

OHIO
UNIVERSITY

Board of Trustees

Ohio University

Minutes

October 13, 2005

**MINUTES OF THE MEETING OF
THE BOARD OF TRUSTEES OF OHIO UNIVERSITY**

Thursday, October 13, 2005

Ohio University, Athens Campus

THE OHIO UNIVERSITY BOARD OF TRUSTEES
MINUTES OF October 13, 2005 MEETING

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ROLL CALL

All Trustees were present – Chairman R. Gregory Browning, C. Daniel DeLawder, Norman E. “Ned” Dewire, Gene T. Harris, C. Robert Kidder, M. Marnette Perry, Larry L. Schey, C. David Snyder, and Robert D. Walter.

Student Trustees Micah Mitchell and Aslyne Rodriguez were present as were National Trustees J. Michael Lawrie and Charles R. Stuckey, Jr.

Also attending the session were President Roderick J. McDavis, Board Secretary Alan H. Geiger, and Susan A. Ackerman, Chair, National Alumni Board of Directors.

Chairman Browning welcomed to the Board new Trustees Ned Dewire and Chuck Stuckey. Mr. Dewire, whose term expires May 2014, replaces retiring Trustee M. Lee Ong, and Mr. Stuckey, whose term expires May 2007, replaces retiring National Trustee Dr. Wilfred R. Konneker.

APPROVAL OF THE MINUTES OF THE MEETINGS of June 24, 2005 (Previously distributed)

Mr. Kidder moved approval of the previously distributed minutes. Mr. DeLawder seconded the motion. All agreed.

COMMUNICATIONS, PETITIONS, AND MEMORIALS

Secretary Geiger stated there were none to report.

ANNOUNCEMENTS

Secretary Geiger stated there were no announcements.

Report of the President

President Roderick J. McDavis presented an update on his activities since the June Trustees meeting by noting success in thirteen areas. A copy of his presentation is included in the minutes.

President McDavis took pleasure in introducing recent hires to his senior staff: Athletics Director Kirby Hocutt, Director of Government Relations Teri Geiger, and Assistant to the President for Diversity Chris Taylor.

The President thanked Vice President for Advancement Leonard Raley for his outstanding service to Ohio University. He noted Mr. Raley has accepted the Presidency and CEO position with the University of Maryland System Foundation. Trustees as well expressed their appreciation for his leadership and support.

The President's presentation points were:

A review of the major themes of Vision Ohio and its impact over the next three years on institutional planning priorities;

The completion of a campus master plan by early 2006 addressing transportation, facilities, technology and space needs;

Mid-year employee pay increases of one percent given favorable budget situation;

Creation of Appalachian Scholarship Program. The goal is to have funding for ten by Fall 2006. He thanked Trustee Perry and spouse, Paul, for funding the first. In addition, he notes Trustee Walter and spouse, Margaret; he and the First Lady, Deborah; and Professor Emeritus of History Gifford Doxsee have each funded a scholarship;

Outlined support for those affected by Hurricane Katrina and accommodation for ten displaced students;

His concern with the behavior of a few students and the positive efforts of student leaders regarding ways to focus the discussion on students taking more responsibility for their actions and the actions of their friends;

The continuing efforts to promote the University through community events, faculty receptions, and efforts to reach state and national audiences.

A Certificate of Appreciation was read and presented to Carolyn R. Ervin by President McDavis. Carolyn served the Board of Trustees in the Office of the President for nine years, ensuring that meetings, accommodations, schedules, agendas, minutes, etc., were handled in a professional manner. The President noted Carolyn has assumed additional responsibilities elsewhere in the University.

PRESIDENT'S REPORT

Ohio University Board of Trustees Meeting

October 13, 2005



OHIO
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Vision Ohio Major Themes

- Design a Distinct and Unifying Undergraduate Educational Experience
- Increase Access and Opportunity
- Selectively Invest in Graduate Education and Research
- Expand Partnerships in the Region, State, Nation, and Beyond
- Adopt a New Budgeting Process to Optimize Resources



OHIO
UNIVERSITY

Campus Master Plan

- Master Plan will Support Vision Ohio Goals by Addressing Campus Facility and Infrastructure Needs
- The Three Phases include Data Collection, Idea Formulation, and Recommendations
- Goal is to Create an Adaptable Plan that can Grow with the Needs of the University
- Continue to Emphasize the Residential Campus Beauty and Accessibility



1ST Year Student Enrollment

	2004 Applied	2004 Admitted	2004 Enrolled	2005 Applied	2005 Admitted	2005 Enrolled	Difference In Enrolled
Total	12,417	10,716	3,795	12,367	11,027	4,165	370
Minority Students	1,162	893	225	1,384	1,065	333	108
African American Students	774	554	128	948	675	214	86
Hispanic Students	189	174	56	221	193	76	20
Asian American Students	179	146	34	184	168	29	-5
International Students	106	61	17	104	56	8	-9

Mid-Year Pay Increase

- Mid-Year 1 Percent Pay Increase Rewards Efforts of University Community to Increase Overall Enrollment
- Administrative and Classified Employees will Receive Across-The-Board Increase
- Faculty will Receive a Merit Increase Based on Peer Evaluation
- Pay Raises Cover Half of the Year
- Total 1 Percent Pay Raise Pool is Approximately \$1.7 Million



Appalachian Scholars Program

- Need-Based Scholarship Program Modeled after Urban Scholars Program
- Available on All Six Ohio University Campuses
- Goal to Enroll Initial Class of 10 Students for 2006 Fall Quarter and Plan to Grow Program to Include 40 Students
- Two Gifts Totaling \$20,000 Launched the Program
- Partnership Formed With The Foundation for Appalachian Ohio to Identify Potential Donors and Prospective Students



Hurricane Katrina Relief Efforts

- September 24th Ohio University Presented \$21,490 to Local Red Cross Officials
- Fundraising Campaign by University Employees and Students Ran Through September 23rd
- Campaign Kicked Off at September 9th Football Game Against University of Pittsburgh
- More Than 25 Student Organizations Maintained Collection Points to Collect Donations
- Expedited Admissions, Financial Aid, and Housing for 10 Students Displaced by the Hurricane



Appointments/Searches

- Director of Athletics – Kirby Hocutt
- Director of Government Relations – Teri Geiger
- Assistant to the President for Diversity – G. Christine Taylor
- Vice President for Finance and Administration
- Vice President for Student Affairs
- Vice President for University Advancement



Joint Civic Responsibility Committee

- Established Standing Joint City and University Committee on Civic Responsibility
- Outgrowth of Similar Task Force Formed in February 2004
- 23 Individuals Have Been Invited to Serve, 20 Have Accepted
- Dale Tampke and Garry Hunter to Serve as Co-Chairs



Response to Student Disturbances

- 40 Individuals met at Christ the King University Parish Center September 15th
- Students Accused of Crimes in the City of Athens Now Meet with Dean of Students
- Examining Plans to Adjust Class Schedule to Include More Friday Classes
- Additional OUPD Officers Patrolling Areas of High Student Residency



- University and City Co-Sponsored Community Picnics in Athens Neighborhoods
- Searching for Ways to Expand the Office of Off-Campus Living
- Coalition Advocating Responsible Drinking Decision (CARDD) Developing Expanded Plans to Confront Alcohol Abuse Problem
- Holding Monthly Meetings with Administrators to Discuss Ideas for Additional Initiatives



Alumni Events/Development Trips

- Chatham
- San Francisco
- New York
- Columbus
- Evanston, IL
- Blacksburg, VA
- Bowling Green, OH



Public Relations/ Community Relations

- 15 Press Briefings/Conferences
- 14 Community Meetings/Events
- 13 Speaking Engagements
- 6 Receptions for Community and Faculty Members
- 5 Meetings with Government Officials
- 4 IUC Meetings/Conference Calls



Marketing Efforts

- Four National Publications
- Diversity Recruiting Brochure
- National Television Spot
- Launched New Ohio University Web Site
- Campaign to Publicize Nationally Competitive Award Winners



ANNOUNCEMENT OF NEXT STATED MEETING

Chairman Browning asked the Secretary to circulate possible December meeting dates for the Board of Trustees to be held in Columbus, Ohio.

ADJOURNMENT

Determining there was no further business to come before the Board, Chairman Browning adjourned the meeting at 12:15 p.m.

CERTIFICATION OF SECRETARY

Notice of this meeting and its conduct was in accordance with Resolution 1975 – 240 of the Board, which resolution was adopted on November 5, 1975, in accordance with Section 121.22(F) of the Ohio Revised Code and of the State Administration Procedures Act.

R. Gregory Browning
Chairman

Alan H. Geiger
Secretary

Report of the Provost

Provost Kathy Krendl provided Trustees with an overview of the progress and status of Vision Ohio. A copy of her presentation is included in the minutes.

The highlights of her presentation and discussion follow:

Provost Krendl cited the institutional planning process ongoing since November 2004, noted open campus meetings including October 2005. Key dates for completion and development of strategic plans will be scheduled for January 17, February 15, and May 31, 2006. Approximately 250 individuals have participated in the process.

Dr. Krendl noted a key component of the plan will be the Implementation Executive Team. She noted the plan's status was beyond discussion with the question now being one of implementation. The Team will consider how the plan's goals (undergraduate priorities, infrastructure, quality and diversity, and environment) match against six major areas of process.

A major outcome of the plan will be the development of a new budget model. This responsibility-centered budget will be implemented over a three-year period following the completion of several key strategic projects.

The discussion with Trustees involved the matter of priorities between goals and process, the question being our capacity and how best to invest in Vision Ohio themes. The conclusion was President McDavis and Provost Krendl would continue to vet the relationships and would regularly report back to Trustees the progress on priority setting and resource management.

Vision Ohio Overview

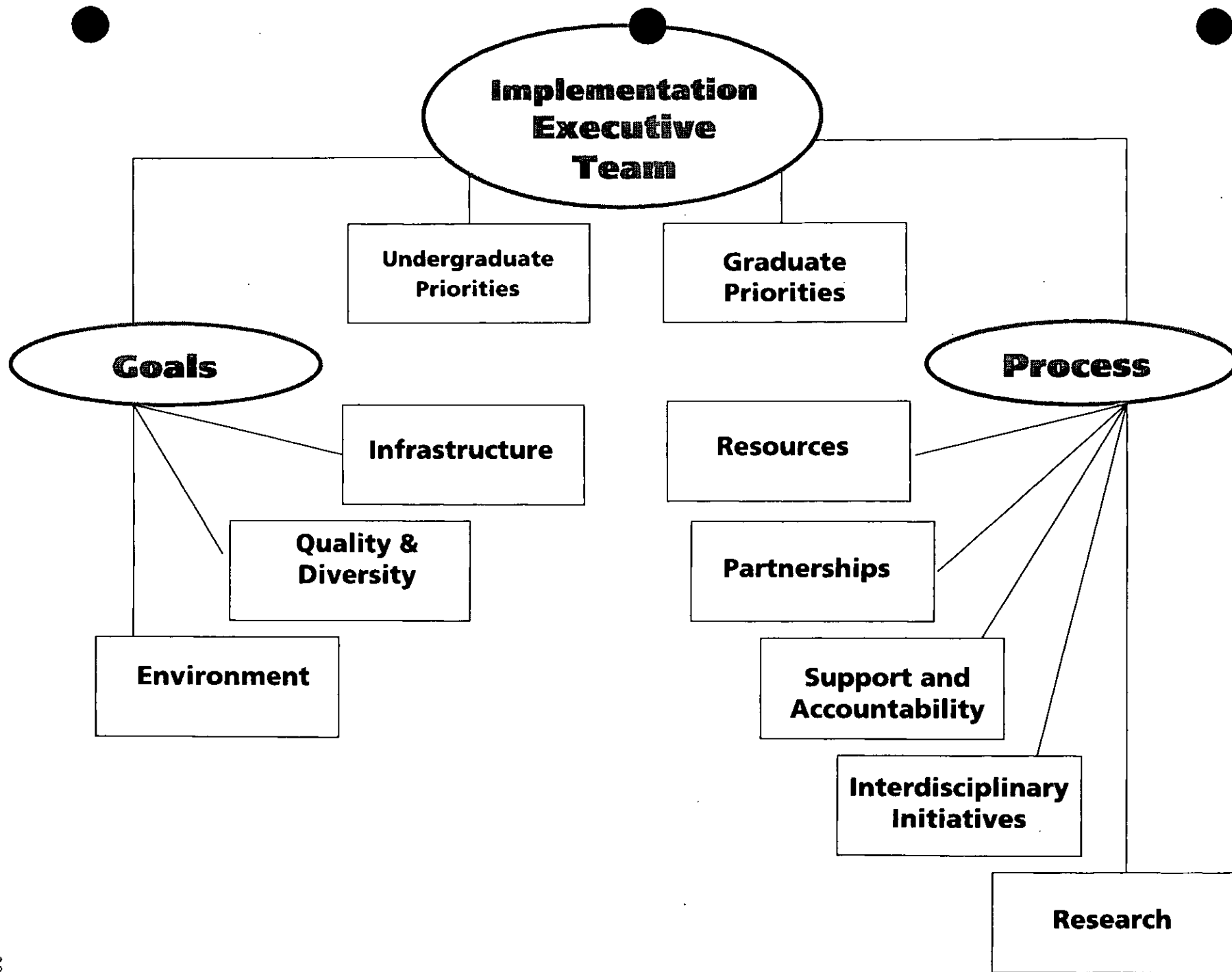
Ohio University Board of Trustees
Presentation
October 13, 2005

Institutional Planning

- Strategic planning process
 - Vision Ohio
 - November 2004: Presidential Task Force on the Future of Ohio University appointed
 - June 2005: Vision Ohio draft completed
 - July-August: Open Forum discussions on Academic Priorities and New Budget Model
 - September: Unit response documents
 - September-October: Open meetings

Vision Ohio Discussions

- All academic units – all faculty invited
- Chairs and Directors
- Classified and Administrative Senates
- Administrator Forum
- Foundation Board
- Visits to Regional Campuses
- Individual Classes



Vision Ohio: Next Steps

January 17: Ohio University: Ohio's First,
Ohio's Finest, Ohio's Future

February 15: College strategic plans

May 31: Departmental strategic plans

Institutional Planning

Strategic Projects

- Enrollment Management
 - Recruitment
 - First-Year Experience
 - Retention
 - Graduate and Undergraduate Capacity Studies

Budget Planning

Ohio University

Preliminary Headcount Enrollment

	Budgeted	Expected Final	Difference:	Difference:	
Fall 2004	Enrollment	Fall 2005	Actual vs.	Fall 2005 vs.	
Final	2005-06	Enrollment	Budgeted	Fall 2004 Final	
Athens Undergraduates:					
New Freshmen	3,795	3,800	4,164	364	369
Transfers	464	500	469	-31	5
Other New	793	804	720	-84	-73
Continuing from prior spring	11,588	11,405	11,406	1	-182
Total Athens Undergraduates	16,640	16,509	16,759	250	119
Athens Graduate Students					
	2,636	2,612	2,550	-62	-86
Athens Osteopathic Medical					
	428	423	429	6	1

Ohio University

Preliminary Headcount Enrollment

	Expected Final		Difference:
	Fall 2004	Fall 2005	Fall 2005 vs.
	Final	Enrollment	Fall 2004 Final
Lifelong Learning	439	497	58
Chillicothe	2,048	2,045	-3
Eastern	862	820	-42
Lancaster	1,723	1,782	59
Southern	1,860	1,841	-19
Zanesville	1,877	1,921	44
Grand Total	28,513	28,644	131

Academic Profile

	2004	2005
# Applied	12,417	12,367
# Enrolled	3,795	4,166
% Enrolled	35.4	37.8
% Female	54.9	52.8
% Resident	91.4	92.2
% Multicultural	5.9	8.1
ACT	23.5	23.2
H.S.Rank	71.2	68.2

● Report of the Treasurer

The Treasurer's report was presented to the Audit, Finance, Facilities, and Investment Committee at their Wednesday, October 12, meeting.





Interoffice Communication

Date: September 23, 2005

To: The President and Board of Trustees

From: Larry A. Corrigan
Interim Vice President for Finance and Administration and Treasurer

Re: Treasurer's Report

The fiscal 2005 year-to-date composite return as of June 30, 2005 was 6.93% compared to a benchmark return of 7.24% (page 2). Two of the three small cap funds ended the fiscal year with double digit returns and outperformed their benchmarks by wide margins of 12.09% and 4.45%, respectively. The University ended August with a fiscal year-to-date composite return of 2.86% compared to a benchmark return of 2.99% (page 3).

Historically, the University's endowment assets have been allocated based on the Foundation's endowment asset allocation strategy. In basic terms, the Foundation's allocation is 60% equity, 20% absolute return, 10% fixed income and 10% alternative. The University has no allocation to absolute return funds and as a result, the University's allocation to fixed income investments is greater than that of the Foundation (page 4). The University's non-endowment or working capital asset allocation is detailed on page 5. In July 2005, the Foundation Board hired a consulting firm, NEPC, to advise the Management and Investment Committees on asset allocation, spending policy and manager selection. NEPC, the Management Committee and the staff are currently working to select a master custodian. In addition, a small cap manager search is in process and the Management Committee is likely to recommend a change in spending policy and a decrease in the spending rate at the November Foundation board meeting.

The information required by our investment policies to be presented to the Board is included on page 6 for the outstanding investment loans, and on page 7 for unrestricted investment earnings through June 30, 2005. Investment income through June reflects a favorable budget variance of \$432,000. The University's outstanding debt is detailed on pages 8 and 9. The debt schedule includes approximately \$31 million of "indirect" debt associated with the University Courtyard student housing project.

Pages 10 through 12 are standard financial reports that are presented for your review at every Board meeting. I will be happy to answer any questions you may have about the reports prior to or during the October Board meeting.

