Subject: Strategic Investment

Date: January 6, 1999

From: Ed Ray

To: Brit Kirwan

One of the questions I am most frequently asked by my colleagues is, where does the University plan to focus its resources in order to improve itself and how will that process work?

The purpose of this memo is to share with you preliminary recommendations for choosing those leading units where resources should be focused, as well as a sense of the appropriate role for other units in advancing the academic goals of the institution.

I have organized this in the form of responses to eight questions:

1. What are our core academic goals and values?
2. How will these goals and values drive decision-making?
3. What are our top academic programs?
4. What should be our first priority for investment?
5. What about everyone else?
6. How will this be financed?
7. What about the 2010 plan?
8. What happens next?
What Are Our Core Academic Goals and Values?

The University has engaged in a process of redefining itself since the mid-1980s. The four goals you have articulated give the best summary of what we are trying to accomplish. Those goals are to:

- Increase the quality and national reputation of academic programs.
- Enhance the quality of the undergraduate experience and the quality of life of all students.
- Become an exemplar within higher education for the success of the university's commitment to diversity.
- Expand outreach and engagement activities to better respond to the needs of the communities the university serves.

Those goals cannot be realized unless we develop the capacity to reward innovations and initiatives that will increase the resources available to get the job done.

The basic values that underlie these goals include:

- A commitment to excellence in all of our academic efforts, including the creation and dissemination of new knowledge and innovations.
- An appreciation of the need to assist faculty and students to attain their fullest potential in their creative works and in their lives.
- An understanding that diversity educates each of us and enriches our lives.
- A commitment to make a positive difference in the lives of those we serve.
- A belief that innovation and initiative should be rewarded.

How Will These Goals and Values Drive Decision-Making?

The effort to more concretely define our goals and values for decision-making purposes began in the Fall of 1996 with the initiative to develop strategic indicators. The latest version of strategic indicators was presented to the OSU Board of Trustees on July 10, 1998. This initiative was elaborated upon in greater detail in the Strategic
Focus memo to you from Bill Shkurti and me dated September 4, 1998. The development of a Leadership Agenda for FY98 and its renewal for FY99 has helped us to define specific actions that support our goals and values, assign responsibility for following through on actions and review the extent to which we are or are not making suitable progress.

While the strategic indicators project and the Leadership Agenda are still works in progress, some patterns are emerging very clearly. The remainder of this memorandum addresses the issue of strategic choices raised in the September 4 memo, particularly as it applies to the academic units that should receive focused resource support and the role to be played by other units.

What Are Our Top Academic Programs?

Identifying the top academic programs is a complex and subjective task, but there are some measures that serve as good starting points. The National Research Council (NRC) ranking of graduate programs is the single most widely accepted measure of the relative quality of academic programs. The NRC has identified 41 program areas that it feels represent the central core of research universities, which includes 38 programs at Ohio State University.

In January 1996, the Ohio State University Graduate School did a thorough analysis of the latest NRC rankings (the 1995 report based on 1993 data) and identified seven programs as "particularly strong" based on their percentile ranking among the top 20% of all programs in their field. Percentile rank is a better measure than numerical rank because the number of programs ranked varies substantially across disciplines. The seven most highly ranked programs in the order of their relative rankings are:

1. Psychology
2. Chemistry
3. Geography
4. Physics
5. Electrical Engineering
6. Political Science
7. Linguistics

These rankings tend to be confirmed by other ranking data, as well as by strategic program assessments completed by the respective colleges. A complete list of the NRC rankings for all Ohio State ranked programs is included as Attachment A.

While the NRC rankings are the most widely cited rankings of their kind, there are limitations. Some disciplines and most professional schools are not ranked at all, even though they have an important contribution to make in furthering the University’s aspirations. And these are rankings at a moment in time that do not reflect which programs are advancing and declining.

The most highly regarded rankings for those programs not ranked by the NRC are made annually by *US News and World Report*. If we use the *US News and World Report* rankings of the top quartile professional schools and programs, eight colleges/programs at Ohio State University stand out in the following order:

1. Education
2. Engineering
3. Speech
4. Nursing (MA)
5. Business (MBA)
6. Pharmacy (Ph.D.)
7. Law
8. Public Affairs
Still other programs are not ranked by either the NRC or US News, but should not be overlooked because they are not part of a traditional rating scheme. Ohio State University's Department of Dance is ranked number one by a trade publication. Ohio State’s cancer research program is rapidly gaining prominence, and the outreach programs of the College of Food, Agricultural and Environmental Sciences are regarded very highly by the state's elected officials. Our interdisciplinary centers such as the Comprehensive Cancer Center, the Center for Human Resources Research, and the Byrd Polar Research Center have been very successful.

Where Should We Invest?

