OHIO UNIVERSITY

Board of Trustees

Ohio University

Minutes

January 15, 2010

MINUTES OF THE MEETING OF

THE BOARD OF TRUSTEES OF OHIO UNIVERSITY

January 15, 2010

Mains Rotunda, Riffe Center
Ohio University, Southern Campus

THE OHIO UNIVERSITY BOARD OF TRUSTEES
MINUTES OF January 15, 2010 MEETING

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Vice Chairperson M. Marnette Perry called the meeting to order at 10:04 a.m. and requested Board Secretary Thomas E. Davis to call the roll.

ROLL CALL
Present–Vice Chairperson M. Marnette Perry, Trustees Sandra J. Anderson, David Brightbill, Norman E. "Ned" Dewire, Gene T. Harris
Not Present–Chairman C. Robert Kidder, Yvette McGee Brown, Larry L. Schey, David Wolfort and Dennis Minichello, Chair, National Alumni Board of Directors

Student Trustees Chauncey Jackson and Kyle T. Triplett were present as were National Trustees Frank P. Krasovec and Charles R. Stuckey.

Also attending were President Roderick J. McDavis and Board Secretary Thomas E. Davis.

APPROVAL OF THE AGENDA
Consent Agenda
Any trustee may request, in advance of action on the consent agenda, that any matter set out in this consent agenda be removed and placed on the regular agenda for discussion and action. All matters listed within the consent agenda have been distributed to each member of the Ohio University Board of Trustees for reading and study, are considered to be routine, and will be enacted by one motion of the Board with no separate discussion.

Vice Chairperson Perry called for a motion to approve all items on the consent agenda. Trustee Dewire so moved the motion and it was seconded by Trustee Anderson. All voted approval.

1. Minutes of Board of Trustees' Meeting of October 2, 2009
2. **Resolution**, Name Change of the Interdisciplinary Institute for Neuromusculoskeletal Medicine to the Institute for Neuromusculoskeletal Research

COMMUNICATIONS, PETITIONS, and MEMORIALS
There were no communications, petitions, and memorials.

Report from the Chair of the Board of Trustees
Vice Chairperson Perry expressed her gratitude to Ohio University, Southern Campus for hosting the Trustees. She shared her personal pride in the contributions that the Ohio University Southern Campus brings to the region. Speaking for all Trustees, she expressed her appreciation for the reception, dinner and events on Thursday evening at Ohio University's Proctorville Center. She emphasized the

importance of access and the many important contributions that Ohio University-Southern brings to this region of the State. Trustee Perry commended the Southern Campus faculty, staff and students for their ability to distinguish themselves while adhering to the core mission of Ohio University. She thanked the regional system, deans and the university campus in welcoming the Board.

Vice Chairperson Perry offered a summary of the professional development session held on Thursday morning which was facilitated by Association of Governing Boards consultant Dr. Terry MacTaggart. The focus of the program was to explore the qualities of what AGB considers to be highly performing boards of trustees and how our trustees may explore strategies that will enhance their effectiveness. Additional discussions with the Trustees and Dr. MacTaggart on Thursday focused on Ohio University's vision statement. Trustee Perry thanked Dr. MacTaggart for his work over the past two years and emphasized that the process was as important as the outcome.

Report from the President

President McDavis began his comments by sharing with the Trustees and those in the audience his desire to bring to the Board meetings individuals and topics that are a reflection of the best that is Ohio University. He asked faculty, staff and students present to stand in appreciation.

The President reported on the progress of the Unified Information Technology and Security Plan. He recapped the January 2009 Trustee Resolution which focused on the charge to direct the Chief Information Officer to assume leadership, responsibility and control for the University's Information Technology resources and data for all campuses and planning units. He then reviewed the process in place for IT unification and security and offered a report on the progress to date. President McDavis thanked Brice Bible, Chief Information Officer, and his staff, along with deans, budget unit managers and others on campus for their collaborative work. He emphasized that the timeline for centralization of services is on schedule. Finally, he thanked Trustee Stuckey for his role on the IT Oversight Committee which was formed as a result of the Board's conversations. President McDavis expressed his appreciation to Dr. Joe McLaughlin for his input as both a Department and Faculty Senate Chair. In addition he recognized input from the Board of Trustees, the Vision Ohio Steering Committee, the Executive Staff and Deans, and the Faculty Chairs and Directors.

President McDavis outlined six strategic priorities that would serve as the focus of the institution's work as a result of feedback and synthesis of the information put forward. The priorities include enrollment management; improving the balance

sheet and financial strength; strengthening the curriculum through a conversion from quarters to semesters; refining graduate and professional portfolios; faculty, administrative and classified compensation; and a successful launch and execution of the $350 million capital campaign. The President recognized Dr. Pam Benoit, Executive Vice President and Provost and her staff for the excellent work on the strategic priorities process.

Dr. McDavis reviewed the Strategic Budget Reallocation and Strategic Enrollment Management Plans. Additional reporting will be done during the April 2010 Board meeting.

President McDavis introduced Equine Studies Program faculty and participants. Kelly Hall, Director of Equine Studies at Ohio University, Southern Campus, spoke to the Board on behalf of the therapeutic riding program. Ms. Hall indicated that the Southern Campus is one of only two universities in the United States to offer this program. She spoke of partnerships within the community, children and families. She emphasized the invaluable impact of volunteers on the therapeutic riding program.

Parent Debbie Helton shared the impact of the Equine Studies Program on her child and family. She thanked President McDavis and the University community for their willingness to reach out to the public with such an important service to the community. As a result of the Equine Therapy Program, she reported that her son is now able to walk 250 feet without the aid of his walker or crutches after being told by doctors that he would never walk. Ms. Helton began volunteering with the Program and became a therapeutic riding instructor herself.

Alecia Carver, a student in the Equine Studies Program, also thanked the Trustees for the opportunity to speak. She shared with the Board her personal appreciation for the opportunity to receive a quality educational experience in the field that she loves. She spoke to the importance of evidence-based practices taught within the Program and the opportunity that the Program affords its students through the ability to make a difference in individual lives.

Trustee Harris emphasized the importance of what Ohio University and this campus is providing to our communities and families through programs such as this. Trustees Anderson, Brightbill and Harris, and National Trustee Krasovec and Stuckey all offered words of appreciation to the three speakers and extended their congratulations to those involved in the Program. President McDavis said that these stories affirm why we do what we do.

Dr. McDavis summarized the points of pride for Ohio University. He outlined accomplishments of numerous faculty, staff and students.

A copy of President McDavis' presentation may be found in Appendix A.

University Academics Committee
Committee Chair Harris noted the action taken in the consent agenda recommending the name change of the Interdisciplinary Institute for Neuromusculoskeletal Medicine to the Institute for Neuromusculoskeletal Research. She discussed the name change of the Ph.D. in Integrated Engineering to the Ph.D. in Mechanical and Systems Engineering as well as the name change of the Ph.D. in Electrical Engineering to the Ph.D. in Electrical Engineering and Computer Science. All affirmed the changes.

Chair Harris briefly reviewed the presentations made in the University Academics Committee that focused on alignment and efficiency. She outlined the Report of the Executive Vice President and Provost, Dr. Pam Benoit, that addressed strategic priorities, the right academic array and growth capacity analysis. Finally, she offered a brief review of Chief Information Officer Brice Bible's Information Technology Improvement Plan update.

CHANGING THE NAME OF THE INTERDISCIPLINARY INSTITUTE FOR NEUROMUSCULOSKELETAL MEDCINE (INM)

RESOLUTION 2010-3142

WHEREAS, the Institute facilitates projects in many areas of neuromusculoskeletal biology and medicine: the skeleton, muscles, nerves, connective tissues such as tendon and ligament, cartilage surfaces of joints and the intervertebral discs of the spine.

WHEREAS, the Institute supports research aimed at improving the diagnosis, treatment, and prevention of diseases and injuries of the neuromusculoskeletal system and its component tissues.