Flash Report for Ohio University
As of June 30, 2005

Asset Type/Manager	Market Value (mill)	Weight	Rates of Return							Inception Date	Fees
			1 Mo.	3 Mo.	Fiscal YTD	Calendar YTD	1 Year	3 Yrs*	Since* Inception		
Large-Cap Equity											
Mellon CF Stock Index Fund	\$97.8	45.5%	0.14	1.37	6.32	(0.80)	6.32	8.29	10.45	03/31/92	8 bp
<i>S&P 500 Total Return</i>			<i>0.14</i>	<i>1.37</i>	<i>6.32</i>	<i>(0.81)</i>	<i>6.32</i>	<i>8.28</i>	<i>10.63</i>		
OU SEMG	\$1.1	0.5%	3.90	2.14	1.18	(4.58)	1.18	13.04	8.05	04/08/02	**
<i>Russell 3000 Growth</i>			<i>(0.07)</i>	<i>2.55</i>	<i>1.90</i>	<i>(1.88)</i>	<i>1.90</i>	<i>7.56</i>	<i>1.32</i>		
Small-Cap Equity											
Baron Small Cap	\$11.1	5.2%	4.92	3.32	16.38	3.79	16.38		14.07	05/27/04	136 bp
<i>Russell 2000 Growth</i>			<i>3.23</i>	<i>3.48</i>	<i>4.29</i>	<i>(3.58)</i>	<i>4.29</i>		<i>6.96</i>		
Royce Pennsylvania	\$11.0	5.1%	3.86	3.24	13.90	2.54	13.90		15.92	05/27/04	93 bp
<i>Russell 2000 Total Return</i>			<i>3.86</i>	<i>4.32</i>	<i>9.45</i>	<i>(1.25)</i>	<i>9.45</i>		<i>12.73</i>		
Armada Small Cap	\$10.2	4.7%	2.86	(0.28)	9.45	(4.01)	9.45		10.40	01/31/04	85 bp
<i>Russell 2000 Value</i>			<i>4.42</i>	<i>5.08</i>	<i>14.39</i>	<i>0.90</i>	<i>14.39</i>		<i>13.21</i>		
International Equity											
Commonfund Int'l Equity Fund	\$6.4	3.0%	1.44	0.23	13.08	(0.37)	13.08		21.90	05/01/03	45 bp
<i>MSCI World ex-US</i>			<i>1.63</i>	<i>(0.78)</i>	<i>14.55</i>	<i>(0.71)</i>	<i>14.55</i>		<i>25.50</i>		
Core Fixed Income											
JP Morgan	\$4.9	2.3%	0.64	3.24	6.85	2.83	6.85	6.56	6.60	07/08/02	35 bp
Richmond Capital	\$2.4	1.1%	0.45	2.33	5.56	1.80	5.56		4.32	02/22/03	50 bp
<i>Lehman Brothers Aggregate</i>			<i>0.55</i>	<i>3.01</i>	<i>6.80</i>	<i>2.51</i>	<i>6.80</i>				
Low Duration Fixed Income											
PIMCO Low Duration	\$25.5	11.9%	0.13	1.16	2.74	0.84	2.74		2.15	02/22/03	43 bp
<i>ML 1-3 Yr. Treasuries</i>			<i>0.20</i>	<i>1.14</i>	<i>1.87</i>	<i>0.88</i>	<i>1.87</i>		<i>1.44</i>		
Absolute Return											
Arden Endowment Advisers	\$10.8	5.1%	1.52	0.88	7.97	2.98	7.97		6.58	05/03/04	150 bp
Ivy Rosewood Fund	\$9.8	4.5%	0.91	(2.78)	(1.87)	(3.22)	(1.87)		(2.69)	05/03/04	100 bp +
LibertyView Plus Fund	\$10.3	4.8%	1.23	0.32	2.39	(0.30)	2.39		1.76	05/03/04	100 bp +
<i>Composite***</i>			<i>1.04</i>	<i>1.82</i>	<i>7.74</i>	<i>3.60</i>	<i>7.74</i>		<i>8.31</i>		
Alternative Investments	\$13.6	6.3%	0.37	0.88	1.94	0.41	1.94	1.51	10.18	Various	
OU Composite Account	<u>\$214.8</u>	<u>100.0%</u>	<u>0.95</u>	<u>1.25</u>	<u>6.93</u>	<u>0.06</u>	<u>6.93</u>				

Monthly OU Composite Account vs. Benchmark Indices

Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Fiscal YTD
(2.26)	0.79	1.16	1.25	3.47	2.26	(1.44)	1.62	(1.33)	(1.80)	2.14	0.95	6.93
(2.61)	0.37	1.49	1.37	3.78	2.51	(1.85)	1.56	(1.36)	(1.77)	2.82	0.94	7.24

The returns are estimated based on month-end account balances and individual investment returns. Actual returns may vary.

*Average annualized returns, unless fund inception date is within previous fiscal year.

**Based on commissions, not asset based.

***33% HFRIFOF Index, 33% US LIBOR 12M plus 5%, 33% US T Bill 3M plus 5%.

Flash Report for Ohio University
As of August 31, 2005

Asset Type/Manager	Market Value (mill)	Weight	Rates of Return							Inception Date	Fees
			1 Mo.	3 Mo.	Fiscal YTD	Calendar YTD	1 Year	3 Yrs*	Since* Inception		
Large-Cap Equity											
Mellon CF Stock Index Fund	\$91.1	40.7%	(0.92)	2.90	2.76	1.92	12.53	11.99	10.53	03/31/92	8 bp
<i>S&P 500 Total Return</i>			(0.91)	2.92	2.77	1.94	12.56	12.03	10.72		
OU SEMG	\$1.1	0.5%	(3.98)	4.95	1.01	(3.62)	9.45	15.42	7.95	04/08/02	**
<i>Russell 3000 Growth</i>			(1.30)	3.64	3.71	1.75	13.04	11.11	2.34		
Small-Cap Equity											
Baron Small Cap	\$12.5	5.6%	(2.71)	6.78	1.71	5.64	28.35		13.65	05/27/04	136 bp
<i>Russell 2000 Growth</i>			(1.41)	8.89	5.48	1.70	23.51		10.57		
Royce Pennsylvania	\$12.8	5.7%	(0.55)	8.69	4.61	7.31	25.59		17.81	05/27/04	93 bp
<i>Russell 2000 Total Return</i>			(1.85)	8.39	4.36	3.06	23.10		14.75		
Allegiant	\$10.5	4.7%	(1.95)	5.81	2.87	(1.26)	18.67		11.20	01/31/04	85 bp
<i>Russell 2000 Value</i>			(2.30)	7.83	3.26	4.19	22.61		14.00		
International Equity											
Commonfund Int'l Equity Fund	\$6.8	3.0%	2.12	7.08	5.56	5.17	23.98		22.97	05/01/03	45 bp
SSGA	\$16.0	7.1%	2.51		4.89	4.89			4.89	07/20/05	15 bp
<i>MSCI World ex-US</i>			2.76	7.81	6.08	5.33	24.82				
Core Fixed Income											
JP Morgan	\$5.0	2.2%	1.41	0.95	0.30	3.14	4.13	6.18	6.33	07/08/02	35 bp
Richmond Capital	\$2.5	1.1%	1.16	0.88	0.39	2.23	3.27		4.20	02/22/03	50 bp
<i>Lehman Brothers Aggregate</i>			1.28	0.91	0.36	2.88	4.15	4.88			
Low Duration Fixed Income											
PIMCO Low Duration	\$18.9	8.5%	0.69	0.61	0.48	1.33	1.84		2.20	02/22/03	43 bp
<i>ML 1-3 Yr. Treasuries</i>			0.62	0.53	0.34	1.22	1.15		1.48		
Absolute Return											
Arden Endowment Advisers	\$11.2	5.0%	1.13	4.44	2.87	5.94	11.02		7.99	05/03/04	150 bp
Ivy Rosewood Fund	\$10.0	4.5%	1.01	3.45	2.52	(0.78)	1.02		(0.51)	05/03/04	100 bp +
LibertyView Plus Fund	\$10.5	4.7%	0.23	3.28	2.03	1.72	3.96		3.08	05/03/04	100 bp +
<i>Composite***</i>			0.78	2.69	1.68	5.29	8.88		7.49		
Alternative Investments	\$15.1	6.7%	3.89	4.40	4.01	4.44	(2.90)	2.85	10.48	Various	
OU Composite Account	<u>\$223.8</u>	<u>100.0%</u>	<u>0.05</u>	<u>3.84</u>	<u>2.86</u>	<u>2.93</u>	<u>11.60</u>				

Monthly OU Composite Account vs. Benchmark Indices

	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>May-06</u>	<u>Jun-06</u>	<u>Fiscal YTD</u>
	2.81	0.05											2.86
	3.19	(0.20)											2.99

The above returns are estimated based on month-end account balances and individual investment returns. Actual returns may vary.

*Average annualized returns, unless fund inception date is within previous fiscal year.

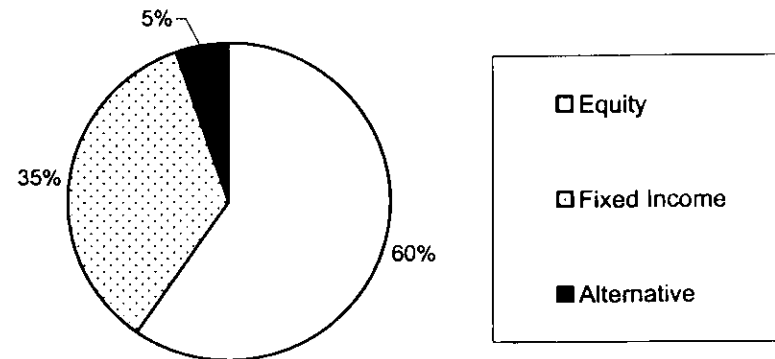
**Based on commissions, not asset based. Includes monthly Bloomberg charges.

***33% HFRIFOF Index, 33% US LIBOR 12M plus 5%, 33% US T Bill 3M plus 5%.

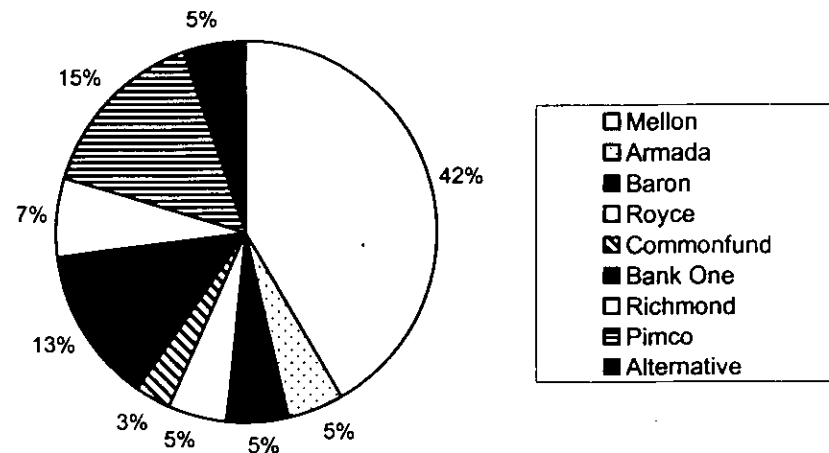
Ohio University Endowment Investments as of June 30, 2005

Investment	Endowment	Quasi Endowment
Equity		
Domestic:		
Mellon CF Stock Index	10,901,360	4,238,340
Armada Small Cap	1,252,231	489,603
Baron Small Cap	1,379,374	534,937
Royce Small Cap	1,364,010	529,260
Total Domestic Equity	14,896,975	5,792,141
International:		
Commonfund	783,748	302,276
Total Equity	15,680,724	6,094,418
Fixed Income		
Core:		
Bank One	3,507,494	1,363,350
Richmond	1,750,610	679,871
Total Core Fixed Income	5,258,104	2,043,221
Low Duration:		
PIMCO	4,000,976	1,456,938
Total Fixed Income	9,259,080	3,500,159
Alternatives		
Adena Ventures	162,262	173,992
AIG	528,986	175,270
Altus	17,575	8,496
Cramer Rosenthal McGlynn	214,360	72,179
Kirtland	103,278	37,308
Oaktree	309,668	117,884
Total Alternatives	1,336,130	585,128
Total Investments	26,275,933	10,179,705
Plus Diversified Pool	25,139,056	
Total Long Term Assets	61,594,695	

Endowment Assets by Type



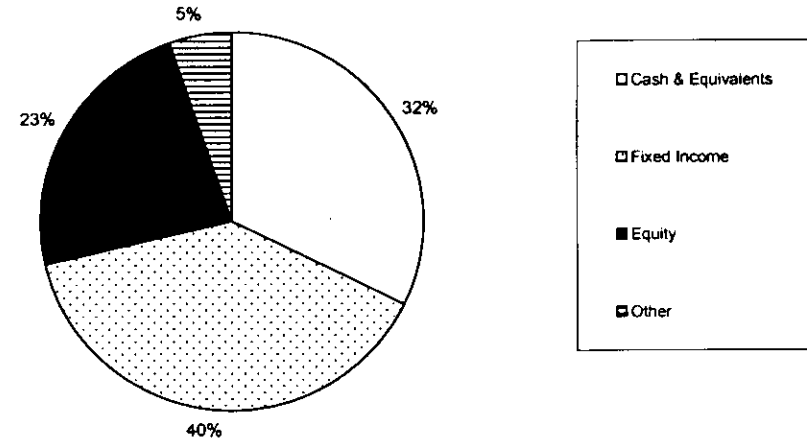
Endowment Assets by Manager



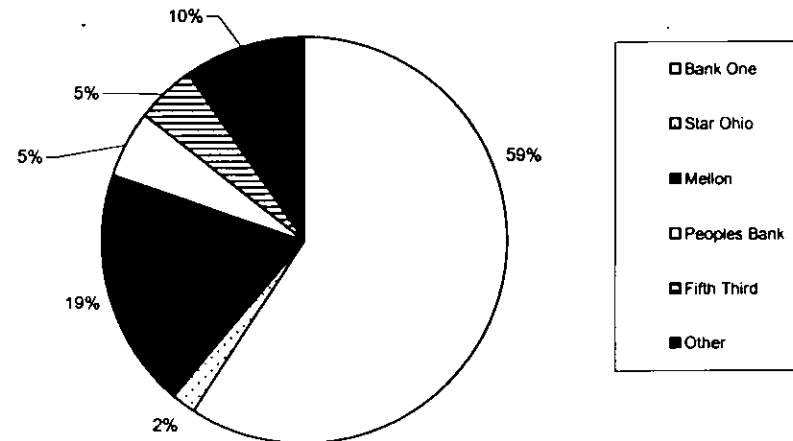
Ohio University
Non-Endowment Investments
as of June 30, 2005

	Amount	Actual %	Target %
Cash Pool	33,308,242	32.3%	25.0%
Liquidity Pool	40,174,568	39.0%	50.0%
Diversified Pool	29,589,561	28.7%	25.0%
Total Working Capital Investments	103,072,371	100.0%	100.0%
Cash Pool			
Bank One Money Market	18,531,129		
Star Ohio	2,125,780		
Sweep Accounts	1,529		
Cash	12,649,805		
Total Cash Pool	33,308,242		
Liquidity Pool			
Bank One	29,814,258		
Peoples Bank	5,540,445		
Fifth Third Bank	4,819,864		
Total Liquidity Pool	40,174,568		
Diversified Pool			
Core Equity			
Mellon	19,595,292	66.3%	42.9%
Commonfund	744,927	2.5%	5.4%
Armada	1,212,271	4.1%	5.4%
Baron	1,321,401	4.5%	5.4%
Royce	1,308,774	4.4%	5.4%
Total Core Equity	24,182,665	81.8%	64.3%
Alternatives			
Adena Ventures	272,460	0.9%	3.1%
AIG	284,546	1.0%	3.2%
Altus	14,232	0.0%	0.2%
Cramer Rosenthal McGlynn	111,296	0.4%	1.2%
Kirtland	73,537	0.2%	0.8%
Oaktree	200,320	0.7%	2.2%
Total Alternatives	956,392	3.2%	10.7%
Investment Loan Fund	4,450,505	15.0%	25.0%
Total Diversified Pool	29,589,561	100.0%	100.0%
Grand Total	103,072,371		

Non-Endowment by Type



Non-Endowment by Manager



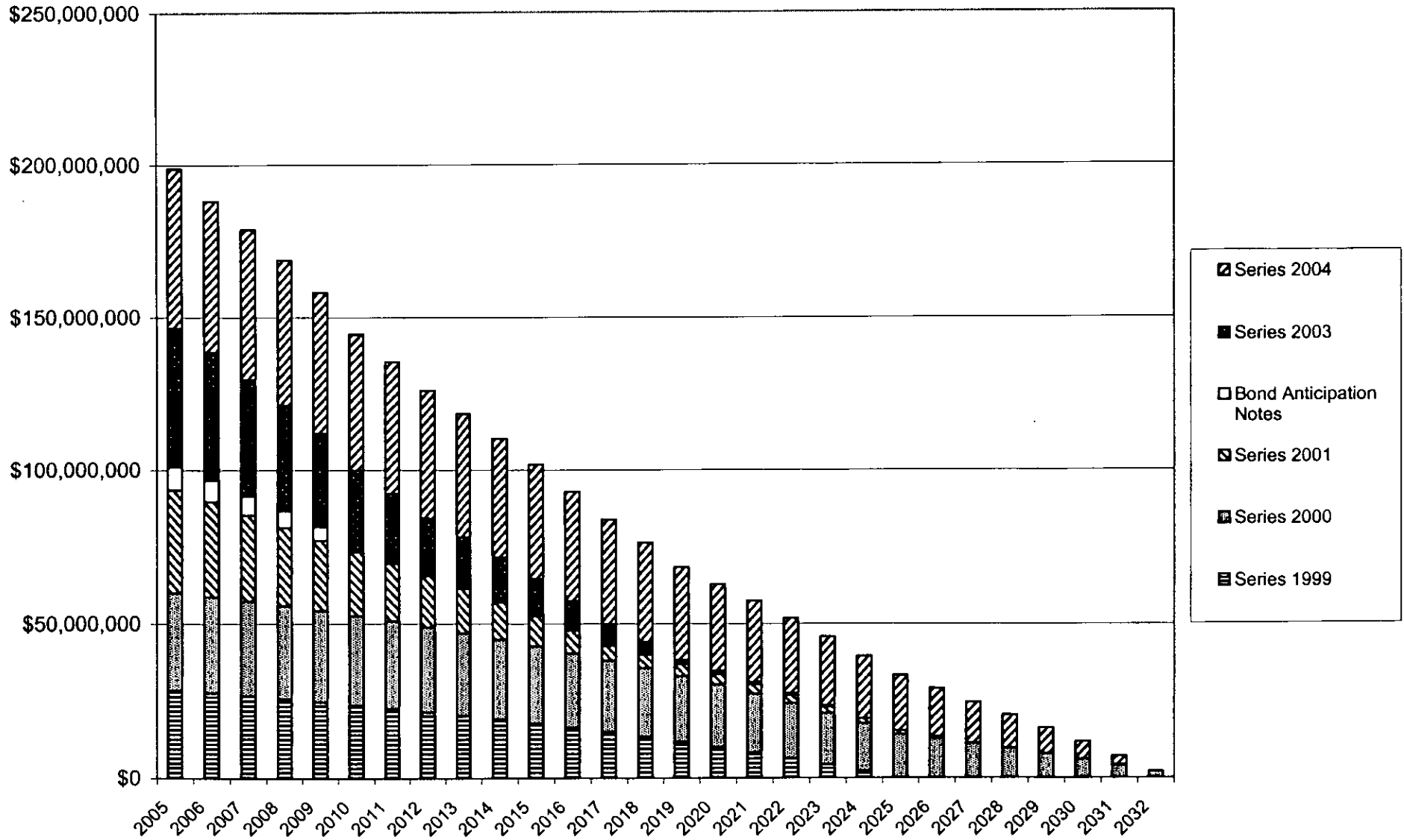
Ohio University
Investment Loan Fund
June 30, 2005

<u>Investment Loan</u>	<u>Loan Approval Date</u>	<u>Authorized Amount</u>	<u>Draw Amount</u>	<u>Interest</u>	<u>Payments</u>	<u>Net Outstanding</u>
- NASA ACTS Satellite Phase I	Mar. 2001	460,000	460,000	92,231	518,440	33,792
- Performance Contract - Phase II A	July 2001	641,000	641,000	106,277	570,516	176,761
- Performance Contract - Phase II B	July 2002	1,276,818	1,276,818	158,945	456,179	979,584
- Center for Auto ID	June 2002	177,100	177,100	16,597	34,723	158,974
- Airport - T-Hangars	Nov. 2001	300,000	300,000	39,574	71,650	267,924
- Broadband Antenna Tower - Cambridge	May 2003	595,200	464,653	20,024	20,024	464,653
- Alden Library 2nd Floor Renovation	May 2003	250,000	117,789	1,282	116,565	2,506
- Airport 2 Aviation Training Upgrade	May 2003	432,267	432,267	39,370	178,071	293,566
- Burson House Renovation & Expansion	April 2003	661,000	660,643	0	660,643	0
- Baseball Stadium Lights	June 2003	281,121	281,121	0	42,875	238,246
- Engineering Learning & Research Facility	Jan. 2005	1,093,100	39,700	37	37	39,700
- Student Training - 2 Used Piper Aircraft	Jan. 2005	120,000	120,000	2,966	74,543	48,423
- Student Training - 7 New Piper Warriors	Jan. 2005	1,134,000	1,134,000	15,536	27,797	1,121,739
- 33 Passenger Coach Bus	Mar. 2005	94,101	94,101	1,270	6,565	88,805
- Peden Towers Enhancement - A 1st Floor	Apr. 2005	293,295	42,900	0	0	42,900
- Performance Contracting Phase IV	Apr. 2005	1,381,667	119,672	1,150	1,150	119,672
- NASA ACTS Satellite Phase II	May 2005	384,375	384,375	3,630	14746.2	373,259
- Peden Towers Enhancement - B 2nd Floor	June 2005	266,250	0	0	0	0
Total		9,841,294	6,746,139	498,890	2,794,525	4,450,505