Because Ohio State does not have unlimited resources, we need to focus our resources where they will be most effective. That means we must build on existing strength in those areas that are most important and those that are likely to be important in the future. Hopefully these highly visible programs will raise the overall visibility of The Ohio State University as an academic institution. Importance and strength are reflected in ratings such as the NRC and US News and World Report. But, importance and strength depend too on our goals and understanding of emerging areas of inquiry.

The first step in answering the question of where should we invest was taken by Provost Sisson in his December 1995 address to the University Senate. In that speech, the Provost identified the Arts and Sciences colleges as a distinctive element of the academic core, both as individual colleges and as an identifiable group, as well as the colleges of Engineering, Medicine, Business and Law. He also acknowledged the special public service role performed by colleges such as Food, Agricultural and Environmental Sciences and Education.

In the September 4 memo to you from Bill Shkurti and me, we proposed the following:
"Strategic choices - we believe the next step should be a proposal from Academic Affairs describing the 5-6 disciplines that should receive additional central resources to advance to the top ten in the NRC ranks (and why), as well as an additional 5-6 colleges, centers or other units that would receive enhanced support to advance to the top ten of other rankings (such as *US News and World Report*). This proposal should also explain by what process other units would be expected to contribute. It should be distributed in draft form to the campus by no later than January 1999, for discussion during Winter Quarter."

This document is that next step, and not the final one, in articulating where we should invest. This discussion reflects a critical juncture between our ongoing academic planning process, the more recent articulation of our goal to become a top ten public university and the budget restructuring process.

The principle mechanism used to identify the 5-6 NRC ranked disciplines to receive additional resources has been the Selective Investment process. The Selective Investment program called upon colleges to identify one or two programs that could credibly reach the top in their field if they had access to up to $500,000 in centrally provided annual rate that the colleges themselves were prepared to match. A distinguished panel of faculty identified 12 of the 21 proposals for further in-depth review. Four of these programs have already been identified: 1) Electrical Engineering, 2) Materials Science and Engineering, 3) Physics, and 4) Psychology. Three of these programs are already in the top 20% of the NRC rankings; the fourth (Materials Science) is in the top third, but represents a program that is well positioned for increased importance in the future.

Four additional departments that are ranked highly by the NRC have been invited to submit proposals for Selective Investment this Winter (proposals are due January 15): 1) Chemistry, 2) English, 3) History, and 4) Political Science. Chemistry and Political Science already rank in the top 20%. English and History ranked in the
top third. A fifth unit, Neuroscience, has been asked to submit a proposal since, although not highly ranked in the NRC study, it is a field of substantial future potential importance.

In addition to these NRC ranked programs, three programs that are not covered by the NRC rankings have been invited to submit proposals: 1) Arts, 2) Education and 3) Law. All of these programs have demonstrated strength in critical areas. Both Education and Law are in the top quartile of the *US News and World Report* rankings and the College of the Arts with its focus on Contemporary Art and the creative uses of technology is rapidly making the Arts a distinctive part of this extraordinary University.

These units, if selected, can expect to receive up to half a million dollars each in additional central support over the next 4 years, matched by an equal amount of support from their respective colleges.

It bears repeating that where we invest cannot be driven by rankings only. The selective investment programs were identified by their colleges for investment. The programs selected for funding were judged to have effective leadership and an academic community that would attract, retain and nurture faculty talent. Rankings and our own assessments can be used to identify targets for investment. But, unless a program has existing strength, effective leadership and a culture of excellence it is not likely to be an effective investment area.

I will appoint an oversight committee including Deans, Senate leaders and other distinguished faculty during Winter Quarter to review the effectiveness of previous Academic Enrichment investments and to establish reporting and assessment procedures for programs that receive selective investment funding. The oversight committee will also be asked to look beyond which programs are important today and which ones we have strength in today and to provide advice about which programs will be important in the future and our potential to be competitive in those areas.
What About Everyone Else?

The departments and colleges previously identified account for only a small portion of all the programs offered by the University. Although these programs are in a position to provide leadership in meeting the University's academic aspirations, the vast majority of programs, which are also very good, must have the opportunity to improve.

Although academic programs that are not chosen for selective investment will not immediately have as high a priority for additional central continuing funds as the units that are chosen, they will have the opportunity to advance on a competitive basis through a variety of means:

- Access to central funds set aside for specific purposes, including:
  - Specialized funds set aside from the Academic Enrichment/Selective Investment pool (e.g., interdisciplinary initiatives such as Molecular Life Sciences and Public Policy, including the proposed John Glenn Institute for Public Service and Public Policy, Environmental Sciences and, perhaps, International Studies).
  - Competitive grants through Academic Enrichment. These are expected to total between $5 mill and $8 mill over the next 3-5 years. It should be noted that all of the departments chosen for Selective Investment had participated in Academic Enrichment initiatives. These Academic Enrichment proposals can serve to position units for the next level of competition.
  - University assistance on a selective basis to leverage other resources such as state capital funds, sponsored research funding and private fund raising (the Fisher College of Business is a good example of this).
  - Centrally funded programs to support outreach and engagement and to promote diversity and a sense of community.
- Discretionary funds from the college.
A greater opportunity for generating revenue through budget restructuring or other means.