NOW, THEREFORE, BE IT RESOLVED that the Ohio University Board of Trustees does hereby approve the renaming of the Interdisciplinary Institute for Neuromusculoskeletal Medicine to the Institute for

Neuromusculoskeletal Research to i) shorten the name and ii) highlight the research focus of the Institute.

A copy of the complete minutes of the University Academics Committee meeting and related reports may be found in Appendix B.

University Resources Committee
Trustee Perry asked for the approval of the resolution regarding construction projects. Trustee Dewire moved to approve the resolution. Trustee Anderson seconded the motion. All voted approval.

APPROVAL OF PROJECT AND AUTHORIZATION TO DEVELOP CONSTRUCTION DOCUMENTS, RECEIVE BIDS AND AWARD CONSTRUCTION CONTRACTS FOR CLIPPINGER HALL CHILLED WATER PIPING (ATHENS CAMPUS) AND TECHNICAL STUDIES ADDITION (CHILLICOTHE CAMPUS)

RESOLUTION 2010 - 3143

WHEREAS, a capital project has been planned and developed for the Clippinger Hall Chilled Water Piping construction project on the Athens campus, with a total project budget of $1 million identified, and

WHEREAS, funding of $1 million was appropriated from House Bill 562 State Major Capital Appropriations for FY2009 – FY2010 for the Clippinger Hall Chilled Water Piping construction project, and

WHEREAS, a capital project has been planned and developed for the Technical Studies Addition on the Chillicothe Campus with a total budget of $2 million, and

WHEREAS, funding of $2 million has been identified from the Ohio University Regional Higher Education Reserve for the Technical Studies Addition construction project.

NOW THEREFORE BE IT RESOLVED that the Ohio University Board of Trustees authorizes development of construction documents, receipt of bids, and delegation to the President or his designee to accept and award construction contracts within the total project budgets identified for these two construction projects.

Trustee Perry summarized the FY2010 and FY2011 budget updates. Reports presented at the Board's April meeting will assist the Trustees in making appropriate decisions. Trustee Perry highlighted the Housing Partnership concept put forward to the Board for initial discussion and consideration. The presentation made by Michael Angelini, Interim Senior Vice President for Finance and Administration posed the possibility of investigating what was referred to as non-traditional opportunities for funding improvements to portions of student housing on the Athens campus. Members of the University Resources Committee asked that an array of options and plans be brought back to the Committee for consideration. Trustee Perry indicated the energy management performance contracting models must be reviewed and brought before the Committee for future consideration. Trustees Perry and Dewire offered status updates as reported by Vice President for University Advancement Howard Lipman,. His report outlined a timetable for the upcoming campaign, a status report on the way that alumni and friends giving enhances the University's academic mission as well as a briefing on gifts and commitments through November 30, 2009.

A copy of complete minutes of the University Resource Committee meeting may be found in Appendix C.

Governance Committee

Committee Chair Anderson expressed gratitude for the hospitality extended to the Trustees during their visit on the Southern Campus. She reviewed the proposed amendments to Ohio University Board of Trustees By-Laws, the selection of National Trustees, and the process for identifying candidates for membership on the Board. She reported that the proposed By-Laws changes and proposed 2010-11 meeting dates will be presented at the April meeting for acceptance.

A copy of the complete minutes of the Governance Committee meeting may be found in Appendix D.

Audit Committee

Trustee Dewire served as Acting Committee Chair for Trustee Wolfort. He discussed Chief Audit Executive Kathy Gilmore's presentation on Internal Audit. He reported that in great part due to the work of the Internal Audit staff, the University is making excellent progress in matters related to accepted audit standards in the United States. The external auditors, Plante & Moran, gave a presentation on financial statement results during Thursday's Committee meeting. Trustee Dewire disclosed that all reports were filed on time. He indicated a strong collaborative partnership between Plante & Moran and Ohio University.

A copy of complete minutes of the Audit Committee meeting may be found in Appendix E.

Executive Committee
Vice Chairperson Perry asked for approval of the resolution, Election of Michael Angelini as Acting Treasurer. Trustee Harris moved to approve. Trustee Dewire seconded the motion. All voted in favor.

ELECTION OF ACTING TREASURER

RESOLUTION 2010 - 3144

RESOLVED that Michael Angelini be elected Acting Treasurer of Ohio University for the period beginning January 6, 2010, and ending June 30, 2010.

The Executive Committee adjourned into Executive Session to address personnel matters.

A copy of complete minutes of the Executive Committee meeting may be found in Appendix F.

Unfinished Business
President McDavis highlighted *Discovery News'* ranking of Dr. Douglas Clowe's work as the eighth most important discovery of the decade.

New Business
Vice Chairperson Perry acknowledged Trustees Anderson, Dewire and Brightbill for taking leadership roles with Chancellor Eric D. Fingerhut. Trustee Anderson reported on recent developments from a January conference with the University System of Ohio (USO).

Director of Government Relations Teri Geiger provided recent updates on the five-year, $950 million proposal to be passed by the end of January 2010. Trustee Anderson is currently serving on an Ohio Board of Regents working group to develop a comprehensive communication plan to share best practices of Boards throughout the USO. Trustee Perry commended the work of the Chancellor and Governor's office in helping higher education.

Trustee Dewire reported on a December 16, 2009 meeting called by Chancellor Fingerhut with 25 Trustees from across Ohio to work on new collective stewardship. Trustee Dewire is a participating member of the newly-formed task force and will continue to update the Board on the work being conducted.

Trustee Krasovec acknowledged the successes of The Ohio University Foundation under the leadership of Howard Lipman, President and CEO of the Foundation. Trustee Krasovec summarized the recent selling of Diagnostic Hybrids in which Ohio University will receive an estimated $35 to $40 million. This is a result of an initial investment by the Foundation Board of approximately $1 million during the incubation stage of Diagnostic Hybrids.

President McDavis announced a recent $13.3 million dollar gift by Violet L. Patton, a 1938 alumna of Ohio University, to create the Violet L. Patton Center for Arts Education. Trustee Perry thanked those working in University Advancement for their fine work as we move into the early phase of our Capital Campaign.

Finally, President McDavis shared on behalf of all Trustees gratitude to Vice Chair Perry for chairing the meeting in the absence of Board Chair Kidder.

Announcement of Next Stated Meeting Date
The next meeting of the Board will be on April 14-15, 2010 at Ohio University's Athens Campus.

Adjournment
Vice Chairperson Perry adjourned the meeting at 11:41 a.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.

C. Robert Kidder	Thomas E. Davis
Chairman	Secretary

President's Report
to the
Board of Trustees

January 15, 2010

OHIO UNIVERSITY

Overview

A. Unified Information Technology and Security

B. Transformational Processes

C. Program Highlight – Equine Studies

D. Points of Pride

OHIO UNIVERSITY

A. Unified Information Technology and Security

1. January 2009 Board of Trustees Resolution
   a. Resolution directed President to direct Chief Information Officer (CIO) to assume leadership, responsibility and control for University's Information Technology (IT) resources and data for all campuses and planning units

OHIO UNIVERSITY

2. Office of Information Technology (OIT) Process for IT Unification and Security

a. Collect detailed server information

b. Establish Memorandum of Understanding with each Planning Unit

c. Migrate Servers to Unified Model in Priority Sequence

d. Realign IT staff to Unified Model

3. Progress

a. Detailed server information – 90% Complete

b. Memoranda of Understanding – 8 signed; 3 nearing completion, 6 under review

c. Migrate Servers to Unified Model – University Libraries and College of Osteopathic Medicine detailed planning under way

d. Realign IT staff to Unified Model – Scheduled for June 2010

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B. Transformational Processes

Fulfilling Ohio University's vision in a time of diminishing resources and decreasing high school graduates will require nothing short of transformational change.

That transformation is reflected in our University community's collective work to strategically set priorities, reallocate budget and plan for smart enrollment growth.