Ohio University
Investment Income Information
June 30, 2005

	<u>YTD Actual FY05</u>	<u>YTD Budget FY05</u>	<u>Variance</u>
Cash, Liquidity and Internal Loan Pools	2,795,996	2,210,000	585,996
Diversified Pool	1,361,611	1,600,000	(238,389)
Unrestricted Total	<u>4,157,607</u>	<u>3,810,000</u>	<u>347,607</u>
Quasi Endowment	484,000	400,000	84,000
Grand Total	<u>4,641,607</u>	<u>4,210,000</u>	<u>431,607</u>

Ohio University
Total Principal Outstanding
as of June 30, 2005



Principal Outstanding as of June 30, 2005

<u>Series 1999</u>	<u>Series 2000</u>	<u>Series 2001</u>	<u>Administrative Systems Bond Anticipation Notes</u>	<u>Series 2003</u>	<u>Series 2004</u>	<u>Grand Total</u>
\$28,510,000	\$31,050,000	\$33,535,000	\$7,650,000	\$45,285,000	\$52,430,000	\$198,460,000

Series 1999

Chilled Water Loop
Recreation Facilities
Child Care Center
Grover Center
Regional Campuses
W. State St. Lab
Stores/Receiving Demolition
Track & Turf Field
Ridges Conference Center

Series 2000

Housing for Ohio, Inc. - University Courtyard Apartments

Series 2001

Airport Terminal 1
Airport Terminal 2
Fine Arts Studio**
Athena Theater
Bentley Hall
Peden Stadium Field Lowering
HR Training Center
Innovation Center
Margaret Walter Hall
King Air
Motor Pool
Bromley Hall
Performance Contracting
Carin Strength & Conditioning Center**
Utilities Upgrade

Series 2003

Convocation Center
Ping Student Recreation Center
Residence & Dining Halls
Margaret Walter Hall
Pickerington Center
University Center
Avionics Engineering Center

Series 2004

University Center
King Air 350
Lausche 2 Year Project
Lausche 15 Year Project
Performance Contracting A
Performance Contracting B

** = Outstanding debt has been retired

Ohio University
Current Funds
FY05 Budget Comparison Through June 30, 2005 Actuals
(0000000000)

	FY05 Total Budget	FY05 Actuals Through June 2005	Difference	FY05 Athens General Fund Budget	FY05 Athens General Fund Actuals	Difference	FY05 College of Medicine Budget	FY05 College of Medicine Actuals	Difference	FY05 Regional Higher Education Budget	FY05 Regional Higher Education Actuals	Difference
Revenue:												
Tuition & Fees	284,757	284,173	(584)	181,308	179,376	(1,932)	9,690	9,879	189	40,395	40,074	(321)
State Appropriations	138,191	139,630	1,439	95,144	94,863	(281)	14,962	15,318	356	23,063	23,864	801
Restricted Government Support	59,721	62,541	2,820	0	0	0	0	0	0	0	0	0
Sales Services	12,298	15,214	2,916	5,658	7,598	1,940	0	319	319	373	820	447
Recovery of Indirect Costs	7,060	7,428	368	7,060	7,428	368	0	0	0	0	0	0
Investment Income	4,345	4,972	627	4,210	4,158	(52)	0	0	0	0	0	0
Other	15,258	19,652	4,394	3,832	5,362	1,530	282	592	310	34	728	694
Carryforward/Fund Balance	87,534	0	(87,534)	51,267	0	(51,267)	5,765	0	(5,765)	5,528	0	(5,528)
Total Revenue	609,164	533,610	(75,554)	348,479	298,785	(49,694)	30,699	26,108	(4,591)	69,393	65,486	(3,907)
Expenditures:												
Salaries/Wages	238,858	243,209	4,351	149,658	149,739	81	11,422	11,560	138	29,449	31,165	1,716
Benefits	68,949	70,810	1,861	44,049	44,702	653	3,167	3,207	40	8,184	8,326	142
Scholarships	73,756	75,650	1,894	38,932	41,399	2,467	1	181	180	3,364	3,986	622
Capitalized Expenditures	9,088	11,524	2,436	5,756	7,511	1,755	297	249	(48)	549	562	13
Maintenance and Repairs	35,887	28,890	(6,997)	17,795	17,425	(370)	280	254	(26)	3,415	3,341	(74)
Other Expenditures	195,198	107,465	(87,733)	94,361	39,820	(54,541)	15,602	7,155	(8,447)	21,039	14,668	(6,371)
Internal Transfers	(27,314)	(31,210)	(3,896)	(22,673)	(25,054)	(2,381)	(108)	(147)	(39)	681	(407)	(1,088)
Net Transfers	14,742	31,679	16,937	20,601	23,771	3,170	38	3,361	3,323	2,712	3,584	872
Total Expenditures	609,164	538,017	(71,147)	348,479	299,313	(49,166)	30,699	25,820	(4,879)	69,393	65,225	(4,168)
Net Change in Fund Balance		(4,407)			(528)			288			261	

Ohio University
Current Funds
FY05 Budget Comparison June 30, 2005 Actuals
(000s rounded)

	FY05 Residence & Dining Hall Auxiliary Budget	FY05 Residence & Dining Hall Auxiliary Actuals	Difference	FY05 ICA Budget	FY05 ICA Actuals	Difference	FY05 Other Auxiliaries Budget	FY05 Other Auxiliaries Actuals	Difference	FY05 Restricted Budget	FY05 Restricted Actuals	Difference
Revenue:												
Tuition & Fees	52,914	54,412	1,498	90	91	1	360	341	(19)	0	0	0
State Appropriations	0	0	0	0	0	0	0	0	0	5,022	5,585	563
Restricted Government Support	0	0	0	0	0	0	0	0	0	59,721	62,541	2,820
Sales Services	2,519	2,666	147	1,356	1,425	69	2,392	2,386	(6)	0	0	0
Recovery of Indirect Costs	0	0	0	0	0	0	0	0	0	0	0	0
Investment Income	130	234	104	0	0	0	5	96	91	0	484	484
Other	119	131	12	1,024	1,359	335	615	861	246	9,352	10,619	1,267
Carryforward/Fund Balance	8,259	0	(8,259)	0	0	0	2,619	0	(2,619)	14,096	0	(14,096)
Total Revenue	63,941	57,443	(6,498)	2,470	2,875	405	5,991	3,684	(2,307)	88,191	79,229	(8,962)
Expenditures:												
Salaries/Wages	16,600	16,534	(66)	3,780	4,208	428	4,661	4,771	110	23,288	25,232	1,944
Benefits	7,002	6,821	(181)	1,125	1,248	123	1,234	1,281	47	4,188	5,225	1,037
Scholarships	136	337	201	4,921	4,981	60	7	7	0	26,395	24,759	(1,636)
Capitalized Expenditures	209	286	77	10	45	35	574	1,510	936	1,693	1,361	(332)
Maintenance and Repairs	12,150	5,930	(6,220)	120	182	62	1,534	1,321	(213)	593	437	(156)
Other Expenditures	21,907	17,420	(4,487)	2,714	3,586	872	7,129	4,290	(2,839)	32,446	20,526	(11,920)
Internal Transfers	(903)	(1,170)	(267)	0	(12)	(12)	(4,311)	(4,420)	(109)	0	0	0
Net Transfers	6,840	17,053	10,213	(10,200)	(10,222)	(22)	(4,837)	(5,307)	(470)	(412)	(561)	(149)
Total Expenditures	63,941	63,211	(730)	2,470	4,016	1,546	5,991	3,453	(2,538)	88,191	76,979	(11,212)
Net Change in Fund Balance		(5,768)			(1,141)			231			2,250	

Executive Management Reporting
Balance Sheet - Preliminary
Unclassified and Unaudited
As of June 30, 2005 and June 30, 2004

	June 30, 2005						June 30, 2004							
	Unrestricted		Restricted	Plant	Endowment (including quasi)	Loan & Agency	Unrestricted		Restricted	Plant	Endowment (including quasi)	Loan & Agency	Total	
	Educational & General (E&G)	Auxiliaries					Educational & General (E&G)	Auxiliaries						
ASSETS														
Cash and cash equivalents	128,828	5,400,359	2,170,513	16,444,760	3,664,100	5,499,682	4,693,390	14,048,826	0	11,906,069	217,491	3,375,006	34,240,782	
Due from restricted	0	0	0	0	0	0	3,746,901	0	0	0	0	0	3,746,901	
Restricted cash and cash equivalents	0	0	0	22,247,912	0	0	0	0	0	45,697,257	0	0	45,697,257	
Investments	66,964,129	2,800,000	0	36,455,638	0	0	61,255,125	0	0	0	34,549,471	0	95,804,596	
Accounts receivable, net	17,168,544	1,251,577	16,064,921	3,217,011	0	151,504	16,419,823	1,006,266	18,569,393	1,553,739	0	149,189	37,698,410	
Accrued interest receivable	348,537	0	0	0	0	0	313,327	0	0	0	0	0	313,327	
Notes receivable, net	0	0	0	0	0	13,055,817	0	0	0	0	0	0	11,666,294	
Prepaid expenses and deferred charges	17,964,300	150,229	28,670	2,667	0	18,145,866	17,036,634	189,275	182,861	0	0	0	17,408,770	
Inventories	688,111	1,105,416	0	0	0	1,793,527	674,568	978,773	0	0	0	0	1,653,341	
Capital assets, net	0	0	0	510,704,592	0	0	0	0	0	481,247,608	0	0	481,247,608	
Total assets	103,262,449	10,707,581	18,264,104	552,616,942	40,119,738	18,707,003	104,139,768	16,223,140	18,752,254	540,404,673	34,766,962	15,190,489	729,477,286	
LIABILITIES AND NET ASSETS														
Liabilities:														
Accounts payable and accrued liabilities	41,133,691	4,505,332	763,678	5,096,483	0	1,054	42,084,689	3,475,526	731,513	4,160,149	0	483,028	50,934,905	
Deferred revenue	20,939,053	396,430	1,154,424	79,224	0	0	20,928,351	310,757	177,894	0	0	0	21,417,002	
Due to unrestricted	0	0	0	0	0	0	0	0	3,746,901	0	0	0	3,746,901	
Refunds and other liabilities	148,806	1,604,699	0	263,181	0	0	107,004	1,557,702	0	305,602	0	931	1,971,239	
Capital lease obligations	0	0	0	119,147	0	0	0	0	0	212,164	0	0	212,164	
Bonds and notes payable	0	0	0	172,553,700	0	0	0	0	0	180,928,805	0	0	180,928,805	
Refundable advances for federal student loans	0	0	0	0	0	10,248,823	0	0	0	0	0	7,781,778	7,781,778	
Total liabilities	62,221,550	6,506,461	1,918,102	178,111,735	0	10,249,877	63,120,044	5,343,985	4,656,308	185,606,720	0	8,265,737	266,992,794	
Net assets:														
Current year net change	21,175	(6,678,035)	2,250,056	19,707,254	5,352,776	1,049,346	14,899,266	3,259,402	321,913	11,419,659	781,926	1,052,816	31,734,982	
Prior year net assets	41,019,724	10,879,155	14,095,946	354,797,953	34,766,962	7,407,780	26,120,458	7,619,753	13,774,033	343,378,294	33,985,036	5,871,936	430,749,510	
Total net assets	41,040,899	4,201,120	16,346,002	374,505,207	40,119,738	8,457,126	41,019,724	10,879,155	14,095,946	354,797,953	34,766,962	6,924,752	462,484,492	
Total liabilities and net assets	103,262,449	10,707,581	18,264,104	552,616,942	40,119,738	18,707,003	104,139,768	16,223,140	18,752,254	540,404,673	34,766,962	15,190,489	729,477,286	

Audit, Finance, Facilities, and Investment Committee

Dan DeLawder, Chair
October 12, 2005

Master Plan Update

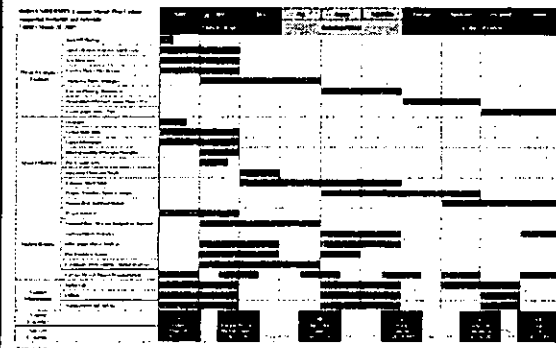
Larry Hellman
Partner, NBBJ

AGENDA

- I. SCHEDULE AND PROCESS
- II. PREMISE
- III. KEY THEMES
- IV. NEXT STEPS

3

SCHEDULE AND PROCESS



4

PREMISE - NEW DAY, NEW WAY

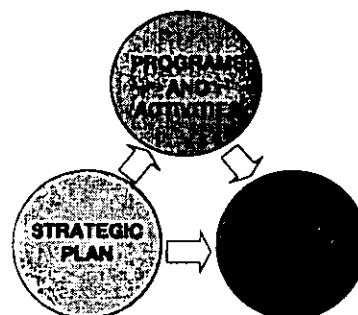
"A LEGACY CAMPUS POSITIONED
FOR THE FUTURE : GROWING THE
UNIVERSITY IN QUALITY AND
QUANTITY"

- EFFICIENT
- INTEGRATED
- STRATEGIC
- BEAUTIFUL



5

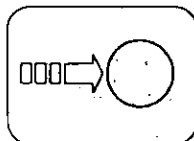
PREMISE - NEW DAY, NEW WAY



6

PREMISE - A NEW WAY OF THINKING

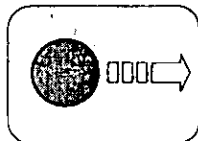
A The Last Step
in the Current
Way the Campus
is Thought About



More Comfortable...

or

B The First Step
in a New Way of
Thinking About
the Campus



More Challenging...

7

PREMISE - NEW DAY, NEW WAY

STRATEGIC INVESTMENT:

Meets Emergent Program Needs

AND

Sets Stage for the Future

- ALIGNMENT AND INTEGRATION
- RESEARCH, DISCOVERY AND LEARNING
- STUDENT LIFE
- BRAND PROTECTION

8

KEY THEMES - ALIGNMENT AND INTEGRATION

Goals

- One Enterprise
- Adaptable/Changeable/
Growable
- Shared Resources



Planning Implications

- Shared Buildings - Joint
Use/Joint Funding
- Space Management
- Public/Private Partnerships



9

KEY THEMES - RESEARCH, DISCOVERY AND LEARNING

Goals

- A More Serious Research
and Learning Environment
- Essential to be Well
Positioned in the Future



Planning Implications

- Near-Term/Long Term
Capacity
- Defined Expectations for
Bringing Research and
Academic Space On-line



10

KEY THEMES - STUDENT LIFE

Goals

- Growth in Quality and
Quantity
- Better, Newer Student
Housing



Planning Implications

- Renovation/Reuse/New
Construction
- On/Off Campus Housing
- Public/Private Partnerships



11

KEY THEMES - BRAND PROTECTION

Goals

- Beautiful, Walkable
Campus
- High Performance
Learning and Research
Environment



Planning Implications

- Character and
Functionality
- Quality of Greens
- Campus Arrival, Entry and
Edges

12

NEXT STEPS

- Projects/Time Frame/
Actions/Costs/ Options
- Collaborative/Leveraged
Actions
- Growth/ "Change"
Matrix



13

Action Items

Tab 1 or 7 Capital Improvements Plan

- Plans for FY2007-FY2012
- Submitted to Board of Regents in Fall 2005
- Estimates range from \$20.9 million to \$23.4 million and are subject to change
- Project prioritization is a team effort
- Guidance from Vision Ohio and Master Plan

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Tab 1 or 7 Athens Campus FY07-08

	FY05-06 Funding Level	Proposed FY07-08 Funding Level
Basic Renovations	\$5,359,577	\$5,671,337
University Center	5,210,000	5,210,000
Leusche Heating Plant	2,175,000	2,175,000
Porter Hall Addition	2,250,000	2,250,000
Clippinger Lab Rehab	1,000,000	1,000,000
Alden Library Rehab	1,000,000	1,000,000
College of Communication	2,400,000	2,400,000
Vision Ohio Strategic Priorities	1,467,709	3,703,154
Total	\$20,862,286	\$23,409,491
Southeastern Regional Depository	2,704,000	2,704,000

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Tab 1 or 7 Regional Campuses FY07-08

	FY05-06 Funding Level	Proposed FY07-08 Funding Level
Chillicothe	\$1,044,149	\$1,210,474
Eastern	725,330	781,258
Lancaster	1,055,642	1,168,770
Southern	558,106	792,143
Zanesville	1,117,349	1,309,856

17

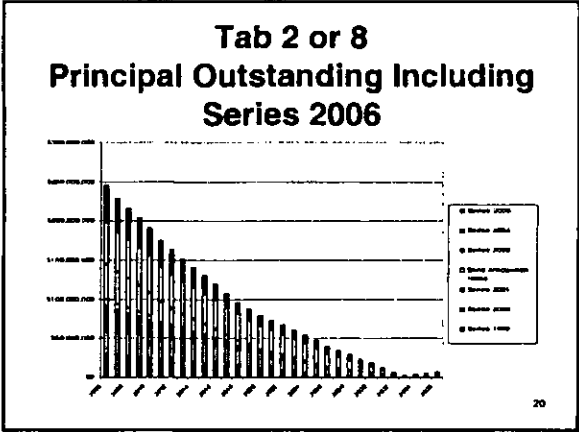
Tab 2 or 8 Authorization, Issuance and Sale of Bonds in March 2006

Tab 2 or 8

Current Principal Outstanding

The chart displays the current principal outstanding for various years from 1984 to 1994. The Y-axis represents the amount in dollars, ranging from \$0.00 to \$1,000,000,000 in increments of \$200,000,000. The X-axis lists the years from 1984 to 1994. The bars are stacked, with the legend indicating the following categories from bottom to top: Federal (white), Federal (black), Federal (dark gray), State Participation (medium gray), State (light gray), and Federal (white). The total principal outstanding starts at approximately \$1,000,000,000 in 1984 and decreases steadily to about \$100,000,000 by 1994.