How Will This Be Financed?

The Academic Enrichment/Selective Investment pool is the principle source of funding for these initiatives and is in its fifth year. Proposals for the sixth round of Academic Enrichment competition will be due in mid-March. Additional commitments are planned through FY 2002 and all multi-year commitments are limited to 1% of annual revenues in order to assure these programs can be sustained.

The program is funded, in part, through a 1/2% reallocation which is scheduled to expire after FY 2001 and will be reviewed during FY00. This will be replaced through more selective allocation rules and by other sources as part of budget restructuring.

It is also important to remember that as our highest ranking units move up in resources and visibility, many of them will generate additional revenue that can be used, in part, to build on their previous success. The ability of successful programs to invest more directly in their own excellence will afford the University the financial flexibility to selectively invest in new areas.

What About the 2010 Plan?

The concept of a "2010 Plan" was first discussed at the Fall 1997 Board of Trustees Retreat. It envisions measuring success by having ten programs in the top ten and 20 programs in the top 20 by 2010.

The reference point for the "2010 Plan" is the NRC rankings since OSU already has more than ten programs in the top ten according to the *US News and World Report*
rankings. An examination of the rankings of the latest NRC study (released in 1995) shows that OSU has two programs in the top ten, three in the top 20 and 16 in the top 30. As a matter of simple arithmetic, one course consistent with meeting the goals of the Plan, would be for the three programs ranked in the top 20 and five of the 16 programs in the top 30 to move up to top ten status. Then, in addition, the 11 programs remaining in the top 30 plus nine programs ranked beyond 30 would have to move into top 20 status. Among our benchmark institutions, the institution most closely resembling this profile is the University of Illinois. Although this may be feasible, it will be very difficult. Only five OSU programs advanced 10 or more ranks between 1983 and 1993.

More significantly, it is not clear what it will mean once OSU gets there. This is not a goal that translates to tangible benefits that the people of Ohio can rally to or that speaks very clearly to their needs. The "2010 Plan" is a useful supplementary measure to keep us focused on what we are or are not accomplishing in measurable terms and to inform our academic goals; it is not the overarching goal by which we should define our aspirations. Our fundamental reference for success or failure should be whether or not our accomplishments are consonant with the goals and values with which I began this document.

What Happens Next?

With your approval, I would like to circulate this document for comment during Winter Quarter. Those comments will be incorporated into the revised version of the Strategic Focus memo, which will in turn be submitted for your review during Spring Quarter and should also help guide our continuing discussion about budget restructuring and strategic indicators.

I want to emphasize that although this discussion is a key part of our academic planning process, it is only one part. The recommendations of the Research
Commission, the Strategic Indicators discussion, our recruitment and retention efforts and budget restructuring still need to be integrated together into a comprehensive and coherent whole.

c: Bud Baeslack
   Bill Shkurti
   Alayne Parson
Attachment A

NRC Rankings

In 1995, the National Research Council (NRC) identified 41 programs representing the central core of most Research I, Research II, Doctoral I and Doctoral II universities. The following table lists all OSU programs ranked in percentile order. Percentile order was chosen because it controls for the number of programs in the respective field. A more detailed discussion of these rankings can be found in The OSU Graduate School report, "Research - Doctorate Programs in the United States: Summary of the National Research Council Report 1995", Rev. January 4, 1995 and the September 25, 1998 analysis by the Office of Institutional Analysis.

It is important to recognize these percentile rankings are more appropriate as a general measure of rank than a specific score and that the NRC rankings, although the best available, do have their limitations. For example, the rankings are done only every ten years (the 1993 rankings are now five years old) and tend to measure input and reputation more than output.

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<th>Rank</th>
<th>Program</th>
<th>Percentile</th>
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<td>Psychology</td>
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<td>Linguistics</td>
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<td>Mathematics</td>
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<td>Mechanical Engineering</td>
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<td>English Language/Literature</td>
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<td>38</td>
<td>Anthropology</td>
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1 Corresponds to Physiology; Veterinary Physiology and Pharmacology
2 Corresponds to Molecular, Cellular and Developmental Biology (MCDB); Ohio State Biochemistry Program (OSBP)
3 Corresponds to Anatomy; Medical Microbiology and Immunology; Microbiology; Molecular, Cellular and Developmental Biology (MCDB); Veterinary Pathology
4 Corresponds to entomology; Plant Biology; Plant pathology; Zoology
5 Corresponds to Pharmacology; Pharmacy; Veterinary Physiology and Pharmacology
6 Corresponds to Geodetic Science and Surveying; Geological Sciences
7 Corresponds to Molecular Genetics
8 Corresponds to Neuroscience
9 Corresponds to French and Italian

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