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Strategic Priorities

1. Strategic Priorities Input
   a. Board of Trustees
   b. Vision Ohio Steering Committee
      (Faculty, Students, Staff)
   c. Senate Chairs
      (Faculty, Student, Graduate Student, Administrative, Classified)
   d. Executive Staff and Deans
   e. Faculty Chairs and Directors

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2. Priorities

a. Enrollment Management

b. Improve Balance Sheet and Financial Strength

c. Strengthen the Curriculum through Q2S

d. Refine Graduate and Professional Portfolio

e. Faculty, Classified, Administrative Compensation

f. Successfully Launch and Execute $350M Capital Campaign

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3. Next Steps

a. University Academics Committee (UAC) review and feedback

b. Executive Staff and Deans review UAC input

c. President and EVPP finalize priorities

d. Board of Trustees reviews for endorsement at April 2010 meeting

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Strategic Budget Reallocation

1. Input
   a. Budget Planning Council (BPC)
      (Faculty, Students, Staff)
   b. Senate Chairs
      (Faculty, Student, Graduate Student, Administrative, Classified)
   c. Executive Staff and Deans

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2. Next Steps

a. February 1 -

- Planning Unit 5% and 10% Base Budget Reduction Scenarios
- Recommendations from all groups on cost savings and revenue generation
- University Community recommendations to web site

b. February 13

- President, EVPP and Interim SVPFA draft recommendations based on input

c. March 13

- BPC, Senates, Deans, Executive Staff submit responses to draft recommendations

d. March 27

- President communicates final recommendations to University Community

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Strategic Enrollment Management

1. Charge to develop a comprehensive, five year plan for smart, strategic, sustainable growth across all campuses
2. Growth Capacity Analysis Committee of Faculty, Staff and Administrators evaluated
   a. Instruction
   b. Student Experience
   c. Regional Campuses
   d. Commuter and Adult Student Populations
   e. Facilities and Housing

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3. Recommendations

a. Smart Growth

- Focusing on Academic Programs with capacity on all campuses

b. Strategic Growth

- Expanded market share and exploration of new markets

c. Sustainable Growth

- Align growth with student success through instructional, student support and facilities capacities

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4. Next Steps

a. Work Groups to address Smart, Strategic, Sustainable Growth

b. Co-Chaired by Dean and Faculty member

c. Vice Provosts, EVPP staff, content experts to support work groups

d. Enrollment Management Advisory Committee subsumed with additional individuals as needed

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C. Program Highlight

1. Equine Studies –
   Ohio University, Southern Campus

   a. Kelly Hall, Faculty Member

   b. Alecia Carver, Student

   c. Debbie Helton, Parent of Community Participant

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D. Points of Pride

- **Nancy Stevens, Ph.D.,** assistant professor of biomedical sciences at OU-COM, was awarded an NSF grant for $180,000 to fund the creation of a university laboratory for fossil preparation and imaging. **Dr. Patrick O'Connor** and **Dr. Susan Williams** are co-principal investigators on the grant.

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- NIH awarded Interthyr Corp. a $2.6 million grant to partner with **OHIO** on a drug to treat pancreatic cancer and autoimmune diseases.
  - **Interthyr CEO Leonard Kohn**, recently retired from the faculty of the College of Osteopathic Medicine and the Edison Biotechnology Institute. **Dr. Doug Goetz,** professor of Chemical and Biomolecular Engineering, **Dr. Frank Schwartz,** Specialty Medicine, **Dr. Ramiro Malgor,** Department of Biomedical Sciences, **Dr. Mark McMills,** and **Dr. Steve Bergmeier,** Chemistry and Biochemistry.
- *Ohio Magazine's* 2009 Excellence in Education recognition program features **Dr. Jennifer Chabot**, Family Studies and **Mr. Matthew Friday**, Art, and **Dr. Peter Jung**, Physics.

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- **Dr. James Casebolt**, Psychology, Eastern Campus, received a distinguished service award from the American Psychological Association Division of Psychology of Religion.
- **Dr. Tom Davis**, College of Education and Secretary to the Board of Trustees, was awarded the 2009 Herman J. Peters Award from the Ohio Counseling Association (OCA).
- **Dr. David Horton,** Counseling and Higher Education, won the 2009 Outstanding Paper/Dissertation Award from the Southeastern Association for Community College Research.

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- **Pooja Majmudar**, Chemistry/Biochemistry, and **Dana Benders**, undergraduate student, won the "Most Interesting Scientific" category at the 2009 BioOhio Annual Conference. Their research was titled "Phosphoplatins: Novel Platinum Drugs for Management and Treatment of Gynecological Cancers."
- **The Speaking Bobcats** won 25 individual awards to earn first in Team Sweepstakes at the 61st Falcon Classic Forensics Tournament. OHIO also won the tournament sweepstakes at the Ohio State University Holiday Frolic Speech and Debate.

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- Photojournalism student **Ryan Henriksen** was named College Photographer of the Year.
  - **Maisie Crow** was runner-up, with a silver in the portfolio category.
  - OHIO Gold winners were **Brad Vest** in spot news, **Yanina Manolova** in feature, **Drew Angerer** in sports action, **Diego James Robles** in sports feature, **Dan Krauss** in domestic picture story, and **Andrew Burkle** in illustration.
- The **Ohio University Marching 110** under the direction of **Dr. Richard Suk**, earned the honor of marching in the 2010 Tournament of Roses Parade in Pasadena, California.

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- **OHIO student-athletes** entering school between 1999 and 2002 achieved an overall graduation success rate of 84 percent, five points higher than the national Division I average of 79. **OHIO's Field Hockey**, **Men's and Women's Golf, Swimming and Volleyball** teams earned perfect 100 percent rates.
- **OHIO Field Hockey** defeated rival Miami University in the Mid-American Conference (MAC) Tournament Championship Game.

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- **OHIO Volleyball** won its sixth MAC Tournament Championship in the last seven years and defeated Notre Dame in the first round of the 2009 NCAA Tournament before falling to the University of Michigan in the second round.
- **OHIO Football** earned a share of the MAC East regular season title, their second in four years, went on to play in the MAC Championship and played Marshall University in the Little Caesars Pizza Bowl on December 26.

OHIO UNIVERSITY

President's Report
to the
Board of Trustees

January 15, 2010

OHIO UNIVERSITY

University Academics Committee
Ohio University Board of Trustees
SUMMARY

1:00 p.m., Thursday, January 14, 2010
Room 202, Dingus Center, Ohio University, Southern Campus

Present: Chair, Gene Harris; Trustees Sandra Anderson, David Brightbill, Yvette McGee Brown, Frank Krasovec, Kyle Triplett, David Thomas, faculty representative, Tom Davis, Executive Secretary to the Board of Trustees, Pam Benoit, Executive V.P and Provost

Approved Name Change: Ph.D. in Integrated Engineering and Electrical Engineering

1. Ph.D. in Integrated Engineering will become the Ph.D. in Mechanical and Systems Engineering
2. Ph.D. in Electrical Engineering will become the Ph.D. in Electrical Engineering and Computer Science.

Approved Name Change: Interdisciplinary Institute for Neuromusculoskeletal Medicine will become the Institute for Neuromusculoskeletal Research.

Report: Pam Benoit, Executive Vice President and Provost

- Strategic Priorities-DRAFT
  - Agreement on most important elements needed to keep University functioning well.
    - Affordability
    - Marketing Academics
    - Resources
    - Strengthen curriculum through Q2S review
    - Define graduate and professional education to recognize excellence internally and externally through the University System of Ohio
    - Reward talented employees; improve faculty compensation
    - Capital Campaign; $350 M
  - Next Steps
    - Results of strategic priority exercise will be reported to April Board Meeting
    - Following review and feedback, draft priorities will be finalized.