Year	Estimated Total Principal Outstanding (\$)
1984	1,000,000,000
1985	800,000,000
1986	750,000,000
1987	700,000,000
1988	650,000,000
1989	600,000,000
1990	550,000,000
1991	500,000,000
1992	450,000,000
1993	400,000,000
1994	350,000,000



New Residence Hall =	\$22,000,000
Student Information System =	20,000,000
University Center =	5,210,000
Performance Contract =	3,300,000
College of Communication Building =	2,400,000
Integrated Learning & Research Facility =	1,500,000
Total =	\$54,410,000

New Residence Hall

- 350 bed residence hall located near Nelson Commons
- Client: Residence Auxiliary Services
- Budget: \$24 million
- Source of Funds:
 - Cash reserves of \$2 million
 - Bond proceeds of \$22 million

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New Residence Hall

- Aggressive enrollment projections - 100 undergraduate and 50 graduate students for FY07; twice that through FY11
- Occupancy forecast assumes half of new undergrads will require housing
- Originally intended as swing space to accommodate renovations
- Continuing renovations and enrollment growth result in classification as core bed space by FY10

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Key Auxiliary Budget Assumptions

- 4% increase in room fees annually through FY10
- 2% increases in both room and board fees annually from FY11 on
- Repairs and maintenance budgeted at \$4 to \$5 million annually
- Significant capital will be expended to renovate one residence hall per year through FY11

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New Residence Hall

- Policy change will impact up to 450 juniors and seniors by FY10
- Additional housing may be required by FY12
- Planning efforts will continue to determine maximum system capacity
 - Existing community housing capacity
 - Public/private partnerships
 - Mill Street Phase II

26

SIS Project

Bill Sams

Associate Provost for Information Technology
and
Chief Information Officer for Ohio University

ERP

- ERP = Enterprise Resource Planning
- ERP = HR + Finance + Student Information System (SIS: Education or CRM: Industry)
- OHIO's ERP
 - HR & Finance: Oracle, April 2003
 - SIS: Informs, 1993

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ERP Cost Breakdown

- An ERP project includes:

– Hardware	10%
– Software	15%
– Consulting implementation team	45%
– Internal implementation team	20%
– Training (technical & user)	10%

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ERP Software Vendors

- **SAP:** German company, new to the education market. High end product.
- **Oracle/People Soft:** Leading supplier of databases. Corporate merger concerns.
- **SCT/Banner:** Strong product, numerous installations in Ohio. User group.
- **Informs:** Our current system. Small company, limited customer base, no implementation experience, Beta version.

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ERP Consultants

- **IBM, Accenture, Bearing Point:** SAP, People Soft, high end
- **SCT/Banner:** Only for SCT, A,B or C Team?
- **Cedar:** People Soft, SCT
- **Ciber:** People Soft, SCT, SAP
- **Cornelius and Assoc:** Manage consultants

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ERP Project Management/Collaboration Software

- **MSN:** Industry standard project mgt tool
- **Team Dynamix:** collaboration tool
- **Advantiv...** survey and RFP support tool

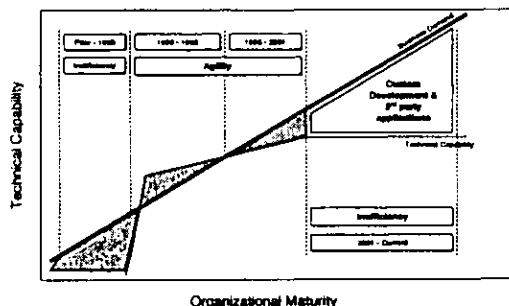
31

Competitive Update

- OHIO: SIS/Informs, 1993, HR/Fin/Oracle 2001...\$18 M
- Cin U: Beginning ERP/SAP...\$45 M
- BG: Beginning ERP/People Soft...\$37 M
- Toledo: Beginning ERP/SCT...\$16 M
- Wright: Beginning ERP/SCT...\$15 M
- Youngstown: Beginning ERP/SCT...\$12
- All on schedule and budget

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OHIO's Growing SIS Technology Gap



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The Tower of Babel

- Unit level software implementations with no to limited enterprise integration potential
 - Recruitment Plus
 - Campaign Driver
 - Outsourced message board
 - RoboRegistrar
 - CashNet
 - Alumni Directory
 - CollegeNet

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Why a new SIS? Technology Perspective

- Impending death of current technology
 - Current system is pre-Internet
 - Maintenance support for the core system terminates in 2 to 3 yrs.
 - Mainframe to "Open" systems based server
 - COBOL to Java/newer language
 - Proprietary file based to relational database structure
 - Text based to GUI
- Increased capability required
 - Expanded real time access
 - Enhanced web based information delivery

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Why SIS? Functional Perspective

- Legal and security issues
 - Finer control of data access
 - Field based security
 - Improved ability to comply with
 - FERPA
- Operational efficiencies
 - Business process review
 - Reduction of manual processes
 - Improved access to information
 - Minimization of shadow systems
 - Ability for real time transactions
 - Potential for student and faculty integrated portals
 - Improved ability to interface with 3rd party systems

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Why not SIS?

- Cost: < \$20 Million
- Disruption: 3 years of effort
- Can we extend the current system?

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SIS Phases

- Phase 1: Kelby Kostival, overview analysis, RFI. Jan 05 to Jun 05
- Phase 2: Executive Steering Committee and Requirements Committee, RFP, go/no go recommendation. Sept 05 to Apr 06
- Phase 3: Executive Steering Committee and Implementation Team (if go). May 06 to December 08
- Phase 4: Project to program transition, January 09

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ERP Costs

- Current total ERP implementations for schools of similar size to OHIO range from \$15 M to \$45 M.
- OHIO has spent to date \$18 M on the Oracle HR and Finance portion.
- OHIO rough estimate for SIS is < \$20 M
- Cost differences determined by
 - Options selected
 - Amount of software modification
 - Implementation approach

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Student Information System

Software	\$2,806,000
Hardware	2,112,500
Services	9,217,000
Project Management	1,600,000
Training & Support	2,450,000
Contingency	1,814,500
Total	\$20,000,000

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Why is a phase 2 decision important now?

- Core support may end in 2 to 3 years
- If we start now we are 3 years away from implementation
- Our sister schools started one to two years ago
- We have budgeted funding for the decision process
- The operational business review fits into the Vision Ohio process

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University Center Interim Financing

- Completion scheduled for Fall 2006
- State capital funds may be available to equip and furnish building in October 2006
- Interim financing needed to complete building and open on schedule
- Debt of \$5,210,000 will be repaid with State capital funds

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Performance Contract

- Allows State capital funds earmarked for Lausche heating plant to be directed toward other projects
- Par amount of \$3.3 million will be repaid with energy savings over 8 years
- Includes \$2.4 million for control, coal and ash handling systems
- Another \$900K for energy conservation measures in the residence halls

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College of Communication Building

- Baker Center facility on Union Street will be renovated or demolished and rebuilt
- Client: College of Communication
- Budget: \$2.4 million for design work
- Source of Funds: State capital funds may be available in October 2006

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Integrated Learning & Research Facility

- 100,000 square foot building
- Clients include the following Colleges:
 - Engineering
 - Osteopathic Medicine
 - Health and Human Services
 - Fine Arts
 - Arts and Sciences
- Budget: Project budget of \$30 million includes design costs of an additional \$1.5 million

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Tab 3 or 9 Approval to Hire Consultants and Develop Construction Contracts

- New Residence Hall
- Alden Library Building Master Plan
- Integrated Learning & Research Facility
- Airport Sanitary Sewer System
- Roadway & Parking Improvements

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Tab 4 or 10 Approval of Construction Documents and Authority to Enter Into Construction Contracts

- Life Science Research Facility Addition
- Science Laboratory Rehabilitation and Office Addition
- Elson Hall Roof Replacement
- Child Development & Family Services Center

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Tab 5 or 11 Refunding of Series 1999 Bonds

- The current interest rate environment provides an opportunity to refinance the Series 1999 bond issue and realize substantial savings
- Upfront savings of approximately \$900,000 will be deposited to a reserve fund

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Information Items

Tab 6 or 12 Ohio University Internal Audit Office Activity Report and Work Plan

Internal Audit FY 05 Audit Plan Performance

Completed Assurance Audits

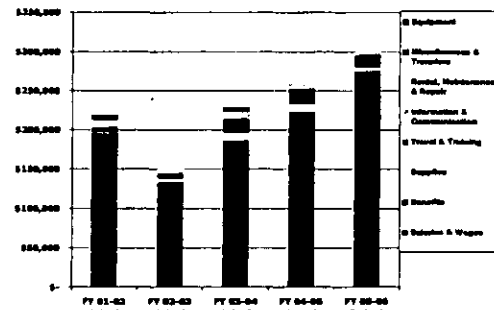
- Employee Management System (EMS)
- Graduate Appointments System
- NCAA Football Attendance Compliance Audit
- Workforce Time Entry System

Completed Assurance Follow-up's

- Bursar Operations Follow-up
- Center for Student Advocacy Follow-up
- Cell Phone Policy and Usage Follow-up
- Employee Recognition Policy Follow-up
- Therapy Associates Follow-up

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Internal Audit FY 2002 - FY 2005 Expenditures FY 2006 Budget



Internal Audit FY 06 Audit Plan

Assurance Audits

- Telecommunications Center - completed 8/26/05
- University Hiring & Termination Process (cont'd)
- Dining Services - in process
- Intercollegiate Athletics Business Operations
- Lancaster Business Operations
- Procurement Services

Assurance Follow-Up Audits

- Employee Recognition Policy
- Employee Management System (EMS) - Payroll System
- Graduate Appointments - Payroll System
- Therapy Associates
- Workforce - Payroll System

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Year End Financial Report

Fund Balance Summary

Unrestricted Educational & General - Preliminary

	FY 2005	FY 2004
Beginning Fund Balance	41,019,724	26,120,458
Revenue	390,379,314	376,098,778
Expenditures and Net Transfers	(390,358,138)	(361,199,512)
Net Change in Fund Balance	21,176	14,899,266
Ending Fund Balance	41,040,900	41,019,724

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Revenue by Category

Unrestricted Educational & General - Preliminary

	FY 2005		FY 2004	
	ACTUAL	PERCENT	ACTUAL	PERCENT
Tuition and Fees	229,329,663	58.8%	215,040,589	57.2%
State Appropriations	134,045,109	34.3%	136,284,219	36.2%
Sales and Services	8,737,154	2.2%	8,712,413	2.3%
Recovery of Indirect Costs	7,427,964	1.9%	7,346,184	2.0%
Other	6,681,863	1.7%	4,962,674	1.3%
Investment Income	4,157,541	1.1%	3,752,519	1.0%
TOTAL REVENUE	390,379,314	100.0%	376,098,778	100.0%

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Expenditures by Category

Unrestricted Educational & General - Preliminary

	FY 2005		FY 2004	
	ACTUAL	PERCENT	ACTUAL	PERCENT
Personal Services	255,563,609	71.1%	244,101,720	72.2%
Scholarships	45,586,257	12.7%	40,417,600	12.0%
Maintenance & Operations	21,020,539	5.8%	19,333,903	5.7%
Supplies	14,781,121	4.1%	12,435,764	3.7%
Information & Communication	12,382,393	3.4%	11,807,390	3.4%
Capitalizable Costs	8,321,440	2.3%	5,090,490	1.6%
Travel & Entertainment	9,547,271	2.7%	8,451,067	2.5%
Miscellaneous	(7,540,157)	(2.1%)	(4,465,578)	(1.3%)
TOTAL EXPENDITURES	359,842,473	100.0%	338,172,356	100.0%
Net Transfers	30,715,665		23,027,156	
TOTAL EXPENDITURES AND NET TRANSFERS	390,358,138		361,199,512	

Expenditures - Personal Services

Unrestricted Educational & General - Preliminary

	FY 2005		FY 2004	
	ACTUAL	PERCENT	ACTUAL	PERCENT
Administrative	46,941,462	19.5%	47,996,560	19.7%
Classified	31,747,133	12.4%	32,722,985	13.4%
Faculty	92,605,264	36.3%	87,853,315	36.0%
Assistants: Research/Graduate/Teaching	11,513,798	4.5%	11,304,298	4.7%
Student Hourly	5,290,554	2.1%	5,002,651	2.0%
Other Payroll	301,199	0.1%	1,178,040	0.5%
Salaries and Wages Subtotal	191,369,430	74.9%	186,147,849	76.3%
Benefits	56,235,137	22.0%	50,983,580	20.9%
Other	7,658,042	3.1%	6,966,191	2.8%
TOTAL PERSONAL SERVICES	255,563,609	100%	244,101,720	100.0%

Auxiliary Summary

Unrestricted - Preliminary

	FY 2005	FY 2004
Beginning Fund Balance	10,879,155	7,619,753
Revenue	92,680,762	85,248,523
Expense	(99,358,797)	(81,989,121)
Net Change	(6,678,035)	3,259,402
Ending Fund Balance	4,201,120	10,879,155

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Assets

Unclassified and Unaudited
All Funds - Preliminary

	FY 2005	PERCENT	FY 2004	PERCENT
Cash and Cash Equivalents	33,308,242	4.5%	34,240,782	4.7%
Deposit with Bond Trustee	22,247,912	3.0%	45,997,257	6.3%
Investments	105,219,767	14.3%	95,804,596	13.2%
Accounts Receivable, Net	37,853,557	5.1%	37,698,410	5.2%
Accrued Interest Receivable	348,537	0.0%	313,327	0.1%
Notes Receivable, Net	13,055,817	1.8%	11,666,294	1.6%
Prepaid Expenses/Deferred Charges	18,145,866	2.4%	17,406,770	2.4%
Inventories	1,793,527	0.2%	1,653,341	.2%
Capital Assets, Net	510,704,592	68.7%	481,247,608	66.3%
TOTAL ASSETS	743,677,817	100.0%	725,730,385	100.0%

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Liabilities and Net Assets

Unclassified and Unaudited
All Funds - Preliminary

	FY 2006	PERCENT	FY 2004	PERCENT
Accounts Payable/Accrued Liabilities	51,500,238	6.9%	50,934,905	7.0%
Deferred Revenue	22,569,131	3.0%	21,417,002	3.0%
Refunds/Other Liabilities	12,295,509	1.7%	9,753,017	1.4%
Capital Lease Obligations	119,147	0.0%	212,164	0.0%
Bonds and Notes Payable	172,553,700	23.2%	180,828,805	24.9%
TOTAL LIABILITIES	259,007,725	34.8%	263,245,693	36.3%
NET ASSETS	484,670,082	65.2%	462,484,482	63.7%
TOTAL LIABILITIES/NET ASSETS	743,677,817	100.0%	725,730,385	100.0%

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Tab 7 or 15 Treasurer's Report

Current Events – Foundation Board

- NEPC was hired at the July Foundation board meeting
- Master custodian, small cap, absolute return and international equity searches are in process
- Spending policy is likely to change at the November Foundation board meeting

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Upcoming Events

- Staff recommends scheduling an interim Audit, Finance, Facilities, and Investment Committee meeting dedicated to investment issues

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FY06 Budget Update

FY06 Budget Considerations

- Fall 2005 enrollment numbers vs. budget
 - 245 more undergraduate students
 - 75 fewer graduate students
- Projected net tuition revenue impact ~ \$400K favorable
- Anticipated graduate fee waiver savings ~ \$400 - \$600K favorable

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FY06 Budget Considerations

- Achievement of enrollment target resulted in 1% mid-year salary increase
 - Estimated \$1.54M base impact; \$770K FY06 cash impact
 - Top performer merit increase for faculty
 - Across the board for classified and administrative employees
- Utility expenses may be \$1.2M over budget due to rising natural gas prices

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Report of Internal Audit

The Internal Audit report was presented to the Audit, Finance, Facilities, and Investment Committee at their Wednesday, October 12, meeting.

**OHIO UNIVERSITY INTERNAL AUDIT OFFICE
ACTIVITY REPORT
And
WORK PLAN**

INTRODUCTION

The following presents Ohio University Internal Audit's (IA) 2005 Activity Report, including staffing, work plan performance, and financial activity. Due to the change in the audit year approved by the Board, the work was accomplished during a "short audit year", originally planned to run through August. One full year's financial information is reported to coincide with the University's fiscal year budget. Additionally, we present our 2006 Work Plan which is based on the audit plan approved by the Board in June 2005.

ACTIVITY REPORT

STAFFING ACTIVITY

Staff Size

IA benchmarks for best practices using the Global Auditing Information Network (GAIN). Beginning FY 06, IA met the GAIN benchmarks for the public college and university ratios for number of auditors to employees, assets, and revenue. This is directly the result of the additional staff position granted by the President and the Board. This new position, which was filled in March, has increased and will continue to increase, our audit capabilities. We were most fortunate to have recruited an extremely qualified Audit Manager from the Auditor of State's office (AOS) to fill our new position. In addition, we hired a second highly skilled auditor from the AOS to fill a recently vacated position. IA does not have the benefit of an administrative support position. Such a position would further enhance our ability to cover the high risk areas of the University. However, due to University budget constraints, we do not expect to fill this position in the near future.

IA was staffed with one student intern in FY 05. Our part time staff continues with one intern for FY 06. These positions were funded through the Program for Career Exploration (PACE) program.

Professional Development and Certification

Staff met the Institute of Internal Auditor (IIA) professional development standard through continued training and further demonstrated their commitment through pursuing and receiving additional certification.

- The Director, a Certified Public Accountant, sat for and received the Certified Internal Auditor (CIA) designation. The exam is administered in eighty-one countries. Of the 21,000 who sat for the exam last November, less than sixteen percent were eligible for certification.
- Our Senior Auditor received the Certified Fraud Examiner (CFE) designation. This rigorous exam covers financial transactions, legal elements of fraud, criminology, ethics and fraud investigation.

WORK PLAN PERFORMANCE

The following is the status of our FY 2005 audit plan completion. We completed nine of twelve scheduled audits, during 10 months, with two in process audits substantially underway. In addition, as expected, we completed several small investigations.

Audits

Completed

- Employee Recognition Policy Follow-up – completed and report issued 12/7/04.

**OHIO UNIVERSITY INTERNAL AUDIT OFFICE
ACTIVITY REPORT
And
WORK PLAN**

- Bursar Operations Follow-up - completed and report issued 1/18/05.
- Cell Phone Policy and Usage Follow-up- completed and report issued 3/10/05.
- Center for Student Advocacy Follow-up – completed and report issued 3/15/05.
- NCAA Football Attendance Compliance Audit (replaced Policy and Procedure audit) – completed and report issued 3/23/05.
- Workforce Time Entry System – completed and report issued 6/15/05.
- Employee Management System (EMS) - completed and report issued 6/15/05.
- Graduate Appointments System – completed and report issued 6/15/05.
- Therapy Associates Follow-up – audit completed and draft report issued 6/17/05. Final report with management responses issued 8/04/05.

In Process at Year End

- Telecommunications Center – in process during FY 05. Completed 8/26/05.
- University Hiring & Termination Process – still in process.

Not Started

- Lancaster Business Operations – due to shortened audit year moved to FY 06.

Special Projects

- Conducted several small investigations.
- Presented on audit and ethics topics to the University Professional Development campus wide "Lunch and Learn" series, the Campus Wide Financial Meeting and the Management Development Program.
- Served as a resource in policy implementation for several new and revised University policies.
- Remodeled the Internal Audit website format to match that of the President's Office.

FINANCES

Expenditures

Internal Audit FY 05 expenditures were \$265,594. These included \$4,849 for furniture and \$6,470 for office work space for the additional hire. Carryover funds from FY 05 were \$85,332. After expenditures for furniture, renovation and other related expenses, \$68,825 remained. Internal Audit is expected to retain \$8,825 of these funds with the remaining dollars being returned to the planning unit. Of these funds, \$2,700 will be used to absorb the cost of a position upgrade granted retroactively for FY 05 and paid for out of FY 06 funds.

