



Office of the President

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February 27, 2008

The Honorable Max Baucus
Chairman
The Honorable Charles E. Grassley
Ranking Minority Member
Committee on Finance
United States Senate
SD-219 Dirksen
Senate Office Building
Washington, DC 20510-6200

Dear Senators Baucus and Grassley:

I write with The Ohio State University's response to your January 25, 2008, request for information about our institution's endowment and financial aid policies. We provide the enclosed information in the spirit of collaboration, understanding that our aims to maintain college affordability are thoroughly mutual.

As one of this nation's most comprehensive land-grant universities, Ohio State has a special covenant to provide educational opportunities to those for whom a college education might seem beyond reach. You will recall that the Morrill Act was passed in 1862 for the most pragmatic of purposes: to develop our country and its communities by extending educational opportunities to those who did not have ready access—financially or logistically—to the few colleges then in existence. Educational opportunity and access were the core of Ohio State's mission when the University was founded in 1870, and they remain so today.

Our enclosed response details the following:

1. Ohio State is proud to have an economically diverse student body, and we work on several fronts to ensure that financial access remains a high priority.
2. Tuition increases are directly tied to fluctuations in state support. During the past 20 years, state support per student has decreased by 21% (as adjusted for inflation). In the

February 27, 2008

current fiscal year, however, undergraduate tuition did not increase, thanks to the strong leadership and support of Governor Ted Strickland and the Ohio General Assembly.

3. Ninety-five percent of our endowed funds are restricted according to donor wishes, and they are not available for alternative uses. Of those funds, some 25% have been designated by donors for financial aid. We fully anticipate that this amount will grow because financial aid will be a critical component of the University's upcoming capital campaign.
4. We carefully steward Ohio State's \$2.3 billion long-term investment pool and believe that our payout policy is prudent because it protects the long-term needs of future generations of students. For this reason, we feel strongly that any mandated distribution policy would be unwise.
5. To keep our response as manageable as possible, we provide figures for the Columbus campus only. It is important to note, though, that our small regional campuses offer an Ohio State education at two-thirds of the cost of the Columbus campus. These excellent regional campuses provide an important pathway to preserve affordability.

We hope this response is useful in your policy deliberations. We stand in full partnership with Ohio's elected officials, who believe as we do that affordable, accessible higher education is the linchpin not only for our long-term economic prosperity, but also for our continued global leadership.

Please let me know if I can provide additional information.

Sincerely,



E. Gordon Gee
President

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Enclosure

c: Governor Ted Strickland
Chancellor Eric D. Fingerhut
The Ohio State University Board of Trustees