- Academic Array
  - Criteria for decision-making: mission, quality, demand, flexibility, productivity, currency
  - Assessment Checklist
    - Tools: Department/School curriculum assessment; UCC 7-year review; Accreditation Review; Delaware Study Taskforce
      - Five Year Vision Ohio Implementation Plan
      - College Workload Policies
      - Reports on Centers of Excellence
      - Q2S Transition
      - UCC review of SIS program codes resulted in deactivation of 135 program codes

        - Faculty, Deans, program chairs and directors involved in review and deactivation of unused or redundant codes
            - Since these codes were not in use no savings is realized. This is primarily a currency issue.
            - Costs and revenue reside in academic programs, not minors or certificates.
    - Quarters to Semesters Transition
        - Rebalance and reshape instructional resources
    - Growth Capacity Analysis and follow-up
        - Five-year enrollment plan target completion 12-31-2010
            - State metrics for institutional reward include retention, course completion, and timely graduation.
        - Work Group reports on Smart Growth, Strategic Growth, Sustainable Growth; report due by June 2010
- Academic Restructuring
    - Feedback from faculty and deans resulted in very positive process
        - Teams beginning implementation of academic restructuring
    - This exercise will be transformative for the university

Follow-up remarks and questions from Trustees on the Enrollment Report:

- Suggestions:
    - focus on student centeredness as enrollment plans are developed
    - clarify relationship between information on students and faculty and the balance sheet
    - Proposition: 1000 new out-of-state students enrollments to Athens campus could yield between $35 to $40M additional revenue; an additional 1000 enrolled at regional campuses could yield an another $10M.
    - In response to the declining population in Ohio, focus on out-of-state and international students with a 5% target growth.
- Questions:
    - How does this plan in relate to what other schools may be doing—will this plan trump others in Ohio?
        - Develop distinctive centers of excellence to draw students. Always reference the mission to continually define what makes us stand out in relation to other institutions.
    - How realistic is it to grow enrollment given no change to current financial situation?
        - Control affordability issues and find ways to make cost worth investment.
    - What does it mean when we don't have demand?
        - Lack of demand could result from failure to adequately advertize programs or provide sufficient incentives. Can realign resources or change curriculum to increase interest in programs.
    - Are admitted students exhibiting academic readiness and is there a balance between those who have ability but may not have had access? Is there outreach to K-12 systems to improve preparation?
        - We maintain a strong outreach and access mission. To realize growth, infrastructure must be in place to recruit and retain students. Balance must exist between attracting high-performing students and maintaining access.

- What are the criteria for determining course elimination?
    - We are careful about eliminating program codes. Students look for very specific major codes; when programs get collapsed too far, students get lost.
    - Apply 7 original criteria beginning with mission; quality, demand, etc. Programs that don't fit the mission, are not of high quality, and don't have enrollment should be eliminated. While there is a very clear plan for evaluating programs, there is no specific target for course elimination.
    - Student interests change continually necessitating constant evaluation.
    - In order to improve system review, UCC placed a moratorium on all program reviews excepting those necessitated by accreditation.
- How does affordability and accessibility fit with enrollment management plan?
    - Ensure tuition dollars generated are allocated toward retention.
    - Our current 5% value-added ranking by the *U. S. News and World Report* indicates our student-centeredness. We rank at 16% in actual graduation rate versus predicted.
        - Factors impacting rankings are increases in average ACT scores; spending on students, or increases in graduation rates. This ranking is for the 2002 freshmen cohort; it will be six years before changes are seen.
        - All other institutions are also working to change their profile and U.S. News changes how they do rankings annually as well.
        - We admit students who are not as ready as we would like but retention has a material reward. Helping students succeed generates considerable revenue.
            - The outcome measures for first-year student success; graduation rates; quality of admits; retention and graduation rates relate directly to revenue. We will see these things line up in the metrics report.
- How do legacy decisions impact progress?
    - We do have some issues we need to work on. We are reviewing policies that resulted in flattening enrollments. Strategic thinking on growth and its relation to infrastructure as an example. As we pay back bills of the past, we clear the way toward future growth.

Information Technology Improvement Plan Update: J. Brice Bible, Chief Information Officer

- IT Improvement Plan
    - 20-point plan; President McDavis endorsed improvement plan following security events
        - New framework to support IT
        - Modernized infrastructure
        - Taking unified approach to IT realignment
    - Have improved service
        - Many of the points of the plan have been achieved
            - Do you have the right organization with the strong skill sets?
                - We have solid infrastructure skills improvement without an increase in staff.

        - Of the over 230 IT staff across University, 150 are in central IT; our practice is to hire from within centrally and in units to fill critical positions.
- Update on Major Initiatives
    - Rufus Initiative (SIS)
        - Timeline reveals we are ¼ through; on time and under budget.
        - Deliverables: spring roll-out Admissions recruiting tools for all campuses and OU-COM. The automated communications tools allow flagging various items for campaigns. The USO selected these same products for other Ohio schools.
        - Go live in12 months with various deploys along the way.
        - We have not tapped into any contingency funding; Cornell affirmed Brice's team is good at product negotiation significantly lowering rates on negotiations of the last five months.
        - Communication training roll out to faculty/students will impact budget.
    - What is largest concern?
        - Running a major modern software system at OU on an antiquated infrastructure. For example, creating identities for access is one of our biggest challenges. Proper controls are needed around the entire environment to safely grant and remove access to the system.
- NextGen Network Upgrade
    - Six or seven buildings upgraded; regional campuses integrated into same system; will have one unified system on all campuses. Budget also good in this area.
- It Realingment Initiative
    - Status, Presidential IT Directive
        - Right split between distributed and central IT; detailed planning exercises; great progress in this area. Identified 350 servers outside central IT (including regionals). Ninety percent done with migration of these servers.
            - Have identified unique and are working with the faculty to manage to everyone's satisfaction.
        - MOU's completed with planning unit heads to determine correct relationship between central and distributed IT. These are done on an individual basis.
            - Deadline, June 30 of this year.
- Cost Saving Scenarios
    - Goal is to reduce cost of IT overall by 10% or $30 Million.
        - Use attrition as a tool; covering positions with other staff.

Meeting adjourned by Trustee Harris at 2:25 p.m.

OHIO
UNIVERSITY
Office of the Executive
Vice President and Provost

Cutler Hall
Athens OH 45701-2979

T: 740.593.2600
F: 740.593.9591

Date: December 15, 2009

To: Roderick McDavis, President

From: Pam Benoit, Executive Vice President and Provost PB

Subject: Name Change for the PhD degrees in Integrated Engineering and Electrical Engineering

This memorandum is written to express my full support for the change in the name of the PhD degree in Integrated Engineering to the **PhD in Mechanical and Systems Engineering** and the PhD in Electrical Engineering to the **PhD in Electrical Engineering and Computer Science.**

The change in the names of these degrees will better reflect the required curriculum to complete these academic programs. In addition, the name changes will also help better define the programs and improve the recruitment and retention of students pursuing degrees in these disciplines.

I am therefore pleased to provide my full support for the suggested name changes.

PROPOSAL FOR CHANGES IN PROGRAM

____Undergraduate ___Masters _X_Ph.D. ___Certificate

Title of Program: Ph.D. In Electrical Engineering

Date of Submission: 9/23/2009

Brief Summary of Proposed Changes and Rationale (Attach additional information if needed)

The School of Electrical Engineering and Computer Science requests to change the name of the **Ph.D. in Electrical Engineering** degree to **Ph.D. in Electrical Engineering and Computer Science.** The School of Electrical Engineering and Computer Science was formed in 1995 from the merger of the Department of Computer Science and the Department of Electrical and Computer Engineering. The school currently generates 6 to 8 million dollars of funded research each year. Much of the school's scholarship and research activity involves aspects of both Electrical Engineering and Computer Science. Hence, the proposed name change more accurately reflects the nature of the degree.

Since the merger in 1995, doctoral students with an interest in Computer Science or Computer Engineering have pursued and successfully completed the Ph.D. program in Electrical Engineering and have taken prestigious positions in government, education, and industry. Nevertheless, it has been difficult to recruit and retain students with an interest in Computer Science or Computer Engineering at the doctoral level because of the name of degree. This degree name change will make it easier to recruit and retain well-qualified doctoral students. No changes are being made to the degree requirements of the program as a result of this name change and no additional resources are needed.