IA's FY 2006 operating budget is \$300,550. A budget increase of \$8,209 is expected to cover previously approved salary requirements. Personnel costs comprise 92% of our budget as compared with 84% of prior year actual expenditures. FY 06 equipment and operating expense budget is 3% compared with prior year actual expenditures of 9%. Professional development expenses make up 5% of the budget as compared to 7% of prior year actual expenditures. This disparity is partially due to the receipt of budget dollars for an additional staff person without related funding for supplies, equipment, etc. IA has absorbed total budget cuts of \$30,908 for the four period of FY 03 through FY 06. The combination of the increase in personnel costs and annual budget cuts has left little room for operational spending. Future cuts could make it difficult to function effectively.

A presentation of historical expenditures and current budget follows:

OHIO UNIVERSITY INTERNAL AUDIT OFFICE
ACTIVITY REPORT
And
WORK PLAN

Departmental

The Director continues to meet with the President; the Assistant to the President and Secretary to the Board; and the Provost on a regularly scheduled basis to discuss audit and control issues. The President has asked IA to begin the process of implementing a confidential reporting system for Ohio University. The system will be designed to work in tandem with the non-retaliation policy currently being constructed by the Office of Legal Affairs. IA will explore procedures for and the cost of hotline implementation; the results of which will be reported to the President for consideration.

IA is and will continue to work more closely with our external audit firm, Deloitte Touche, who has indicated they are willing to rely on IA's work product. We have been meeting to discuss the ongoing external audit and coordination between our organizations.

We will continue to provide the University with input and training on fraud, ethics, and conflicts of interest. At the Board's request, we are supplementing our approved audit plan with "mini audits", which are limited process reviews, to increase our audit coverage. We are currently conducting two of these.

CONCLUSION

We thank you for the opportunity to report our staff achievements, work plan performance, audit plan, budget and expenditures.

COMMITTEE REPORTS

Academic Quality Committee

The committee recommended six resolutions for approval.

Audit, Finance, Facilities, and Investment Committee

The committee received three reports and considered four resolutions. Approval was given to the resolutions.

Student Life, Human Resources and Athletics Committee

The committee received three reports and had no resolutions for action.

Executive Committee

The committee received one report and considered one resolution. Approval was given to the resolution.

ACADEMIC QUALITY COMMITTEE

Trustees Present: Chairman Larry Schey, Gene T. Harris, C. David Snyder, Charles Stuckey, Micah Mitchell, Aslyne Rodriguez

Committee Chairman Schey reported, appreciated the discussion, thanked those making presentations and noted his appreciation for the insights provided to academic matters.

Following a presentation of the committee's resolutions by Chairman Schey, Mr. Kidder moved with a second by Mr. Snyder to approve the resolutions before the Committee. Approval was unanimous.

REVIEW OF CENTERS AND INSTITUTE: Centers and Institutes must:

- come from areas of strength in the institution;
- provide service and contribute to the university mission;
- have great leadership;
- be independently supported as the university provides only start-up; and
- grow research.

Centers are increasingly required to align with the strategic plan. Sixty percent of OHIO's research resources come through Centers and Institutes.

○ **Center for Higher Education**

- The mission of this Center is to enhance higher education in Southeastern Ohio and portions of Appalachia by assisting two- and four-year institutions in the region through instructional, research, and service programs.
- The review committee has recommended that the center be continued.
- Benefits of the center are its:
 - Provision of regional services to colleges of Appalachia; and
 - Partnerships with regional peers to provide faculty professional development.
- Challenges have been met by:
 - adding faculty and stabilizing the center;
 - creating innovative education programming that contributes to stable base funding; and
 - being selective with projects to increase national prominence in four areas.
- The Review Committee asked for an increase in grant-writing support which will be provided.

- **Center for Automatic Identification Education and Research, Russ College of Engineering and Technology**
 - This is the first university-based research and education center devoted to automatic identification and data capture technologies.
 - The dean recommends continuation of the Center and concurs with an accelerated two-year review to be completed by June 2007 to redefine the focus of the technology and to review new leadership.
 - A new business plan will be required. Because of the breadth of the field, Trustee Stuckey suggested that the Center focus on developing a core competency and expertise. Professor Fales said that they should be able to show progress toward developing the focus and competencies within two years.
- **Central Regional Humanities Center**
 - The Center has not functioned for several years due to lack of funding. Jack Bantle, V.P. for Research, recommends termination.

MAJOR AND DEGREE PROGRAM REVIEWS:

- **School of Accountancy, College of Business**
 - The Accountancy Board in Ohio required a fifth year of college in order to sit for the exam. In response, the College of Business offered a fifth year by automatically moving students into the MBA program, providing them with a dual degree. However, no one is staying for the fifth year because the business sector is offering students excellent employment and opportunities to finish the fifth year at night.
 - In response to the raid on the students, the College of Business is reconfiguring the accounting curriculum. In response to market demand, the fifth year is now used to round out students, increasing writing, communication, and humanities skills.
 - Recruiting and retaining high-quality faculty is a challenge. They must use instructors to teach minors and service courses, saving the academically qualified faculty (Ph.D.s) to teach majors.
- **Marketing, College of Business**
 - Marketing is another high demand major. There is a great increase in sales interest from disciplines across the university. This major must also be staffed by Group II and III faculty to manage student demand.
 - The Sales Center was created in response to a survey which indicated that 60% of its graduates were involved in sales. The College of Business established this center to teach basic sales skills.
 - Sales Center sponsors are required to provide a minimum of \$5K for membership and in return they get a first look at our graduates and

research. Sales Center sponsors sit on the advisory board and provide dynamic curricular advice. They are currently taking a lead in development efforts as well.

- There are 11 Sales Center programs in the country; OHIO's Sales Center has an excellent national reputation.
- NOTE: Trustee Snyder suggested that Dean Corlett make a presentation to the full board on the progress the College of Business has made and the value they provide to their students.
- **Management Systems, College of Business:** Corlett had nothing to add to the report. Great program.
- **Human and Consumer Sciences, College of Health and Human Services:**
 - Human and Consumer Sciences, directed by Ann Paulins, has many accredited programs, excellent faculty and students, and is engaged in research. Student demand is high and on the increase. Adaptation to outside needs and student demand makes for program success.
 - Restaurant and Food Service industries are growing.
 - They would like to increase hospitality and tourism programs.
 - Internships provide full 10-week internships in world-wide placements.
 - ACE-net is becoming a good emerging economic opportunity in this region.
 - There are various configurations of these programs in Ohio, but we are one of two accredited programs, the other being at the University of Akron.
 - We share the early childhood program with the College of Education, currently working on bringing capacity in line with resources and field placement. New licensure has contributed to the growth in early childhood program interest. When you are over-enrolled you can focus the design, be selective, and define the statement about our graduates.
- The College of Health and Human Services has 3000 majors, 325-350 new majors this year. Hearing, Speech and Language Sciences has the largest number of majors in the U.S.
- **Recreation and Sport Sciences, College of Health and Human Services:**
 - This program, directed by Ming Li, has accreditations in athletic training and sports administration. We need to improve physical education in elementary and secondary public schools to improve the quality of life and health among our children.
 - Our premier programs in athletic training and sports administration are still suffering from staffing problems.
 - Advisory Boards are in place for sports administration and recreation studies.

CHANGE NAME OF THE GLOBAL LEARNING COMMUNITY TO GLOBAL LEADERSHIP CENTER:

- The Global Leadership Center better reflects the mission and interests of the program and has the support of the program director, alumni, and students. They must retain the GLC acronym to satisfy program alumni.
- This two-year certificate program provides students eight projects with international themes in business, communication, religion, and other cultural and economic activities.
- Trustee Harris suggested partnering with the College of Education to assure that future teachers and administrators have international experience. The GLC has students from education, engineering, economics, modern languages, and other majors. Educators need this kind of training.
- One of the eight projects is involved with other international universities, working on collaborative projects. Students travel to host countries to finish research.
 - Some students have come to OHIO from Thailand, Mexico, and Chubu to work with the GLC but, the GLC works in developing countries where the cost to come to the U.S. to work is prohibitive. They are pursuing grant opportunities for foreign students to come to OHIO.

ESTABLISH CENTER FOR SPORTS ADMINISTRATION, COLLEGE OF HEALTH AND HUMAN SERVICES:

- The Center will serve to link sports organizations with educators and students in sports administration and advance the field of sports administration.
 - This center has to come from an area of strength that fits the mission of the university and has great leadership. This center has an opportunity to grow the research. Dean Neiman has placed significant resources behind the program. This is a good model for center creation.
 - Sports Administration was the first program of its kind and remains distinctive, mentioned by many to be premier in the world.
 - This will be an exciting opportunity to provide our students with top people in the industry who will increase its donor base. Our graduates are heavily invested in major athletic leagues and professional sports teams.

EMERITUS/EMERITA AWARDS:

To earn emeritus/emerita rank, university employees are required to provide 10 years of service to university and extra service to the community. The designation is not granted automatically upon retirement. Nominees are:

- College of Communication: John Clarence Ray Jr., Sr. Radio Producer Emeritus
- Education: Kimberly Brown, Director Emerita of Undergraduate Student Services

- Ohio University Libraries:
 - Robert Frasch, Manager Emeritus of Instructional Media & Technology Services
 - Anita Baird, Librarian Emerita
 - Sheppard Black, Special Collections Librarian Emeritus
 - Anne Braxton, Librarian Emerita
 - Gloria Devol, Manager Emerita, S.E. Ohio Regional Library Depository
 - Brian Kent Mulliner, Assistant Dean Emeritus
 - Daniel Olson, Librarian Emeritus
 - Robert Politylo, Librarian Emeritus
 - Richard Post, Assistant Dean Emeritus
 - Nancy Rue, Librarian Emerita
 - Lian The-Mulliner, Librarian Emerita
- College of Osteopathic Medicine:
 - Carl Jon Denbow, Director Emeritus, Communications
 - Charles A. “Chip” Rogers, Director Emeritus of External Relations
- Division of Student Affairs: Michael Sostarich, Vice President Emeritus
- Division of University News Services: Peg Black, Assistant Director Emerita

NAME CHANGE, TELECOMMUNICATIONS CENTER TO THE WOUB CENTER FOR PUBLIC MEDIA:

- The new name will better describe the mission and work of the Telecommunications Center. This is a training program with 200-300 students participating per year. It provides service to the community.

REVIEW OF CENTERS AND INSTITUTES

RESOLUTION 2005 - 2008

WHEREAS, the continued review of academic programs is essential to the maintenance of quality within an educational institution, and

WHEREAS, Ohio University has had for many years a rigorous program of internal review, and

WHEREAS, Section 67 of House Bill 694 provides for the review and evaluation of all programs of instruction conducted by state institutions.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of Ohio University accepts the 2004-2005 Reviews of Centers and Institutes, which recommend that the following centers and institutes be continued or discontinued.

Center for Higher Education - Continue

Center for Automatic Identification Education and Research – Continue

With a two-year review to be completed by June 2007

Central Region Humanities Center - Discontinue

MAJOR AND DEGREE PROGRAM REVIEWS

RESOLUTION 2005 - 2009

WHEREAS, the continuous review of academic programs is essential to the maintenance of quality within an educational institution, and

WHEREAS, Ohio University has had for many years a rigorous program of internal review, and

WHEREAS, Section 67 of Am. Sub. H.B. 694 requires the college and university Board of Trustees "shall during the 1981-83 biennium initiate on-going processes for the review and evaluation of all programs of instruction presently conducted by the institutions for which they are responsible"

THEREFORE, BE IT RESOLVED, that the Board of Trustees of Ohio University accepts the 2004-2005 reviews for the following:

Accountancy
Marketing
Management Systems
Human and Consumer Sciences
Recreation & Sports Sciences

**CHANGE THE NAME OF "THE GLOBAL LEARNING COMMUNITY"
TO "THE GLOBAL LEADERSHIP CENTER"**

RESOLUTION 2005 - 2010

WHEREAS, the faculty, alumni and administration in the Global Learning Community (GLC) support the name change for the program, and

WHEREAS, the members of the GLC Student-Director Committee, on behalf of their classmates, support a name change, and

WHEREAS, the provost supports the name change, and

WHEREAS, the name change would better reflect the program's vision statement, and

WHEREAS, the current name does not accurately describe the purpose of the program and is confusing to many domestic and international partners of the GLC, and

WHEREAS, the name "Global Learning Community" does not accurately describe the program on graduates' resumes, and

WHEREAS, the current name creates confusion with other, academic learning communities on campus,

NOW, THEREFORE BE IT RESOLVED, that the name of the Global Learning Community be changed to the Global Leadership Center.

**ESTABLISHMENT OF THE
CENTER FOR SPORTS ADMINISTRATION**

RESOLUTION 2005 - 2011

WHEREAS, a need exists for a resource center for the sport industry linking Ohio University faculty, students, and alumni to sports organizations and related businesses, and

WHEREAS, the enhancement of the graduate and undergraduate programs in the Division of Sports Administration through the formation of the Center will maintain Ohio University's status as the leader in the sport industry, and

WHEREAS, the global initiatives will help increase diversity within the College of Health and Human Services and Ohio University through exchange programs, the inclusion of international perspectives in project and research content, and as a recruitment tool for international students.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees establishes the Center for Sports Administration in the College of Health and Human Services at Ohio University.

**ADMINISTRATOR EMERITUS/EMERITA AWARDS
RESOLUTION 2005 - 2012**

WHEREAS, the following individuals have rendered dedicated and outstanding service to Ohio University, and

WHEREAS, their colleagues and supervisors have recommended action to recognize their service,

THEREFORE, BE IT RESOLVED that emeritus/emerita status be awarded to the following individuals upon their retirement:

COMMUNICATION

John Clarence Ray Jr. Senior Radio Producer Emeritus

EDUCATION

Kimberly Brown Director Emerita of Undergraduate Student Services

OHIO UNIVERSITY LIBRARIES

Robert Frasch	Manager Emeritus of Instructional Media & Technology Services
Anita Baird	Librarian Emerita
Sheppard Black	Special Collections Librarian Emeritus
Anne Braxton	Librarian Emerita
Gloria Devol	Manager Emerita of the South East Ohio Regional Library Depository
Brian Kent Mulliner	Assistant Dean Emeritus
Daniel Olson	Librarian Emeritus
Robert Politylo	Librarian Emeritus
Richard Post	Assistant Dean Emeritus
Nancy Rue	Librarian Emerita
Lian The-Mulliner	Librarian Emerita

OSTEOPATHIC MEDICINE

Carl Jon Denbow	Director Emeritus of Communications
Charles A. "Chip" Rodgers Jr.	Director Emeritus of External Relations

STUDENT AFFAIRS

Michael Sostarich Vice President Emeritus

UNIVERSITY NEWS SERVICES

Peg Black Assistant Director Emerita

**CHANGING THE NAME OF THE
TELECOMMUNICATIONS CENTER
AT OHIO UNIVERSITY**

RESOLUTION 2005 - 2013

WHEREAS, there have been significant changes in media and related disciplines,
and

WHEREAS, today, the term “telecommunications” is most commonly used to
describe the public switched telephone network and associated technologies, and

WHEREAS, radio and television stations are expanding services to internet,
datacasting, and other interactive technologies, and

WHEREAS, with the advent of digital transmission the Telecommunications
Center is moving into newer methods of providing community and educational media
services, and

WHEREAS, “Public Media” is a phrase that is finding increased usage within the
public broadcasting community across the country.

NOW, THEREFORE, BE IT RESOLVED that the Ohio University Board of
Trustees does hereby approve the renaming of the Telecommunications Center to the
WOUB Center for Public Media to better reflect both the public nature of its services and
the broader nature of its delivery systems.

AUDIT, FINANCE, FACILITIES AND INVESTMENT COMMITTEE

Present: Chairperson C. Daniel DeLawder, President Roderick McDavis, J. Michael Lawrie, C. Robert Kidder, Larry A. Corrigan and Aslyne Rodriguez, Ned Dewire, Micah Mitchell.

INFORMATIONAL ITEM

Master Plan Update

- I. Schedule and Process
- II. Premise
- III. Key Themes
- IV. Next Steps

Goals

- Master Plan effort to be well coordinated and integrated with Vision Ohio
- Important to develop a plan that is adaptable, changeable and growable
- Emphasis on a more serious research and learning environment
- Focus to improve and provide better and new student housing opportunities
- Continue to emphasize the beauty of the campus and make decisions that continue to support a walkable campus.

ACTION ITEMS (Tab numbers cited reflect Agenda tabs.)

Approval of Fiscal Years 2007-2012 Capital Improvements Plan for the Athens and Regional Campuses (Tab 1 or 7)

- Plans for FY2007-FY2012
- Submitted to the Board of Regents in Fall 2005
- Estimates range from \$20.9M to \$23.4M—subject to change
- Project prioritization is a team effort
- Guidance from Vision Ohio and Master Plan

Authorization, Issuance and Sale of Bonds in March 2006 (Tab 2 or 8)

- New Residence Hall = \$22,000,000
- Student Information System = \$20,000,000
- University Center = \$5,210,000
- Performance Contract = \$3,300,000
- College of Communication Building = \$2,400,000
- Integrated Learning & Research Facility = \$1,500,000
- Total = \$54,410,000

Approval to Hire Consultants and Develop Construction Documents (Tab 3 or 9)

A. New Residence Hall – Athens Campus

- Located in the vicinity of Nelson Commons
- Double rooms with approximately 350 beds and a shared bath between two rooms; common study lounge and recreation area on opposite floors
- Total project budget is \$24 million
- Funded by Residence and Dining Auxiliary
- Scheduled to open Fall Quarter 2007

B. Alden Library Building Master Plan – Athens Campus

- A strategic, phased renovation plan
- Plan will address building reorganization, new technology initiatives, building mechanical systems and interior upgrades to each floor
- Available funding for planning totals \$150,000 through House Bill 16

C. Integrated Learning and Research Facility – Athens Campus

- Will serve the Colleges of Engineering, Osteopathic Medicine, Health and Human Services, Fine Arts and Arts & Sciences
- The building will be approximately 100,000 sq. ft. and cost approximately \$30M
- Anticipated funding sources are \$5M—Engineering gift; \$10M—grant from Osteopathic Heritage Foundation; \$15M—to be raised by Engineering and University Advancement over next five years
- Planned facility opening is September 2009

D. Airport Sanitary System

- Will connect the existing airport buildings into the Village of Albany's system
- Estimated project cost is \$300,000
- Funding sources are a \$285,000 FAA grant and \$15,000 from VP Research area
- Project bid is scheduled for February 2006 with completion by September 2006

E. Roadway and Parking Improvements – Chillicothe

- Develop the roadway and parking lot adjacent to the Shoemaker Center
- Improve the storm sewer drainage and asphalt parking surfaces
- Total project budget is \$480,000; funds available in House Bill 16

Approval of Construction Documents and Authority to Receive Bids and Enter Into Construction Contracts (Tab 4 or 10)

A. Life Science Research Facility Addition – Athens Campus

- Animal Holding Addition of 3,000 sq. ft. containing five environmentally controlled animal holding rooms, two offices and a support room
- Total project cost is \$1,100,000
- Funded by the VP for Research office

B. Science Laboratory Rehabilitation and Office Addition – Eastern Campus

- Shannon Hall Science Laboratory renovation will begin March 2006 and be ready for occupancy by September 2006
- Office addition will be 7,000 sq. ft. with completion by December 2006
- Total funds budgeted for the project are \$2,346,899

C. Elson Hall Roof Replacement – Zanesville Campus

- Shared project between OUZ and Zane State Community College to begin December 2006
- Completes the phased roof improvement ; includes partial replacement of roof at College Hall
- Total project budget is \$944,787
- Funding sources are \$451,333 from OUZ and \$493,454 from Zane State basic renovation funds

D. Child Development and Family Services Center – Chillicothe

- Shared project between Ross County Commissioners and MRDD
- New facility is 21,000 sq. ft.
- Total project budget is \$3,400,000; construction estimate is \$2,600,000
- Funding sources are \$1,025,000—RHE; \$221,000—Ohio Board of Regents childcare grant; balance provided by MRDD and an ARC grant

Refunding of Series 1999 Bonds (Tab 5 or 11)

- The current interest rate environment provides an opportunity to refinance the Series 1999 bond issue and realize substantial savings
- Upfront savings of approximately \$900,000 will be deposited to a reserve fund

INFORMATIONAL ITEMS

LEASE

- Land lease between YMCA and Zanesville OUZ Campus

Internal Audit – FY 05 Audit Plan Performance (Tab 6 or 12)

- Four completed Assurance Audits
- Five completed Assurance Follow-up's
- FY 2002-2005 Expenditures/ FY 2006 Budget
- FY 2006 Audit Plan (6 Assurance Audits and 5 Assurance Follow-Up Audits)

Year End Financial Report

- Fund Balance Summary (Unrestricted Educational & General – Preliminary)
- Revenue by Category (Unrestricted Educational & General - Preliminary)
- Expenditures by Category (Unrestricted Educational & General – Preliminary)
- Expenditures – Personal Services (Unrestricted Educational & General – Preliminary)
- Auxiliary Summary (Unrestricted – Preliminary)
- Assets (Unclassified and Unaudited All Funds – Preliminary)
- Liabilities and Net Assets (Unclassified and Unaudited All Funds – Preliminary)

Treasurer's Report (Tab 7 or 15)

- NEPC was hired at the July Foundation Board Meeting
- Master custodian, small cap, absolute return and international equity searches are in process
- Spending policy is likely to change at the November Foundation board meeting
- Staff recommends scheduling an interim Audit, Finance, Facilities and Investment committee meeting dedicated to investment issues

FY06 Budget Considerations

- Fall 2005 enrollment numbers – 245 more undergraduate students, but 75 fewer graduate students
- Projected net tuition revenue impact - \$400K favorable
- Anticipated graduate fee waiver savings - \$400-\$600K favorable
- Mid-year salary increase of 1% due to achieving enrollment target – merit increase for faculty and across-the-board for administrative and classified staff
- Utility expenses may be over budget due to increases in natural gas prices

Committee Chairman DeLawder presented and moved approval of the resolution. He noted this was a process outlined by the Ohio Board of Regents and its described state funded capital needs process over the next three biennia. Mr. Snyder seconded the motion and all voted yes.

