October 2010

Dear Chancellor Fingerhut:

We write as members of the Central State University Board of Trustees to express our concerns about the proposed changes in the state funding formula for higher education. Central State is the only institution to receive a funding cut under this new formula, which is of obvious concern. However, we believe the issue is really larger than one institution.

It is our view, that the formula as currently developed could have two unintended consequences. First, it may very well limit opportunities for so-called “at-risk” students and second, it could discourage many of our public universities from accepting students who are defined as at-risk.

One critical problem with the formula is its overwhelmingly one-size-fits-all approach to funding. By relying so heavily on course completions, it does not differentiate between institutional missions and, thus, does not recognize the unique challenges faced by both at-risk students and access institutions like Central State, Shawnee State and Youngstown State which serves a disproportionate share of students from the populations that are under represented in higher education and who come from challenged K-12 districts in Ohio.

Far too many of the students from these poor-performing districts have not taken a rigorous high school curriculum, and they generally have lower GPAs and ACT and SAT scores than students from more selective and wealthy K-12 school districts. Fully one half of the students in our entering freshman class come from families that have zero EFC on their FASFA. They enter college with weaker skills in reading, math, and critical thinking, and they often lack important study and time management skills. Many of these students are the first in their families to attend college, and as a result, they also experience more difficulty navigating the complexities of academic life.

According to OBR data, there is an unambiguous correlation between all of the above factors and course completion, retention and graduation rates. Our concern here is that the new funding formula does not recognize this fact of uneven human development. It assumes that the OCOG factor alone is a precise indicator of academic preparedness and thus does not capture the real costs, and consequences, of educating at-risk students.

We believe the one effect the high reliance on course completions will have is that it will discourage institutions from accepting significant numbers of students whose socioeconomic and educational backgrounds, as well as ethnicity, put their academic success, or course completions rates, at risk. This not only does a disservice to this class of student, it also runs counter to the state’s goal of increasing the number of college-educated Ohioans by 230,000 within the next eight years. These are the very students institutions of higher education must attract to achieve that goal. Rather than
discouraging institutions, the formula should be encouraging them to draw from this untapped pool of human potential. Quite frankly, Central State is the poster child for what happens under this formula when an institution accepts the challenge of educating the most educationally disadvantaged students: it puts its institutional funding at-risk.

Thus, we are particularly concerned about the unfavorable effect of the new formula on Central State University. Along with our sister institutions in the University System of Ohio, we agreed to a tuition freeze with the understanding that the FY10 allocation for higher education would increase by 6.5 percent to make up for the loss of this potential source of revenue. However, instead of the expected increase in our funding, Central State’s allocation would decrease by 1 percent under the new formula. Worse yet, CSU would be the only four-year institution to receive a reduction in funding, and we would have to absorb this cut without increasing tuition. In the out years, this will hinder the University’s ability to effectively support the enrollment growth occurring in connection with the state-sanctioned Speed to Scale plan.

The primary motivation for Speed to Scale was to eliminate the need for the Central State supplement, which is slated to begin decreasing in FY11 and zero out in FY17. We are in full support of the Speed to Scale goal of ending CSU’s reliance on the supplement as core funding. But under the new formula we would also see a reduction in another source of core funding, the SSI — at the same time as the supplement is being reduced. This would compromise not only our efforts to grow the enrollment but also the progress the institution has made over the last ten years.

We are also concerned that the formula was implemented without allowing for an adequate transition period, as had been promised. We understood that institutions would be given time to put systems in place to meet the new metrics and standards. But that clearly did not occur. There was no transition phase at all. Now, with the reduction in funding, it will be more of a challenge to find the resources needed to further bolster CSU’s retention efforts.

We are in support of the move to an outcome-based funding system and agree with the need for demonstrating that Ohio is getting a good return on its investment in our public universities. However, we question a formula that penalizes an institution for carrying out an important state mission of attracting and retaining students who come from underfunded public school systems or from at-risk backgrounds.

The State of Ohio has said it is committed to ensuring that these students have access to a quality education. The new funding formula may work against that commitment. We know you have agreed to meet with the University administration to discuss our concerns and they look forward to further discussion on this matter and the opportunity to offer concrete suggestions.

Let us conclude by saying that we recognize our institutional responsibility to improve course completion rates. We write this letter in the midst of one of our Board meetings. We are hearing and witnessing the commitment of the university administration and
faculty to dramatically improving teaching and learning outcomes. Most important, we are able to witness first hand the true fruit of our labors: our wonderful students who are shining examples of the remarkable education they receive at this great university. As a Board of Trustees we are committed to our mission and that of the State of Ohio. We need your support and understanding; you have ours.

Sincerely,

Central State University
Board of Trustees