Signatures:

_____ 9/24/09
Department/School Curriculum Chair Date

Costas Vassiliadis ___(vassilia@ohio.edu)_____
Printed Name and contact information

_____ 9-24-09
Department/School Chair Date

Shawn Ostermann (osterman@ohio.edu)_____
Printed Name and contact information

_____ 9/24/09
College Curriculum Chair Date

Darin Ridgway ridgway@ohio.edu
Printed Name and contact information

_____ 9/24/09
College Dean Date

Approved by:

_____ 11/17/09
University Curriculum Council Program Chair Date

_____ 11/17/09
University Curriculum Council Chair Date

PASSED BY CURRICULUM COUNCIL
NOV 17 2009
DATE
INITIAL

August, 2006

OHIO
UNIVERSITY
Scripps College of Communication

School of Media Arts & Studies
(formerly School of Telecommunications)
RTV 202 – 9 South College Street
Athens OH 45701-2979

T: 740.593.4870
F: 740.593.9184
www.mediaschool.ohiou.edu

November 13, 2009

David Thomas
Chair, University Curriculum Council
Pilcher House
Campus

Dear David Thomas

At its October 9th, 2009 meeting Graduate Council approved a change in the name of the Ph.D. in Integrated Engineering degree to the Ph.D. in Mechanical and Systems Engineering.

Sincerely

Duncan H. Brown, Ph.D.
Chair, Graduate Council

Phone: (740) 593-0008
Fax: (740) 593-9184
E-mail: duncan.brown@ohiou.edu

PROPOSAL FOR CHANGES IN PROGRAM

____Undergraduate ___Masters _X_Ph.D. ___Certificate

Title of Program: Integrated Engineering Ph.D.

Date of Submission: April 27, 2009

Brief Summary of Proposed Changes and Rationale (Attach additional information if needed)

Request for a change in the name of a program from **Ph.D. in Integrated Engineering** to **Ph.D. in Mechanical and Systems Engineering.**

Until recently, the Integrated Engineering Ph.D. (I.E. Ph.D.) program was an inter-disciplinary Ph.D. program in the Russ College of Engineering and Technology with three specialization tracks: (1) **Civil Engineering,** (2) **Industrial and Systems Engineering, and** (3) **Mechanical Engineering.** The Civil Engineering Program was recently granted approval for a Ph.D. in Civil Engineering, so the Civil Engineering track in the I.E. Ph.D. program is no longer needed. Therefore, we request that the name be changed to **Ph.D. in Mechanical and Systems Engineering** to more accurately reflect the focus of the remaining two tracks in the degree program.

We believe this change to a more recognizable name will help with the recruiting of new students and the placement of graduates. It is important to note that no changes are being made to the program, except that the language that makes reference to three tracks or Civil Engineering will now refer only to the two remaining tracks.

Signatures:

Department/School Curriculum Chair — Date: 4-27-09

Department/School Chair — Not Applicable — Date

College Curriculum Chair — Date: 4/28/09

College Dean — Date: 4/29/09

Approved by:

University Curriculum Council Program Chair — Date: 6/9/09

University Curriculum Council Chair — Date: 6/9/09

PASSED BY CURRICULUM COUNCIL JUN 09 2009 DATE INITIAL

August, 2006

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November 13, 2009

David Thomas
Chair, University Curriculum Council
Pilcher House
Campus

Dear David Thomas

At its October 9th, 2009 meeting Graduate Council approved a change in the name of the Ph.D. in Electrical Engineering degree to the Ph.D. in Electrical Engineering and Computer Science.

Sincerely

DHBrown

Duncan H. Brown, Ph.D.
Chair, Graduate Council

Phone: (740) 593-0008
Fax: (740) 593-9184
E-mail: duncan.brown@ohiou.edu

CHANGING THE NAME OF THE
INTERDISCIPLINARY INSTITUTE FOR NEUROMUSCULOSKELETAL MEDCINE
(INM)

RESOLUTION 2010-3142

WHEREAS, the Institute facilitates projects in many areas of neuromusculoskeletal biology and medicine: the skeleton, muscles, nerves, connective tissues such as tendon and ligament, cartilage surfaces of joints and the intervertebral discs of the spine.

WHEREAS, the Institute supports research aimed at improving the diagnosis, treatment, and prevention of diseases and injuries of the neuromusculoskeletal system and its component tissues.

NOW, THEREFORE, BE IT RESOLVED that the Ohio University Board of Trustees does hereby approve the renaming of the Interdisciplinary Institute for Neuromusculoskeletal Medicine to the Institute for Neuromusculoskeletal Research to i) shorten the name and ii) highlight the research focus of the Institute.

OHIO
UNIVERSITY
Office of the Executive
Vice President and Provost

Cutler Hall
Athens OH 45701-2979

T: 740.593.2600
F: 740.593.9591

December 8, 2009

To: Roderick J. McDavis, President

From: Pam Benoit, Exec. Vice President and Provost

Re: Institute Name Change

I support the request to change the name of the Interdisciplinary Institute for Neuromusculoskeletal Medicine to the Institute for Neuromusculoskeletal Research. As noted by Dr. Rathindra Bose and Dr. Jack Brose, this change will clarify the Institute's mission as they engage in many research-centered projects involving the skeleton, muscles, nerves, connective tissues, joints and intervertebral discs of the spine.

OHIO UNIVERSITY
Office of the Vice President for Research

RECEIVED
NOV 30 2009
OFFICE OF THE PROVOST

Research and Technology 120
Athens OH 45701-2979

T: 740.593.0370
F: 740.593.0380
www.ohio.edu/research/

DATE: November 24, 2009

TO: Pam Benoit, Executive Vice President and Provost

FROM: Rathindra Bose, Vice President for Research and Dean of the Graduate College

SUBJECT: Institute Name Change/ BOT Agenda Item

A name change request was made subsequent to the October Board of Trustees' meeting on behalf of the Interdisciplinary Institute for Neuromusculoskeletal Medicine. The request asked that the current institute now be referred to as the Institute for Neuromusculoskeletal Research. I have received the resolution requested by the Director of the Institute and approved by the Dean of the College of Osteopathic Medicine, Dr. John Brose, along with the letter of endorsement from the Dean. The name change for the institute is consistent with the mission of the research enterprise. I concur with Dean Brose's endorsement and recommend that this name change request be forwarded on to the Board of Trustees as an action item.

cc: President Roderick McDavis
Tom Davis

OHIO
UNIVERSITY
College of Osteopathic Medicine

Office of the Dean
Grosvenor Hall 204
Athens OH 45701-2979

T: 740.593.9350
F: 740.593.0761

November 12, 2009

Dr. Rathindra N. Bose
Vice President for Research and Creative Activity
Research and Technology Building 120
Ohio University
Athens, Ohio 45701

Dear Dr. Bose:

This letter is offered in support of the proposed renaming of the Interdisciplinary Institute for Neuromusculoskeletal Medicine to the Institute for Neuromusculoskeletal Research. The new name will enhance our efforts to emphasize the Institute's research focus as we initiate projects that examine neuromusculoskeletal biology and medicine.

We appreciation your consideration of this request.