**CAPITAL IMPROVEMENTS PLAN FOR ATHENS
AND REGIONAL CAMPUSES - FISCAL YEARS 2007 THROUGH 2012**

RESOLUTION 2005 - 2014

WHEREAS, the Ohio Board of Regents has notified Ohio University that the Capital Improvements Plan for Fiscal Years 2007-2012 must be submitted in Fall 2005, and

WHEREAS, the Office of University Planning and Implementation reviewed the proposed capital expenditures on the Athens Campus with the Campus Planning Advisory Committee in July 2005, and

WHEREAS, the Capital Plan for fiscal years 2007 through 2012 was developed by the Office of University Planning and Implementation and reviewed by the Campus Planning Advisory Committee, the President, the Vice President for Regional Higher Education and the Deans of the regional campuses.

NOW THEREFORE, BE IT RESOLVED that the Ohio University Board of Trustees does hereby approve the attached Summary of Capital Improvements Projects on the Athens and Regional Campuses for the period beginning on July 1, 2007 and ending on June 30, 2012.

BE IT FURTHER RESOLVED that the Ohio University Board of Trustees does hereby empower the President or his designee to submit to the Ohio Board of Regents and other state officials a fiscal year 2007-2012 Capital Improvements Plan for Ohio University.

Mr. DeLawder presented and moved approval of the resolution. Mr. Snyder seconded the motion. Approval was unanimous.

APPROVAL TO HIRE CONSULTANTS AND DEVELOP CONSTRUCTION DOCUMENTS

RESOLUTION 2005 - 2015

WHEREAS, a number of capital improvement projects have been planned and programmed, and are ready for commencement of the design phase and the development of construction documents, and

WHEREAS, discussions with appropriate University personnel and with the Board of Regents have identified the following projects:

A. New Residence Hall – This project will contain 350 beds and the budget is estimated at \$24 million, and,

B. Alden Library Master Plan – The plan will address building reorganization, new technology initiatives, building mechanical systems upgrades and renovations to the interior, and the budget is estimated at \$150,000, and

C. Integrated Research Facility – A new 100,000 square foot research building will serve the College of Engineering, the College of Osteopathic Medicine, the College of Health and Human Services, the College of Fine Arts and the College of Arts & Sciences. This project will require a commitment of \$30 million, and

D. Ohio University Airport Sanitary Sewer System – The existing airport buildings will be connected to the Village of Albany's central sewer plant. This project budget is estimated at \$300,000, and

E. Roadway and Parking Lot Improvements at the Chillicothe campus – This project includes improving the roadway and reconfiguring the parking lot adjacent to the Shoemaker Center. The total project budget is \$480,000.

NOW THEREFORE, BE IT RESOLVED that the Ohio University Board of Trustees does hereby approve the hiring of consultants for the New Residence Hall, the Alden Library Master Plan, the Integrated Research Facility, the Airport Sanitary Sewer System and Chillicothe Roadway and Parking Lot Improvements.

BE IT FUTHER RESOLVED that the Ohio University Board of Trustees does authorize the development of a phasing plan for Alden Library and preparation of construction documents for each of the other projects.

Mr. DeLawder presented and moved approval of the resolution. Mr. Snyder seconded the motion. All approved.

APPROVAL OF CONSTRUCTION DOCUMENTS AND AUTHORITY TO RECEIVE BIDS AND ENTER INTO CONSTRUCTION CONTRACTS

RESOLUTION 2005 - 2016

WHEREAS, a number of capital improvement projects have been planned and are ready for construction, as follows:

A. The Animal Holding addition to the Life Science Research facility on the Athens campus has a total project budget of \$1,100,000, and

B. The Shannon Hall Science Laboratory Renovation and Office Addition on the Eastern campus has a total project budget of \$2,346,899, and

C. The Elson Hall Roof Improvements project on the Zanesville campus has a total budget of \$944,787. The project is being co-sponsored by the Zanesville campus and Zane State Community College and the University's portion is \$451,333, and

D. The Ross County/Ohio University Chillicothe Child Development & Family Services Center on the Chillicothe Campus has a total project budget of \$3.4 million. The University is participating with the Ross County Commissioners and MRDD.

NOW THEREFORE, BE IT RESOLVED that the Ohio University Board of Trustees does hereby approve the plans and specifications for the Addition to the Life Science Research Facility, the Shannon Hall Science Laboratory Renovation and Office Addition, the Elson Hall Roof Improvements project, and the Ross County/Ohio University Chillicothe Child Development & Family Services Center.

BE IT FURTHER RESOLVED that the Ohio University Board of Trustees does hereby authorize the advertisement for and receipt of bids for the four above-named projects, and does empower the President or his designee to accept and recommend award of construction contracts, providing the amount of the total bids does not exceed the available funds.

Mr. DeLawder presented and moved approval of the resolution. He noted the potential savings of \$800,000 to \$100,000 through this refinancing. Mr. Lawrie seconded the motion. All voted aye.

RESOLUTION 2005 - 2017

Providing for the authorization, issuance and sale of not to exceed \$29,000,000 Subordinated General Receipts Refunding Bonds of The Ohio University, authorizing a Supplemental Trust Agreement securing such bonds, and authorizing matters related thereto

WHEREAS, The Ohio University (herein called the "University"), a state university of the State of Ohio created and existing under Chapter 3337 of the Ohio Revised Code, by Resolution No. 2000-1744 adopted by its Board of Trustees (herein called the "Board") on December 8, 2000 (herein called the "General Bond Resolution") and by a Trust Agreement dated May 1, 2001 (together with amendments and supplements thereto, the "Trust Agreement"), comprised in part of the General Bond Resolution, has provided for the issuance from time to time of Obligations (as defined in the General Bond Resolution) of the University, each such issue to be authorized by a Series Resolution adopted by the Board pursuant to the Trust Agreement; and

WHEREAS, the General Bond Resolution was adopted and the Trust Agreement was authorized by the Board pursuant to Sections 3345.11 and 3345.12 of the Ohio Revised Code, enacted by the General Assembly of Ohio under authority of the Constitution of Ohio, particularly Section 2i of Article VIII thereof, which authorizes the University to issue its Obligations from time to time to pay costs of certain capital facilities, defined as "auxiliary facilities" or "education facilities" in Section 3345.12 of the Ohio Revised Code and called "University Facilities" in the General Bond Resolution and in this Series Resolution, and to refund, fund or retire such Obligations or other obligations previously issued for such purpose; and

WHEREAS, the University has heretofore issued its \$48,025,000 principal amount of Bonds (as defined in the General Bond Resolution) under the Trust Agreement designated "Subordinated Variable Rate General Receipts Bonds, Series 2001" dated May 3, 2001 and maturing December 1, 2026 (the "Series 2001 Bonds"), pursuant to a First Supplemental Trust Agreement dated as of May 1, 2001 (the "First Supplemental Trust Agreement") for the purpose of paying part of the cost of certain University Facilities; and

WHEREAS, the University has heretofore entered into an Interest Rate Hedge (as defined in Section 9.98 of the Ohio Revised Code) for a portion of the Series 2001 Bonds in the form of an ISDA Master Agreement, dated December 1, 2001 (which, together with the schedule and confirmations related thereto, are collectively referred to as the "Series 2001 Swap Agreement") in a maximum notional amount of \$31,020,000 with Morgan Guaranty Trust Company of New York, under the Trust Agreement with respect to amounts payable by the University under the Series 2001 Swap Agreement (other than any Early Termination Amount, as defined in the Series 2001 Swap Agreement, and any amounts payable pursuant to Section 11 of the Series 2001 Swap Agreement by the University); and

WHEREAS, the University has heretofore issued under such Trust Agreement its \$47,860,000 principal amount of Bonds designated "Subordinated General Receipts Bonds, Series 2003" dated September 3, 2003 and maturing through December 1, 2023 (the "Series 2003 Bonds"), pursuant to a Second Supplemental Trust Agreement dated as of September 1, 2003 (the "Second Supplemental Trust Agreement") for the purpose of retiring the University's Subordinated General Receipts Bond Anticipation Notes, Series 2003 and refunding the University's General Receipts Bonds, Series 1993 dated as of December 1, 1993, which were issued to finance the cost of certain University Facilities ; and

WHEREAS, pursuant to such Trust Agreement, the University has issued and may issue Notes (as defined in the General Bond Resolution) pursuant to a Third Supplemental Trust Agreement dated as of October 1, 2003 (the "Third Supplemental Trust Agreement") for the purpose of paying part of the cost of certain University Facilities; however, there are no Notes presently outstanding under the Third Supplemental Trust Agreement; and

WHEREAS, the University has heretofore issued under such Trust Agreement its \$52,885,000 principal amount of Bonds designated "Subordinated General Receipts Bonds, Series 2004" dated as of March 15, 2004 and maturing through December 1, 2031 (the "Series 2004 Bonds"), pursuant to a Fourth Supplemental Trust Agreement dated as of March 15, 2004 (the "Fourth Supplemental Trust Agreement") for the purpose of paying part of the cost of certain University Facilities; and

WHEREAS, the University has heretofore issued its General Receipts Bonds, Series 1999 dated as of March 15, 1999 (the "Series 1999 Bonds"), in the original principal amount of \$32,520,000 pursuant to the Prior Indenture, as defined in the General Bond Resolution, which are presently outstanding in the aggregate amount of \$28,510,000, for the purpose of paying part of the cost of certain University Facilities; and

WHEREAS, the University has determined to issue not to exceed \$29,000,000 principal amount of Bonds under the Trust Agreement, to be designated "Subordinated General Receipts Refunding Bonds, Series 2005", or such other designation as authorized hereby (the "Series 2005 Bonds"), to refund all or part of the Series 1999 Bonds and desires to provide therefor by this Resolution; and

WHEREAS, the Board finds that all conditions precedent to the authorization and sale of the Series 2005 Bonds have been or will be met by the time the Series 2005 Bonds are issued;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE OHIO UNIVERSITY, as follows:

Section 1. Definitions and Interpretations. All words and terms defined in the General Bond Resolution and elsewhere in the Trust Agreement and all interpretations therein provided shall have the meanings, respectively, and be subject to the same interpretations as therein provided where used in this Resolution, unless the context or use indicates another or different meaning or intent, except that this Resolution is sometimes herein called and may be known as the "Series 2005 Resolution", the Bonds authorized by this Resolution are referred to herein and in the Supplemental Trust Agreement hereby authorized as the "Series 2005 Bonds", and the

terms “hereof”, “herein”, “hereby”, “hereto” and “hereunder”, and similar terms, mean this Resolution. All words and terms defined in the preambles hereto shall have the respective meanings provided in the preambles hereto.

In addition, when used in this Resolution and the Supplemental Trust Agreement hereby authorized, the following words shall have the indicated meanings:

“Authorized Denominations” means with respect to the Series 2005 Bonds, the denominations designated as such in the Series 2005 Certificate of Award.

“Beneficial Owner” means with respect to the Series 2005 Bonds, the Person owning the Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Trustee.

“Beneficial Ownership Interest” means the right to receive payments and notices with respect to the Series 2005 Bonds held in a book entry system for which the Depository does not act on behalf of a Beneficial Owner with respect to the optional or mandatory tender for purchase of the Series 2005 Bonds pursuant to the Trust Agreement.

“Book entry form” or “book entry system” means, with respect to the Series 2005 Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in such Bonds and Debt Service Charges may be transferred only through a book entry and (ii) physical Series 2005 Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Bondholder, with the physical Series 2005 Bond certificates “immobilized” in the custody of the Depository. The book entry system maintained by and the responsibility of the Depository and not maintained by or the responsibility of the University or the Trustee is the record that identifies, and records the transfer of the interests of, the owners of beneficial (book entry) interests in such Series 2005 Bonds.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book entry system to record ownership of beneficial interest in the Series 2005 Bonds, and to effect transfers of book entry interests in such Bonds, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Fixed Rate Bonds” means Series 2005 Bonds that are not “Variable Rate Obligations”, as defined in the General Bond Resolution.

“Interest Payment Date” means, as to the Series 2005 Bonds, each of the dates set forth as such in the Series 2005 Certificate of Award.

“Interest Rate Hedge” means an “interest rate hedge” as defined in Section 9.98 of the Ohio Revised Code.

“Interest Rate Mode” means any of those modes of interest with respect to the Series 2005 Bonds permitted by the Series 2005 Supplemental Trust Agreement and specified in the Series 2005 Certificate of Award.

“Mandatory Redemption Date” means, as to the Series 2005 Bonds, each of the dates set forth in the Series 2005 Certificate of Award for the retirement of a portion of the principal of the Series 2005 Bonds pursuant to any Mandatory Sinking Fund Requirements set forth therein.

“Mandatory Sinking Fund Requirements” means, as to the Series 2005 Bonds, the amounts required to be deposited in the Debt Service Fund for the purpose of redeeming Series 2005 Bonds (less the amount of any credit as provided in Section 4(c) of this Resolution) on each Mandatory Redemption Date, as may be set forth in the Series 2005 Certificate of Award.

“Maximum Rate” means five and one-half percent (5-1/2%) per annum.

“Memorandum of Instructions” means the Memorandum of Instructions Regarding Use of Proceeds, Investment Limitations and Rebate Requirements delivered to the University and the Trustee at the time of the issuance and delivery of the Series 2005 Bonds, as the same may be amended or supplemented in accordance with its terms.

“Original Purchaser” means, as to the Series 2005 Bonds, the purchaser or purchasers of the Series 2005 Bonds designated as such in the Series 2005 Certificate of Award.

“Pledged Bonds” means Series 2005 Bonds or Beneficial Ownership Interests registered in the name of the Series 2005 Financial Institution and securing the obligations of the University to reimburse the Series 2005 Financial Institution for advances made pursuant to the Series 2005 Credit Support Instrument as may be provided in the Series 2005 Certificate of Award and the Series 2005 Supplemental Trust Agreement.

“Prior Obligations” means the Series 2001 Bonds, Series 2001 Swap Agreement, the Series 2003 Bonds, the Notes heretofore issued, and the Series 2004 Bonds.

“Rebate Fund” means the fund by that name referred to in Section 10 hereof.

“Series 1999 Defeasance Obligations” means the investments defined as such in the Series 1999 Escrow Agreement sufficient to refund the Series 1999 Refunded Bonds pursuant to the Prior Indenture.

“Series 1999 Escrow Agreement” means the Escrow Deposit Agreement between the University and the Series 1999 Escrow Trustee of even date with the Series 2005 Supplemental Trust Agreement, securing the Series 1999 Refunded Bonds.

“Series 1999 Escrow Fund” means the fund by that name created by the Series 1999 Escrow Agreement in the custody of the Series 1999 Escrow Trustee as security for the Series 1999 Refunded Bonds. The Series 1999 Escrow Fund may be a sub-account in the “Bond Service Account” in the “General Receipts Bond Service Fund” created by the Prior Indenture.

“Series 1999 Escrow Trustee” means the bank or trust company serving as Escrow Trustee under the Series 1999 Escrow Agreement, being initially designated in the Series 2005 Certificate of Award.

"Series 1999 Refunded Bonds" means the certain Series 1999 Bonds designated in the Series 2005 Certificate of Award which are to be refunded with a portion of the proceeds of the Series 2005 Bonds and deemed paid and discharged pursuant to the Prior Indenture.

"Series 2005 Certificate of Award" means the certificate of the Fiscal Officer establishing certain terms of the Series 2005 Bonds and authorized in Section 5 hereof.

"Series 2005 Closing Date" means the date on which the Series 2005 Bonds are delivered to the Original Purchaser for payment.

"Series 2005 Credit Support Instrument" means any Credit Support Instruments relating to the Series 2005 Bonds described in the Series 2005 Certificate of Award and issued by the Series 2005 Financial Institution for the benefit of the holders of the Series 2005 Bonds.

"Series 2005 Financial Institution" means the Financial Institution issuing the Series 2005 Credit Support Instrument described in the Series 2005 Certificate of Award.

"Series 2005 Supplemental Trust Agreement" means the Supplemental Trust Agreement styled and dated as determined in the Series 2005 Certificate of Award, by and between the University and the Trustee supplementing the Trust Agreement and securing the Series 2005 Bonds, as the same may be amended as provided therein.

Section 2. Determinations by Board. The Board hereby finds and determines that (a) each of the improvements financed with proceeds of the Series 1999 Bonds constitute "auxiliary facilities" or "education facilities" as defined in the Act; (b) the issuance of the Series 2005 Bonds and the refunding of the Series 1999 Refunded Bonds will be in the best interests of the University; and (c) this Resolution is adopted pursuant to the General Bond Resolution, the Trust Agreement, the Act and Section 2i of Article VIII of the Ohio Constitution.

The Board finds that the conditions stated in numbered subparagraphs (1) and (2) of Section 3(a) of the General Bond Resolution will be satisfied by the time of authentication of the Series 2005 Bonds. The Fiscal Officer shall confirm these findings by a certificate in form satisfactory to, and to be filed with, the Trustee prior to the authentication of the Series 2005 Bonds, and the Fiscal Officer may provide such other evidence with respect thereto as the Trustee may reasonably request.

