of the Vice President for Research

06E183

A determination has been made that the following research study is exempt from IRB review because it involves:

Category 2 - research involving the use of educational tests, survey procedures, interview procedures or observation of public behavior

Project Title: Performance Funding in Ohio's Four-Year Institutions of Higher Education

Project Director: Mike O'Neal

Department: Counseling and Higher Education

Advisor: Cutchert

Rebecca Cale, Associate Director, Research Compliance
Institutional Review Board

9/12/06

The approval remains in effect provided the study is conducted exactly as described in your application for review. Any additions or modifications to the project must be approved by the IRB (as an amendment) prior to implementation.
## APPENDIX T

### Most Recent Draft of Allocation of Success Challenge, At-risk Baccalaureate Degree Completion

*(Updated: Aug 15 2006 11:30AM)*

<table>
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<th>Institution Type</th>
<th>Institution</th>
<th>Total Main Campus Bac Grads</th>
<th>Tot In State At-risk Bac Grads</th>
<th>Perc Inst Bac Award To At-risk</th>
<th>Perc of State Total</th>
<th>FY 2007 Distribution At-risk</th>
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Note: These figures are subject to change based upon data modifications currently underway by campuses. The projected end-of-window date for such corrections has passed.
## Fiscal Year 2007 Disbursement Calculation

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<th>Institution Type</th>
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<th>Total Number of Main Campus Baccalaureate Graduates</th>
<th>Total Credits for In-State Timely Completion</th>
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<th>Percent of State Total of Timely Completions</th>
<th>Fiscal Year 2007 Distribution of Success Challenge Funds based on Timely Baccalaureate Completion</th>
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Source: Ohio Board of Regents