Sincerely,

Jack Brose, DO

John A. Brose, D.O.
Dean

Academics

OHIO UNIVERSITY BOARD OF TRUSTEES

01-14-10

Executive Vice President &

Strategic priorities

The right academic array

Growth capacity analysis

Executive Vice President &

Vision Ohio Strategic Priorities Process, Summer – Fall 2009

Select

- Deans & Executive Staff
- Board of Trustees

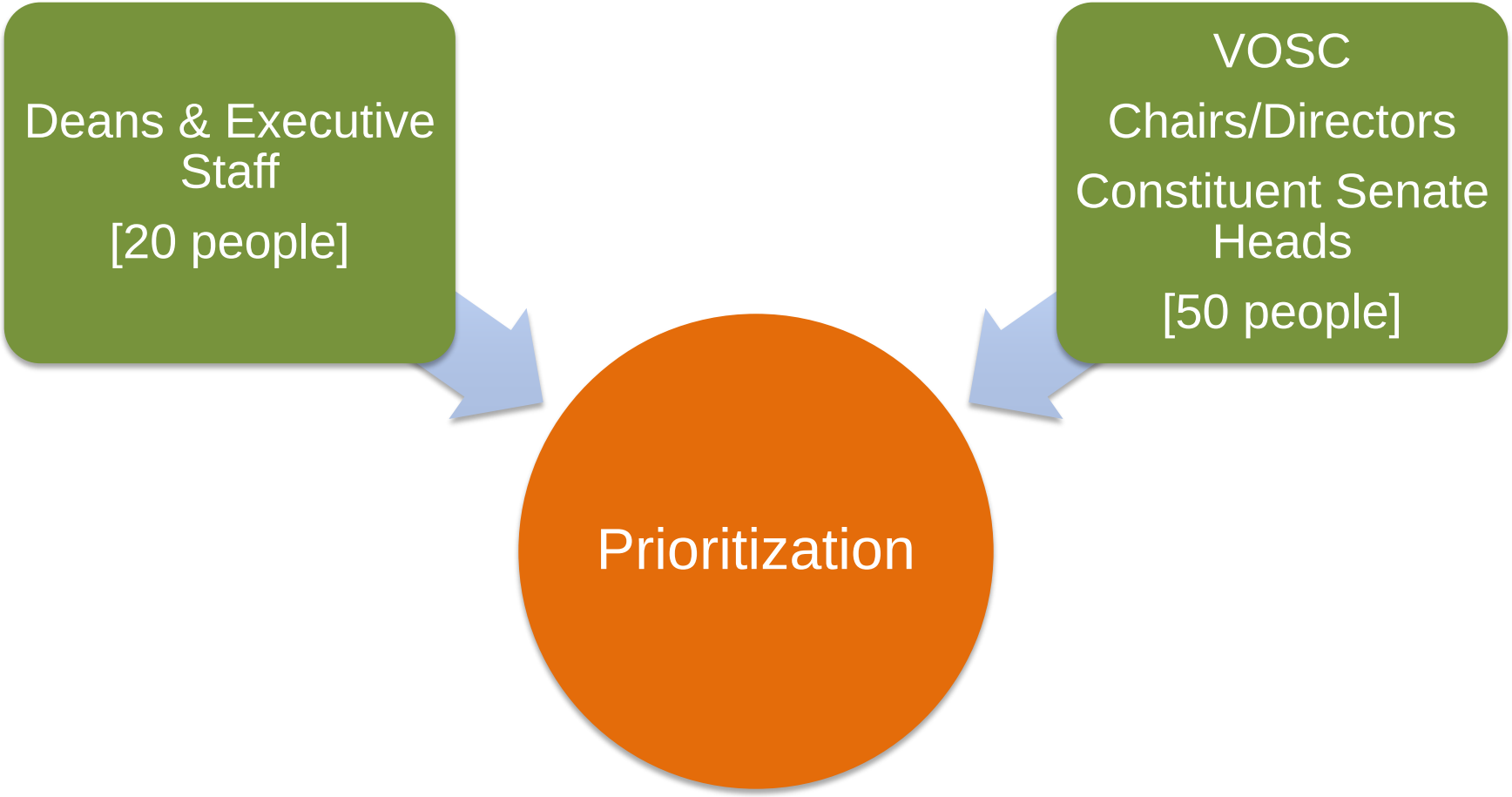
Review

- Vision Ohio Steering Committee

Prioritize

- Constituent Senate Heads
- Vision Ohio Steering Committee
- Deans & Executive Staff
- Academic Chairs & Directors

Numbers of Participants in Each Group



Significance

Through this exercise, involving a significant portion of the leadership of the institution, we are in a position to come to an agreement on what elements are most important in keeping the university functioning well.

In a time when we can no longer be everything to everyone, this is a critical strategic way-station.

Enrollment Management

- Involves finding the right size, mix, and quality for the institution
- Involves ensuring continuing affordability in the state in comparison to comparable institutions
- Involves attention to our academic marketing efforts

Improve Balance Sheet & Financial Strength

– Managing university resources to sustain our ability to remain a transformational academic community.

Strengthen the Curriculum Through Q2S

– With a change in calendars a singular opportunity exists to transform curriculum across the institution--creating even more reasons why the best education is an Ohio University education.

Refine Graduate & Professional Portfolio

– Ohio University should continue to define and recognize excellence in graduate and professional education internally and in conjunction with the University System of Ohio Centers of Excellence.

Faculty, Classified, Administrative Compensation

- Rewarding talented individuals who make investments in the continued excellence of Ohio University.
  - Strategically improving faculty compensation is important for the recruitment and retention of scholars-teachers who are dedicated to the intellectual and personal development of students.

Successfully Launch and Execute $350M Capital Campaign

– Builds community and strengthens the ability of the university to support the best faculty, students, and academic initiatives.

Next Steps

- Discussions to take place with Deans, Executive Staff, Constituent Senate Leadership, Vision Ohio Steering Committee, and Academic Chairs and Directors on the results of the prioritizing exercise.
- Results of those discussions to be brought to Board of Trustees in April for endorsement.
- Refine metrics

An **Academic Array** consists of the range of educational opportunities provided by an institution.

An Academic Array . . .

Depends on the expertise and efforts of hundreds of individuals.

Is supported by a complex infrastructure.

Has its own technical vocabulary and many different layers of oversight.

Looking at just one aspect of an academic array can be problematic.

⬇⬇⬇⬇⬇⬇

Assessment should focus on the attributes that make up an effective academic array.

The Right Academic Array: Checklist

✔	Mission	Having an array that supports a liberal-arts based institution with strong professional programs.
✔	Quality	Providing the instruction and the facilities needed to deliver a quality educational experience in each academic program.
✔	Demand	Meeting demand in areas of greatest interest and enrollment in a timely manner.
✔	Flexibility	Developing innovative academic programs particularly those that are interdisciplinary in nature in a timely manner.
✔	Productivity	Making the best use of our resources when it comes to instruction and facilities.
✔	Currency	Keep public information about the array as up-to-date as possible.

Having the right tools in place will allow us to maintain an effective academic array

What Tools are in Place to Help Work With Elements of the Array?

- Ongoing Department/School Curriculum Assessments
- University Curriculum Council Seven-Year Review Process
- Accreditation Reviews-Academic Programs, Colleges, and the University
- Program Assessment Report [Delaware Study Task Force, June 2005]

What Tools are in Place to Help Work With Elements of the Array?

Recently Developed and/or Implemented Tools

- Five Year Vision Ohio Implementation Plan
- College Workload Policies
- Report on Centers of Excellence in Graduate & Professional Education
- Transition from Quarters to Semesters*
- Fall Quarter College-UCC Review of SIS Program Codes*

QUARTERS TO SEMESTERS TRANSITION

Allowing Schools & Departments to:

- Rebalance their major requirements to promote quality and better align with instructional resources.
- Reshape their academic offerings to eliminate redundancies, be more innovative and interdisciplinary.
- Thorough updating and housekeeping of courses and programs.

Fall Quarter Review of SIS Program Codes

With the assistance of UCC, Faculty Senate, Deans, Associate Deans, and Chairs/Directors, the University during Fall Quarter inactivated **135** Student Information System (SIS) Program Codes.

MAJOR

Term used to identify particular concentrations within an academic department or school. *Each major has a four-digit numerical code*.

MAJOR	**MAJOR CODE**
Mathematics	(3101)

SIS PROGRAM CODE

Six digit code in the Student Information System (SIS) used to track types of degrees and groups or cohorts of students.