Section 3. Authorization, Designation and Purpose of Series 2005 Bonds. It is hereby declared to be necessary and in the best interests of the University to, and the University shall, issue, sell and deliver, as provided and authorized herein not to exceed \$29,000,000 principal amount of Bonds of the University, on a parity with all other outstanding Obligations from time to time, which shall be designated "Subordinated General Receipts Refunding Bonds, Series 2005", or such other designation as may be specified in the Series 2005 Certificate of Award (the "Series 2005 Bonds"), for the purpose of refunding all or part of the Series 1999 Bonds upon the terms set forth herein in order to realize interest cost savings and other benefits which will inure to the benefit of the University, and (ii) paying Costs of University Facilities, as defined in the General Bond Resolution, related to the Series 2005 Bonds, in each case upon the terms set forth herein. For such purposes, the proceeds from the sale of the Series 2005 Bonds shall be allocated and deposited as provided in Section 6 hereof. The principal amount of the Series 2005 Bonds to be

issued shall be determined by the Fiscal Officer and specified in the Series 2005 Certificate of Award. The Series 2005 Bonds may be issued in one or more separate series of Fixed Rate Bonds as the Fiscal Officer may determine in the Series 2005 Certificate of Award and as described herein and in the Series 2005 Supplemental Trust Agreement.

Section 4. Terms and Provisions Applicable to the Series 2005 Bonds.

(a) Forms, Denominations, Dates and Numbering. The Series 2005 Bonds shall be negotiable instruments in accordance with the Act, shall be issued only in fully registered form, without coupons, shall be substantially in the respective forms thereof set forth in the Series 2005 Supplemental Trust Agreement, shall be in Authorized Denominations and shall express upon their faces the purpose for which they are issued and that they are issued pursuant to the Act. Each Series 2005 Bond shall have only one principal maturity date, except for interim certificates, receipts or temporary Series 2005 Bonds which may be issued pending preparation of definitive Series 2005 Bonds. The Series 2005 Bonds shall be dated and numbered as set forth in the Series 2005 Certificate of Award.

Subject to the provisions of this Resolution for the use of a book entry system, the Series 2005 Bonds shall be exchangeable for other Series 2005 Bonds in the manner and upon the terms set forth in the Trust Agreement.

(b) Execution, Interest Rates and Maturities. (i) The Series 2005 Bonds shall be executed by the Chairman of the Board or the President of the University and by the Fiscal Officer or the Secretary of the Board and may have the seal of the University affixed or printed thereon; provided that all of such signatures and such seal may be facsimiles.

(ii) The Series 2005 Bonds shall mature on the date or dates and in the amounts set forth in the Series 2005 Certificate of Award, provided that the final maturity of the Series 2005 Bonds shall be not later than December 1, 2024. Interest on the Series 2005 Bonds shall be calculated and payable as provided in the Series 2005 Certificate of Award. The interest rate payable by the University on the Series 2005 Bonds shall not exceed the Maximum Rate except that Pledged Bonds (or the economic equivalent thereof as may be determined in the Series 2005 Certificate of Award) may bear interest at a rate greater than the Maximum Rate as provided in the Series 2005 Certificate of Award and the Series 2005 Supplemental Trust Agreement.

(c) Mandatory Sinking Fund Redemption. The Series 2005 Bonds shall be subject to mandatory sinking fund redemption in part on each Mandatory Redemption Date, in the manner provided in the Trust Agreement, at a redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the redemption date in such amounts and in the manner as may be set forth in the Series 2005 Certificate of Award and the Series 2005 Supplemental Trust Agreement.

(d) Optional Redemption. The Series 2005 Bonds shall be callable for redemption at the option of the University, in the manner provided in the Trust Agreement, in whole or in part, at such price or prices (but in any case not greater than 103% of the principal amount of Series 2005 Bonds to be redeemed plus accrued interest to the redemption date) at such times and in the

manner as may be set forth in the Series 2005 Certificate of Award and the Series 2005 Supplemental Trust Agreement.

(e) Method and Notice of Redemption. If less than all of the outstanding Series 2005 Bonds of one maturity are to be called, the selection of such Series 2005 Bonds of such maturity to be called shall be made in the manner provided in the Series 2005 Certificate of Award and the Series 2005 Supplemental Trust Agreement. Notice of call for redemption of Series 2005 Bonds shall be given at the times and in the manner provided in the Series 2005 Certificate of Award and the Series 2005 Supplemental Trust Agreement.

(f) Place of Payment; Record Dates. Debt Service Charges on the Series 2005 Bonds when due shall be payable to the registered holders thereof at the places and in the manner provided in the Series 2005 Certificate of Award and the Series 2005 Supplemental Trust Agreement. The Fiscal Officer may establish a Regular Record Date and a Special Record Date for the Series 2005 Bonds which shall be set forth in the Series 2005 Certificate of Award.

(g) Paying Agent and Registrar. The Trustee shall serve as Paying Agent and Registrar for the Series 2005 Bonds.

(h) Payment. Debt Service Charges with respect to the Series 2005 Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Trustee or the Paying Agent, in the manner provided in the Trust Agreement.

(i) Book Entry System. The Series 2005 Bonds shall only be originally issued to a Depository for use in a book entry system and: (i) such Series 2005 Bonds shall be registered in the name of the Depository or its nominee, as Bondholder, and immobilized in the custody of the Depository; (ii) there shall be a single Series 2005 Bond representing each maturity; and (iii) such Series 2005 Bonds shall not be transferable or exchangeable, except for transfer to another Depository or another nominee of a Depository or to the Series 2005 Financial Institution in order to obtain payment of principal of Series 2005 Bonds in accordance with the Trust Agreement and in exchange for any Series 2005 Bonds so transferred without further action by the University. The Beneficial Owners shall not have any right to receive Series 2005 Bonds in the form of physical certificates.

So long as a book entry system is in effect for the Series 2005 Bonds, the University and Trustee shall recognize and treat the Depository, or its nominee, as the Holder of the Series 2005 Bonds for all purposes, including payment of Debt Service Charges, giving of notices, and enforcement of remedies. The crediting of payments of Debt Service Charges on the Series 2005 Bonds and the transmittal of notices and other communications by the Depository to Beneficial Owners are the responsibility of the Depository and are not the responsibility of the University or the Trustee; provided, however, that the University and the Trustee understand that neither the Depository or its nominee shall provide any consent requested of Holders of Series 2005 Bonds pursuant to the Trust Agreement, and that the Depository will mail an omnibus proxy (including a list identifying the owners of the book entry interests in the Series 2005 Bonds) to the University which assigns the Depository's, or its nominee's, voting rights to the owners of the book entry interests in the Series 2005 Bonds (as credited to their accounts at the Depository as of the record date for mailing of requests for such consents). Upon receipt of such omnibus

proxy, the University shall promptly provide such omnibus proxy (including the list identifying the owners of the book entry interests in the Series 2005 Bonds attached thereto) to the Trustee, who shall then treat such owners as Holders of the Series 2005 Bonds for purposes of obtaining any consents pursuant to the terms of the Trust Agreement.

As long as the Series 2005 Bonds are registered in the name of a Depository, or its nominee, the University and the Trustee agree to comply with the terms and provisions of their agreement with the Depository including the provisions thereof with respect to any delivery of the Series 2005 Bonds to the Trustee which shall supersede the provisions of the Trust Agreement with respect thereto.

Notwithstanding any other provision of this Resolution or any provision of the General Bond Resolution, the Trust Agreement, the Series 2005 Supplemental Trust Agreement or any Series 2005 Bond to the contrary, with the approval of the Fiscal Officer, the Trustee may enter into an agreement with a Depository, or the nominee of a Depository, that is the registered owner of a Series 2005 Bond in the custody of that Depository providing for making all payments to that registered owner of principal of and interest and any premium on that Series 2005 Bond or any portion of that Series 2005 Bond (other than any payment of its entire unpaid principal amount) at a place and in a manner (including wire transfer of federal funds) other than as provided above in this Resolution, without prior presentation or surrender of the Series 2005 Bond, upon any conditions which shall be satisfactory to the Trustee and the Fiscal Officer. That payment in any event shall be made to the person who is the registered owner of that Series 2005 Bond on the date that principal and premium is due, or, with respect to the payment of interest, as of the applicable Regular Record Date or Special Record Date or other date agreed upon, as the case may be. The Trustee will furnish a copy of each of those agreements, certified to be correct by an officer of the Trustee, to other Authenticating Agents and Paying Agents for Series 2005 Bonds, if any, and to the University. Any payment of principal, premium, or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this Resolution and Trust Agreement.

(j) Change of Depository and Replacement Series 2005 Bonds. If any Depository determines not to continue to act as a Depository for the Series 2005 Bonds for use in a book entry system, the University may attempt to have established a securities depository/book entry system relationship with another qualified Depository under the Trust Agreement. If the University does not or is unable to do so, the University and the Trustee, after the Trustee has made provision for notification of the owners of book entry interests in the Series 2005 Bonds by appropriate notice to the then Depository, shall permit withdrawal of the Series 2005 Bonds from the Depository, and authenticate and deliver Series 2005 Bond certificates in fully registered form to the assignees of the Depository or its nominee. If the event is not the result of University action or inaction, such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing or otherwise preparing, and delivering, such replacement Series 2005 Bonds), of those persons requesting that authentication and delivery unless University action or inaction shall have been the cause of the termination of the book entry system in which event such cost and expense shall be borne by the University. Such replacement Series 2005 Bonds shall be in Authorized Denominations.

Section 5. Sale of the Series 2005 Bonds; Series 2005 Certificate of Award. The Series 2005 Bonds shall be awarded and sold to the Original Purchaser at the price set forth in the Series 2005 Certificate of Award, such price for any maturity of the Series 2005 Bonds shall be not less than 95% of the principal amount thereof, plus accrued interest on the aggregate principal amount of the Series 2005 Bonds from their dates to the date of delivery to and payment by the Original Purchaser, all in accordance with, and subject to the terms and conditions of, the Original Purchaser's proposal contained in the hereinafter described Series 2005 Bond Purchase Agreement. Such award and sale shall be evidenced by the execution of a Series 2005 Certificate of Award by the Fiscal Officer setting forth such award and sale, the other matters to be set forth therein referred to in this Resolution, and such other matters as the Fiscal Officer determines are consistent with this Resolution, the Trust Agreement and the Series 2005 Supplemental Trust Agreement. That the matters contained in the Series 2005 Certificate of Award are consistent with this Resolution, the Trust Agreement and the Series 2005 Supplemental Trust Agreement shall be conclusively evidenced by the execution of the Series 2005 Certificate of Award by such officer. The Series 2005 Certificate of Award shall be and hereby is incorporated into this Resolution and the Series 2005 Supplemental Trust Agreement.

The Fiscal Officer is hereby further authorized and directed to execute and deliver, in the name and on behalf of the University, a bond purchase agreement with the Original Purchaser (the "Series 2005 Bond Purchase Agreement") upon such terms as approved by such officer not inconsistent with this Bond Legislation and not substantially adverse to the University. The approval of such officer, and that the Series 2005 Bond Purchase Agreement is consistent with this Resolution and not substantially adverse to the University, shall be conclusively evidenced by the execution of the Series 2005 Bond Purchase Agreement by such officer. Subject to receiving any necessary appointment by the attorney general of the State, the Fiscal Officer is hereby authorized to make arrangements with Peck, Shaffer & Williams LLP to serve as bond counsel and underwriter's counsel for the Series 2005 Bonds, and such firm is hereby appointed to serve in such capacities.

The Fiscal Officer, and any other appropriate officer of the University, are each hereby separately authorized to make arrangements for the delivery of the Series 2005 Bonds to, and payment therefor by, the Original Purchaser. It is hereby determined that the price for and the terms of the Series 2005 Bonds, and the sale thereof, all as provided in this Resolution, the Series 2005 Supplemental Trust Agreement and the Series 2005 Certificate of Award are in the best interest of the University and in compliance with all legal requirements.

Section 6. Allocation of Proceeds of Series 2005 Bonds. All of the proceeds from the sale of the Series 2005 Bonds shall be received and receipted for by the Fiscal Officer, and shall be deposited and allocated as follows:

(a) To the Debt Service Account of the Debt Service Fund, the portion of such proceeds representing accrued interest and any capitalized interest directed to be deposited in the Debt Service Account by the Series 2005 Certificate of Award; and

(b) To the Series 1999 Escrow Fund such amount as set forth in the Series 2005 Certificate of Award as is necessary to provide for the purchase of Series 1999 Defeasance

Obligations sufficient to refund any Series 1999 Refunded Bonds as set forth in the Series 1999 Escrow Agreement; and

(c) To the Series 2005 Expenses Account which is hereby created as a separate deposit account within the Facilities Fund (except when invested as hereinafter provided) in the custody of the University or the Trustee or other entity, as the Fiscal Officer shall determine, the balance of such proceeds.

Any such capitalized interest may be deposited in a separate sub-account of the Debt Service Account of the Debt Service Fund as the Fiscal Officer may determine. Upon a determination by the Fiscal Officer that any portion of such amount designated to be used for capitalized interest is not needed for such purpose, such portion may be transferred to the Series 1999 Escrow Fund or Series 2005 Expenses Account as the Fiscal Officer may direct.

Such proceeds are hereby appropriated for the purposes of the respective funds and accounts into which such proceeds are deposited.

No provision shall be made for a Debt Service Reserve Account with respect to the Series 2005 Bonds, and there shall be no Required Reserve for the Series 2005 Bonds. The Series 2005 Bonds shall not be payable from, and the Series 2005 Bonds shall not be secured by, any moneys in or investments credited to the Debt Service Reserve Account, and therefore, Debt Service Charges on the Series 2005 Bonds shall not have access to or claims upon the Debt Service Reserve Account.

Section 7. Series 2005 Expenses Account and Series 1999 Escrow Fund; Recordkeeping; Application of Moneys. A record of each deposit into and disbursement from the Series 2005 Expenses Account and the Series 1999 Escrow Fund shall be made and maintained by the party having custody of such account or fund.

Moneys in the Series 1999 Escrow Fund shall be applied to payment of the principal of, and interest and any redemption premium on, the Series 1999 Refunded Bonds and invested, and any investment earnings credited, as provided in the Series 1999 Escrow Agreement.

Moneys in the Series 2005 Expenses Account shall be used to pay any costs associated with the issuance of the Series 2005 Bonds and the refunding of the Series 1999 Refunded Bonds to the extent not paid from moneys in the Series 1999 Escrow Fund, and shall be disbursed upon the written request of the Fiscal Officer on behalf of the University. The University covenants that it will proceed with due diligence to pay such costs. Upon the final payment of such costs, the University shall deliver to the Trustee a certificate of the Fiscal Officer on behalf of the University stating that fact and setting forth the amount, if any, then remaining in the Series 2005 Expenses Account which shall be transferred to the Debt Service Account of the Debt Service Fund pursuant to this Section.

Upon such certification, any moneys remaining in the Series 2005 Expenses Account and certified pursuant to the preceding paragraph shall be transferred by the party having custody of such Fund to the Debt Service Account of the Debt Service Fund as set forth in the immediately preceding paragraph.

Moneys in the Series 2005 Expenses Account may be invested in any lawful University investments in amounts maturing not later than the times when such amounts in the Series 2005 Expenses Account are required to pay any costs payable from such Fund. Any investment made by the Trustee shall be at the written or oral (and, if oral, promptly confirmed in writing) direction of the Fiscal Officer. The term "lawful University investments" shall mean those investments made in accordance with the *Statement of Objectives and Policies for Non-Endowment Invested Funds*, approved by the Board on February 14, 2003, as the same may be amended or supplemented from time to time. Such investments may include qualifying money market mutual funds for which the Trustee or any of its affiliates provide services for a fee, whether as an investment advisor, custodian, transfer agent, registrar, sponsor, distributor, manager or otherwise.

Any investment of moneys in the Series 2005 Expenses Account shall constitute a part of the Series 2005 Expenses Account and the Series 2005 Expenses Account shall be credited with all proceeds of sale, and gain or loss, from such investment. Interest earnings on moneys in the Series 2005 Expenses Account shall be credited when received to the Series 2005 Expenses Account. For investment purposes only, moneys in the Series 2005 Expenses Account may be commingled with moneys from one or more funds held by the Trustee pursuant to the Trust Agreement; provided that separate records are maintained for each such fund, the investments made therefrom, and the interest earnings credited thereto.

Section 8. Series 2005 Supplemental Trust Agreement and Series 1999 Escrow Agreement. The Chairman of the Board, the President of the University, the Secretary of the Board and the Fiscal Officer, or any one or more of them, are each authorized and directed to execute, acknowledge and deliver, in the name of and on behalf of the University, a Series 2005 Supplemental Trust Agreement pursuant to the Trust Agreement in connection with the issuance of the Series 2005 Bonds and a Series 1999 Escrow Agreement, in forms not substantially adverse to the University as may be permitted by the Act and the Trust Agreement and approved by the officer or officers executing the same on behalf of the University. The approval of such forms by the Board and such officer or officers, and the fact that such forms are not substantially adverse to the University, shall be conclusively evidenced by the execution of the Series 2005 Supplemental Trust Agreement and the Series 1999 Escrow Agreement by such officer or officers.

Consistent with Section 8.02 of the Original Trust Agreement, the University and the Trustee, without the consent of or notice to any of the Bondholders, may enter into agreements supplemental to the Trust Agreement and the Series 2005 Supplemental Trust Agreement to the extent necessary or desirable to permit (i) the transfer of Series 2005 Bonds from one Depository to another, and the succession of Depositories or (ii) the withdrawal of Series 2005 Bonds issued to a Depository for use of a book entry system and the issuance of replacement Series 2005 Bonds in fully registered form to others than a Depository.

The Chairman of the Board, the President of the University, the Secretary of the Board and the Fiscal Officer are each separately authorized to execute and deliver, on behalf of the University, such other certificates, documents and instruments as are necessary in connection with the transactions authorized in this Resolution, and to do all other things required of them or

the University pursuant to the Trust Agreement, this Resolution and the Series 1999 Escrow Agreement.

The appropriate officers of the University shall do all things necessary or proper to implement and carry out the orders and agreements set forth in or approved in this Resolution for the proper fulfillment of the purposes of the General Bond Resolution and this Resolution. The Secretary of the Board shall furnish to the Original Purchaser a true and certified transcript of all proceedings taken with reference to the authorization and issuance of the Series 2005 Bonds along with other information as is necessary or proper with respect to the Series 2005 Bonds.

The Series 1999 Refunded Bonds shall be and hereby are ordered called for optional redemption according to their terms on the first optional redemption date following the issuance of the Series 2005 Bonds at a redemption price not to exceed 100% of the principal amount redeemed plus accrued interest to the date of redemption. The Fiscal Officer and other appropriate officers and employees of the University are each hereby separately authorized to engage a firm of certified public accountants to verify the sufficiency of the moneys and investments in the Series 1999 Escrow Fund and to subscribe for and purchase such United States Treasury obligations, including such obligations of the State and Local Government Series, as shall be required by the Series 1999 Escrow Agreement, and to pay for the services of such accountants and for such obligations with the proceeds of the Series 2005 Bonds, and any such actions heretofore taken by such officers or the purchaser of the Series 2005 Bonds or bond counsel in connection with such subscription and purchase are hereby approved, ratified and confirmed.

If the Fiscal Officer determines in the Series 2005 Certificate of Award that it is in the best interest of the University, the Series 2005 Bonds may be combined with another series of Bonds for purposes of sale and in such case, the provisions of this Resolution, the Series 2005 Certificate of Award and the Series 2005 Supplemental Trust Agreement shall be deemed incorporated into the Series Resolution and the Supplemental Trust Agreement related to such Bonds and constitute a single set of Bond Proceedings. In such case, such Bonds (the "Consolidated Bonds") shall express upon their faces a summary statement of purposes encompassing the purposes stated in this Resolution and in the Series Resolution authorizing such Bonds, and the proceeds from the sale of the Consolidated Bonds shall be apportioned, deposited and credited in accordance with this Resolution and the Series Resolution authorizing such Bonds to the respective purposes and funds set forth herein and therein in accordance with the amount of each issue included in the Consolidated Bond issue and determinations of the Fiscal Officer made in the Series 2005 Certificate of Award. The Fiscal Officer is hereby authorized to make such determinations in the Series 2005 Certificate of Award as the Fiscal Officer deems necessary to accomplish the sale and issuance of such an issue of Consolidated Bonds, and such determinations shall be conclusively evidenced by the execution of the Series 2005 Certificate of Award by the Fiscal Officer.

Section 9. Tax Matters. The University hereby covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Series 2005 Bonds under Section 103(a) of the Code. Without limiting the generality of the foregoing, the University hereby covenants as follows:

(a) The University will not directly or indirectly use or permit the use of any proceeds of the Series 2005 Bonds or any other funds of the University, or take or omit to take any action that would cause the Series 2005 Bonds to be “arbitrage bonds” within the meaning of Sections 103(b)(2) and 148 of the Code. To that end, the University will comply with all requirements of Sections 103(b)(2) and 148 of the Code to the extent applicable to the Series 2005 Bonds. In the event that at any time the University is of the opinion that for purposes of this sub-section (a) it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under the Trust Agreement, the Fiscal Officer shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions. The Fiscal Officer, or any other officer having responsibility with respect to the issuance of the Series 2005 Bonds, is authorized and directed to give an appropriate certificate on behalf of the University, on the date of delivery of the Series 2005 Bonds for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to the use of the proceeds thereof and the provisions of such Sections 103(b)(2) and 148, and to execute and deliver on behalf of the University an IRS Form 8038G in connection with the issuance of the Series 2005 Bonds.

Without limiting the generality of the foregoing, the University agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code. This covenant shall survive payment in full or defeasance of the Series 2005 Bonds. The University specifically covenants to pay or cause to be paid to the United States at the times and in the amounts determined under Section 10 hereof the Rebate Amounts, as described in the Memorandum of Instructions. The Trustee agrees to perform all tasks required of it in the Memorandum of Instructions.

Notwithstanding any provision of this sub-section (a), if the University shall provide to the Trustee an opinion of nationally recognized bond counsel to the effect that any action required under this Section and Section 10 of this Resolution is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Series 2005 Bonds pursuant to Section 103(a) of the Code, the University and the Trustee may rely conclusively on such opinion in complying with the provisions hereof.

(b) So long as any of the Series 2005 Bonds, or any obligations issued to refund the Series 2005 Bonds, remain unpaid, the University will not operate or use, or permit the operation or use of, the improvements financed with the Series 1999 Refunded Bonds or the Series 2005 Bonds, or any part thereof, in any trade or business carried on by any person within the meaning of the Code which would (i) cause the Series 2005 Bonds to be “private activity bonds” within the meaning of Section 141 of the Code, and (ii) result in the interest payable on the Series 2005 Bonds to be not exempt from federal income taxation under the Code.

Section 10. Rebate Fund.

(a) There has previously been created and ordered maintained in the custody of the Trustee (except when invested as herein provided), the Rebate Fund, which shall not constitute a Special Fund or Account securing the Series 2005 Bonds or other Obligations. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Memorandum of Instructions. Subject to the transfer provisions provided in paragraph (d)

below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Amount (as defined in the Memorandum of Instructions), for payment to the United States of America, and neither the University nor the owner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section, by Section 9 of this Resolution and by the Memorandum of Instructions (which is incorporated herein by reference).

(b) The Trustee shall have no obligations to rebate any amounts required to be rebated pursuant to this Section, other than from moneys held in the funds created under the Trust Agreement or from other moneys provided to it by the University upon its request for said moneys from the University as set forth in the Memorandum of Instructions.

(c) The Trustee shall, at the direction of the University, invest amounts held in the Rebate Fund and deposit all earnings on such amounts as provided in the Memorandum of Instructions.

(d) The Trustee shall remit moneys in the Rebate Fund to the United States, as directed in the Memorandum of Instructions. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor satisfactory to the Trustee shall be withdrawn and remitted to the University.

(e) Notwithstanding any other provision of this Resolution or the Trust Agreement, the obligation to remit the Rebate Amounts to the United States and to comply with all other requirements of this Section, Section 9 of this Resolution and the Memorandum of Instructions shall survive the defeasance or payment in full of the Bonds.

Section 11. Official Statement. The Fiscal Officer is hereby authorized to execute and deliver preliminary and final official statements on behalf of the University, in such forms as such officer may approve, and to deem such official statements to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12, such officer's execution thereof on behalf of the University to be conclusive evidence of such authorization, approval and deeming, and copies thereof are hereby authorized to be prepared and furnished to the Original Purchaser for distribution to prospective purchasers of the Series 2005 Bonds and other interested persons.

The Fiscal Officer on behalf of the University is hereby authorized to execute and deliver a continuing disclosure certificate or agreement dated as set forth in the Series 2005 Certificate of Award (the "Continuing Disclosure Certificate") in connection with the issuance of the Series 2005 Bonds in such form as such officer may approve. The University hereby covenants and agrees that it will execute, comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Failure to comply with any such provisions of the Continuing Disclosure Certificate shall not constitute a default on the Series 2005 Bonds; however, any holder or owner of the Series 2005 Bonds may take such action as may be necessary and appropriate, including seeking specific performance, to cause the University to comply with its obligations under this paragraph and the Continuing Disclosure Certificate.

The Fiscal Officer on behalf of the University is hereby authorized to furnish such information, to execute such instruments and to take such other actions in cooperation with the Original Purchaser as may be reasonably requested to qualify the Series 2005 Bonds for offer and sale under the Blue Sky or other securities laws and regulations and to determine their eligibility for investment under the laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Original Purchaser; provided however, that the University shall not be required to register as a dealer or broker in any such state or jurisdiction or become subject to the service of process in any jurisdiction in which the University is not now subject to such service.

Section 12. Series 2005 Credit Support Instrument. The Fiscal Officer is hereby authorized to apply for a Credit Support Instrument with respect to one or more series of the Series 2005 Bonds. The Fiscal Officer is hereby authorized to select a Financial Institution having qualifications and duties as set forth in the Series 2005 Certificate of Award and the Series 2005 Supplemental Trust Agreement to serve as the Series 2005 Financial Institution and to provide any Series 2005 Credit Support Instrument, and to accept the commitment of the Series 2005 Financial Institution therefor, and the payment of the fees, premiums and expenses relating to the Series 2005 Credit Support Instrument from sources described in the Series 2005 Certificate of Award and the Series 2005 Supplemental Trust Agreement is hereby authorized. The Chairman of the Board, the President of the University, the Secretary of the Board and the Fiscal Officer, or any one or more of them, are each authorized and directed to execute, acknowledge and deliver, in the name of and on behalf of the University, a reimbursement agreement or other agreement with the Series 2005 Financial Institution providing for the payment of the fees and expenses of the Series 2005 Financial Institution and the reimbursement, and security for the reimbursement, of the Series 2005 Financial Institution for advances made pursuant to the Series 2005 Credit Support Instrument, in such form as may be permitted by the Act and approved by the officer or officers executing the same on behalf of the University. The approval of such form by the Board and such officer or officers shall be conclusively evidenced by the execution of such agreement by such officer or officers.

Section 13. Temporary Series 2005 Bonds. Pending the preparation of definitive Series 2005 Bonds the University may execute and the Trustee shall authenticate and deliver temporary Series 2005 Bonds in printed or typewritten form. Temporary Series 2005 Bonds shall be issuable in fully registered form, of any denomination, and substantially in the form of the definitive Series 2005 Bonds but with such omissions, insertions and variations as may be appropriate for temporary Series 2005 Bonds, all as may be determined by the Fiscal Officer. Every temporary Series 2005 Bond shall be executed on behalf of the University, and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Series 2005 Bonds. If one or more temporary Series 2005 Bonds are issued, then without unnecessary delay the University shall execute and furnish to the Trustee in exchange therefor without charge, and the Trustee shall authenticate and deliver in exchange for such temporary Series 2005 Bonds an equal aggregate principal amount of definitive Series 2005 Bonds. Until so exchanged the temporary Series 2005 Bonds shall be entitled to the same benefits under the Trust Agreement as definitive Series 2005 Bonds.

Section 14. Prior Actions Approved. All actions hereto taken by officers and employees of the Board and the University in connection with the approval, authorization, sale, execution,

delivery and issuance of the Prior Obligations or the security therefor, or any Interest Rate Hedge or Credit Support Instrument related thereto, are hereby approved, ratified and confirmed.

Section 15. Additional Special Funds and Accounts. The Fiscal Officer is hereby authorized to create such additional Special Funds and Special Accounts in connection with the Series 2005 Bonds and the security therefor and the remarketing thereof as the Fiscal Officer deems necessary. Any such Special Funds and Accounts and the permitted investment thereof shall be described in the Series 2005 Certificate of Award.

Section 16. Relationship of this Resolution to General Bond Resolution. It is understood and acknowledged by the University that the Series 2005 Bonds are being issued pursuant to the terms of the General Bond Resolution, as amended and supplemented by the terms of this Resolution; that the Series 2005 Bonds are subject to all of the terms and conditions of the General Bond Resolution, as amended, except as otherwise provided herein; and that all of the terms, conditions, covenants and warranties contained in the General Bond Resolution, as amended, except as otherwise provided herein, shall apply with like force and effect to the Series 2005 Bonds as if originally made in connection therewith. The General Bond Resolution and the Trust Agreement, as amended and supplemented to date including by this Resolution, and the Obligations issued to date thereunder, including the Prior Obligations, are hereby approved, ratified and confirmed.

Section 17. General. This Resolution is adopted pursuant to the General Bond Resolution and the Trust Agreement. The appropriate officers of the University shall do all things necessary and proper to implement and carry out the orders and agreements set forth in or approved in the General Bond Resolution and this Resolution for the proper fulfillment of the purposes thereof. Without limiting the generality of the foregoing, the Fiscal Officer and other appropriate officers of the University are hereby authorized to apply to the Ohio Board of Regents for any required approvals with respect to the Series 2005 Bonds. Should all the Series 2005 Bonds not receive such approvals by the time the Series 2005 Bonds are sold, the Fiscal Officer shall set forth in the Series 2005 Certificate of Award the amount of Series 2005 Bonds that have received such approvals. Thereupon, the Series 2005 Bonds shall be issued in a principal amount not exceeding the amount approved by the Ohio Board of Regents.

Section 18. Inconsistencies. All orders, resolutions and other official actions, or parts thereof, inconsistent herewith or with the documents hereby authorized, approved, ratified or confirmed are hereby repealed, but only to the extent of such inconsistency. This Resolution shall not be construed as otherwise revising any order, resolution or other official action, or part thereof.

Section 19. Open Meeting Determination. It is found and determined that all formal actions of the Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Board, and that all deliberations of the Board and of any of its committees that resulted in such formal actions were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Revised Code of Ohio.

Section 20. Effective Date. This Resolution shall take effect and be in force immediately upon its adoption.

STUDENT LIFE, HUMAN RESOURCES & ATHLETICS COMMITTEE

Present: M. Marnette Perry-Chairwoman; J. Michael Lawrie; Susan J. Ackerman, Alumni Association Representative; Terry Hogan, Dean of Students; Nicolette Dioguardi, Associate Director, Office of Legal Affairs; Jim Hintz, Program Coordinator, Off-Campus Living Office

The meeting was called to order by Chairwoman, Perry, at 5:00 p.m.

Committee Chairwoman Perry reported the committee received three reports on matters of continuing concern.

She noted there are now clear guidelines and training procedures in place to deal with matters of sexual assault and harassment. The committee looks forward to campus implementation of the outlined harassment processes.

Ms. Perry stated the committee was pleased with the increased diversity of the student body but we must do the same for our workforce. She asks for a matrix on our hiring efforts reflecting historical data and plans to reflect the inclusiveness of employee characteristics at the next meeting.

The committee indicated its appreciation for the strong effort of President McDavis in dealing with the poor behavior of a limited number of students. She questioned the need for more resources to step up enforcement and saluted efforts to involve security officers from other campuses to assist with major community events.

PRIORITY AGENDA – ACTION ITEMS

Proposed Amendments to Student Code of Conduct: Policy Section

- Review and Standards Committee proposed amendments to ensure that policies continue to allow the university to sufficiently address conduct issues.
- New wording would allow the provost (or the vice president for finance and administration, in the absence of the provost) to impose a presidential interim suspension if the president is away from campus.
- The university issues about one Presidential Interim Suspension a year.

Adoption of HIPA Agreement

- Ohio University, being a single legal entity, performing both covered and non-covered functions as part of its business operations, has elected to be a hybrid entity.

- If an entity that meets the Privacy Rule definition as a covered entity does not declare itself a hybrid entity, all parts of the entity must comply with all sections of the Privacy Rule. As a hybrid entity, only those identified components are required to comply.
- Currently, a university HIPAA Committee, the Office of Legal Affairs, and Human Resources are responsible for the training of appropriate staff members.
- Unsure if this will be audited through internal process. We need a way to formally ensure we are compliant.
- The plan will be reviewed and a report will be presented at the February Board meeting.

PRIORITY AGENDA – INFORMATIONAL ITEMS

Sexual Harassment Policy Update

- New Sexual Harassment/Harassment Policy to be implemented at Ohio University before September 2005.
- Campus-wide training planned for employees.
- Office of Communication and Marketing will assist with communication and education campaign.
- Comprehensive search of policies at other universities was completed and the best components of each were used to create our new policy.
- Policy applies to all University students and employees, including faculty, administrators, classified non-bargaining and bargaining units, as well as student employees. It applies to all vendors, contractors, subcontractors and others who do business with the university. The policy applies to all visitors or guests on campus if there is an allegation of harassment made by them against university students or employees.
- On average, approximately 15 reports are received yearly in the Office for Institutional Equity. New policy will hopefully create a decrease in this number.
- Policy is in Student Handbook, it will be electronically distributed each quarter to all students through the Code of Conduct, and a portion of precollege orientation and opening weekend is devoted to the contents of the Code of Conduct.
- Any member of the University community who receives a complaint of sexual harassment from a student or other member of the University community is directed and required to report the behavior to the Office for Institutional Equity or the Office of Legal Affairs.
- Office of Institutional Equity is the central reporting area and completes investigations. If case goes to litigation, Office of Legal Affairs is then involved.

Update on Off-Campus Living

- At February Board meeting, the Community Assistant Program was explained and reviewed. Since that time, the Provost has agreed to support the program and students are currently being recruited to serve in this role. Community Assistants will serve as liaisons between the university and off-campus students.
- The Off-Campus Living Office will continue to work with the Off-Campus Life Commission of Student Senate to seek their support on ideas and projects.
- Two of the goals of the Off-Campus Living Office are to increase safety in off-campus living and to educate students to make them better consumers. Ways of doing this include:

a. Property and/or Property Manager Rating System

Option 1: Housing Registry Rating System

- Create database to allow students to rank property on-line.

Option 2: Student Senate Pick-a-Property Rating System

- Establish a survey-style rating system through Student Senate (on hold until it is determined if option 1 is viable).

b. Athens City Housing Code Availability

- Athens City Housing Code has been updated on the City of Athens web site and linked to Off-Campus Living web site.

c. Educational Housing Code Inspections

- Train students (Community Assistants and other volunteers) to conduct educational housing code inspections to inform students about common violations and encourage students to report them.

d. Publication of Housing Code Inspections Results

Step 1: Inform students code inspection results can be reviewed at Athens City Code Office.

Step 2: Work towards publicizing results of housing inspections via the web.

e. Living Safely Off-Campus Web Site

- Web site to address various off-campus student health and safety issues, including fire safety, mold and food safety.

f. Put your Finger on It! Program

- Campaign to distribute fire safety information and test smoke detectors.

g. Off-Campus Living Programs

- Off-Campus Living Office programs (i.e. Transition Programs, Resource Fair, House Parties, and Neighborhood Visits) include information on how to address housing quality concerns

President McDavis recently received a letter from United States Senator, Mike DeWine, informing him of fire prevention funding that is now available to colleges and universities through the FIRE Grant program, authored by Senator DeWine in

2000. The program was created as a result of the death of 12 Ohio college and university students in fires in privately owned off-campus housing and/or fraternities or sororities in the past five years. The Off-Campus Living Office is already looking into obtaining this grant funding.

EXECUTIVE COMMITTEE

Chairman Browning presented matters before the Committee. Following action on the two resolutions before the Board; he announced that consistent with President McDavis' contract and a review of his year 2004/2005 performance, Trustees have awarded him a bonus of 15 percent (\$41,250). Dr. Browning noted President McDavis has a strong commitment to strategic planning consistent with the prime goals of the Trustees and University.

Chairman Browning moved approval of the resolution. President McDavis noted his endorsement of the resolution. Ms. Perry Seconded the motion and all voted aye.

AMENDMENT TO THE OHIO UNIVERSITY FOUNDATION CODE OF REGULATIONS

RESOLUTION 2005- 2018

WHEREAS, The Ohio University Foundation desires its Code of Regulations to create a new category of membership to their Board entitled "Presidential Trustees",

WHEREAS, The Ohio University Foundation Code of Regulations Article VI, Amendments Section I calls for the Ohio University Board of Trustees to review and commit on the proposed amendment prior to final approval by The Foundation Board.

NOW THEREFORE BE IT RESOLVED, the Ohio University Board of Trustees hereby concurs in the proposed amendment to The Ohio University Foundation Code of Regulations.

Executive Session

On Thursday, October 13, 2005 with a motion by Chairman Browning and seconded by Mr. Kidder, the Ohio University Board of Trustees and its committees resolved to hold an executive session to consider personnel matters as permitted by Section 121.22(G)(1), real estate matters under Section 121.22(G)(2), and litigation or threat thereof under Section 121.22(G)(3), of the Ohio Revised Code and for meeting with the Internal Auditor as permitted by the Code on the 13th day of October 2005.

On a roll call vote Dr. Browning, Mr. DeLawder, Dr. Harris, Mr. Kidder, Ms. Perry, Mr. Schey, Mr. Snyder, and Mr. Walter voted aye.

Also attending the session, as parts thereof, were Student Trustees Micah Mitchell and Aslyne Rodriguez; National Trustees Michael Lawrie and Charles Stuckey; President Roderick McDavis, Legal Counsel John Burns and Board Secretary Alan Geiger.

Personnel Matters

Trustees reviewed language in the presidential contracts of former President Glidden and President McDavis regarding retirement provisions and IRS policies and rules. Counselor Burns was asked to consult with Deloitte and Touche Tax Division to prepare the necessary technical amendments. There is no additional cost to the University for these amendments.

The Executive Committee of the Board review of the June 25, 2005 President McDavis contract included the bonus for exceptional performance. Given the contract provisions, a performance bonus of 15% of the President's FY 2005 salary will be announced at the Board meeting.

Counselor Burns presented materials and updated reporting requirements on State of Ohio ethics matters applicable to Trustees.

Real Estate Matters

No real estate matters were considered.

Litigation Matters

A matter under investigation was reviewed.

Internal Audit Matters

The Audit, Finance and Investment Committee met earlier with Internal Auditor Gilmore to the status of audits of the work plan.