Bachelor of Arts in Mathematics

Physics
Major Code
3331

Bachelor of Arts Physics
SIS Program Code
BA3331

Bachelor of Science Physics
SIS Program Code
BS3331

Chemistry Pre-Dentistry
Major Code
3312

Bachelor of Arts
Chemistry Pre-Dentistry
SIS Program Code
BA3312

Bachelor of Science
Chemistry Pre-Dentistry
SIS Program Code
BS3312

Uses of Major Codes/SIS Program Codes

- Give Students an Academic Identity
- Track Course Requirements for Each Student
- Allows Tracking of Unique Academic Requirements Associated With:
    - Campuses
    - Degree Levels
    - Specializations within Academic Programs
- Allows the University to Meet State Teacher Education Requirements

Some points to note about the project:

- There are not significant cost reductions associated with the inactivation of the codes, but rendering 135 codes inactive will reduce staff time and effort in maintaining them.
- The work done by the colleges and UCC has enabled us to produce a cleaner list of viable SIS Program Codes. Given the complexities of our academic array, having a tighter list will be of value.
- The ad hoc committee that helped guide the SIS Program Code project, which consisted of representatives from Faculty Senate, UCC, Graduate Council, and the Deans Council, also made recommendations on the best mode of proceeding should budget circumstances warrant program discontinuation.

Degrees	Majors	SIS Program Codes	Major Code	Academic Program
Degrees	Majors	SIS Program Codes	Major Code	Academic Program
Degrees	Majors	SIS Program Codes	Major Code	Academic Program
Degrees	Majors	SIS Program Codes	Major Code	Academic Program
Degrees	Majors	SIS Program Codes	Major Code	Academic Program
Degrees	Majors	SIS Program Codes	Major Code	Academic Program
Degrees	Majors	SIS Program Codes	Major Code	Academic Program
Degrees	Majors	SIS Program Codes	Major Code	Academic Program
Degrees				Program
Degrees				Program
Degrees				Program
Degrees				Program
Degrees				Program
Degrees				Program
Degrees				Program
Degrees				Program

DEFINITIONS
The Language of Academic Arrays

DEGREE Term used to identify the type and level of a course of study.

Examples: Ph.D., M.F.A., M.S.W., B.S.Ed., B.A.

ACADEMIC PROGRAM

Term used to refer to a collection of related MAJORS.

Physics Major +
Astrophysics Major +
Applied Physics Major +
Meteorology Major =

ACADEMIC PROGRAM

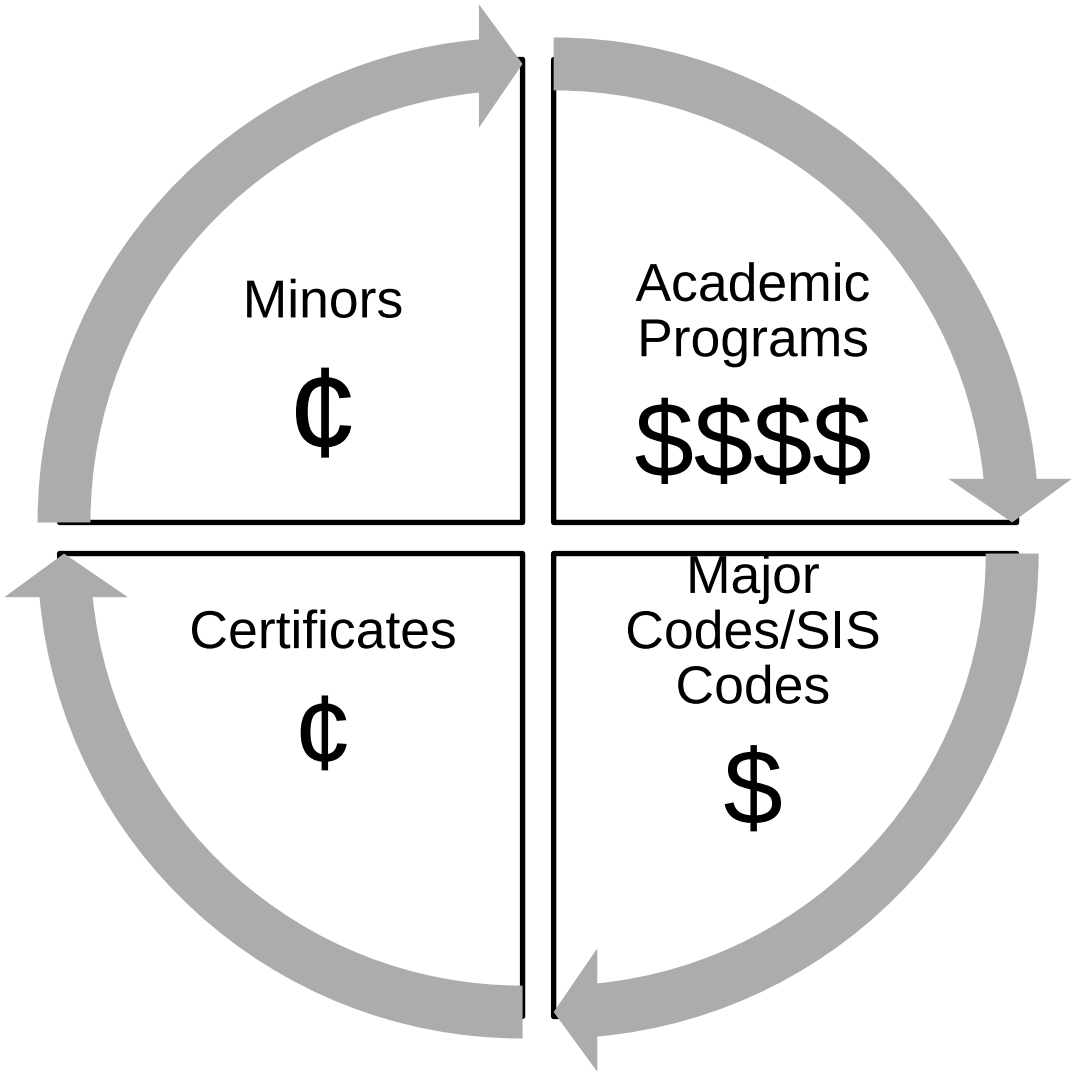
MINOR

A secondary area of specialized academic study requiring fewer courses or credits than a major.

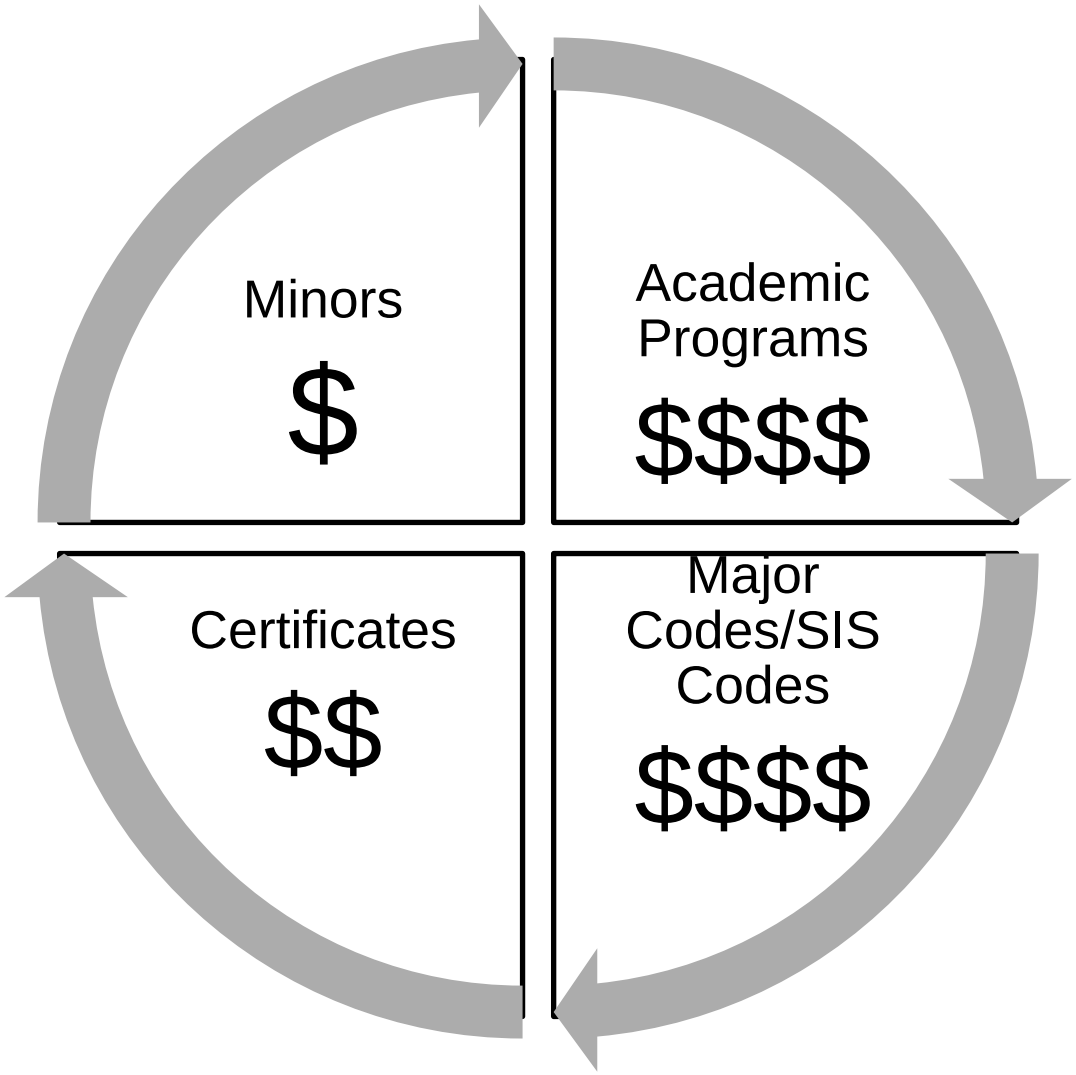
CERTIFICATE

A set of interdisciplinary courses designed to provide students with an academic concentration that augments their main area of study.

Costs of Elements of the Academic Array



Revenue Elements of the Academic Array



“Having a large variety of majors serves as a recruiting tool. Different codes are used to market academic specialties that might appeal to students. In 2004-05, the Biological Sciences department consolidated its pre-medicine, pre-dentistry, pre-veterinary medicine, etc. majors into one pre-professional major code. As a result, freshman applications to Biological Sciences dropped by 24 percent.”

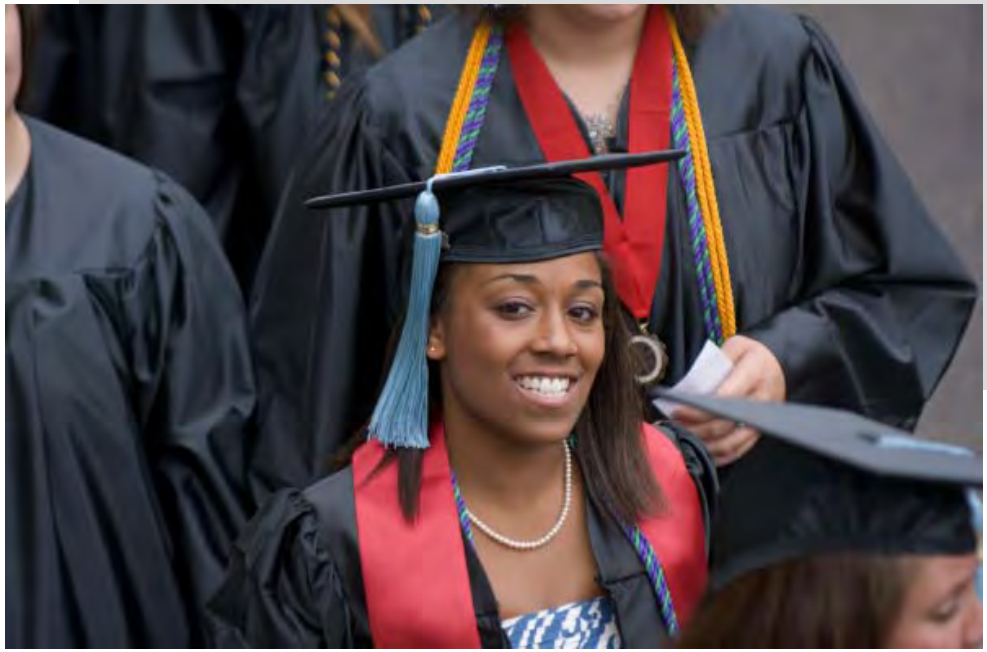
“Program Assessment Report,”
Delaware Study Task Force, 2005

What Additional Tools are Being Developed to Help Work With Elements of the Array?

- **Conversion to New Student Information System**
- **Transition to Semesters**
- **Strategic Enrollment Plan**

The Right Academic Array: Checklist			Tools
	Mission	Having an array that supports a liberal-arts based institution with strong professional programs.	UCC Curriculum Review Process Vision Ohio Q2S Program Assessment Report [Delaware Study, 2005]
	Quality	Providing the instruction and the facilities needed to deliver a quality educational experience in each academic program.	Dept./School Curriculum Reviews Conversion to New Student Information System UCC 7 Year Reviews Accreditation Reviews FYVIOP Q2S
	Demand	Meeting demand in areas of greatest interest and enrollment in a timely manner.	Strategic Enrollment Plan FYVOIP
	Flexibility	Developing innovative academic programs particularly those that are interdisciplinary in nature in a timely manner.	Dept./School Curriculum Reviews UCC Curriculum Review Process
	Productivity	Making the best use of our resources when it comes to instruction and facilities.	College Workload Policies Conversion to New Student Information System Q2S Strategic Enrollment Plan Task Force on Graduate and Professional Education
	Currency	Keeping public information about the array as up-to-date as possible.	Dept./School Curriculum Reviews Ad hoc efforts such as Fall Quarter SIS Program Code Review Conversion to New Student Information System Q2S

Smart, Strategic, and Sustainable Enrollment Growth at Ohio University



CHARGE:

Develop a comprehensive, five year plan for smart, strategic, and sustainable growth across all six campuses.

PROCESS:

Stage One: Produce a Growth Capacity Analysis.

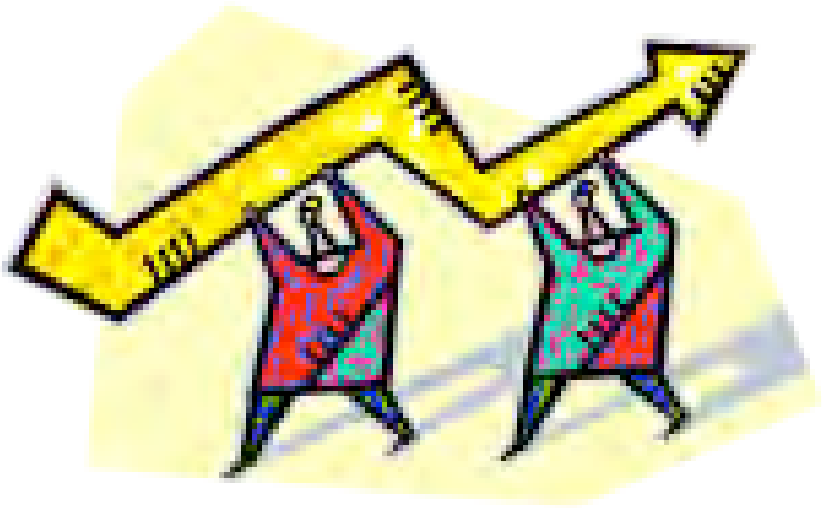
Completed December 14, 2009

Stage Two: Follow Up on the Recommendations Contained in the Growth Capacity Analysis Report Through Formation of Three Work Groups (Smart Growth, Strategic Growth, Sustainable Growth).

Complete by June 1, 2010

Stage Three: Complete Five Year Enrollment Plan.

Complete by December 31, 2010

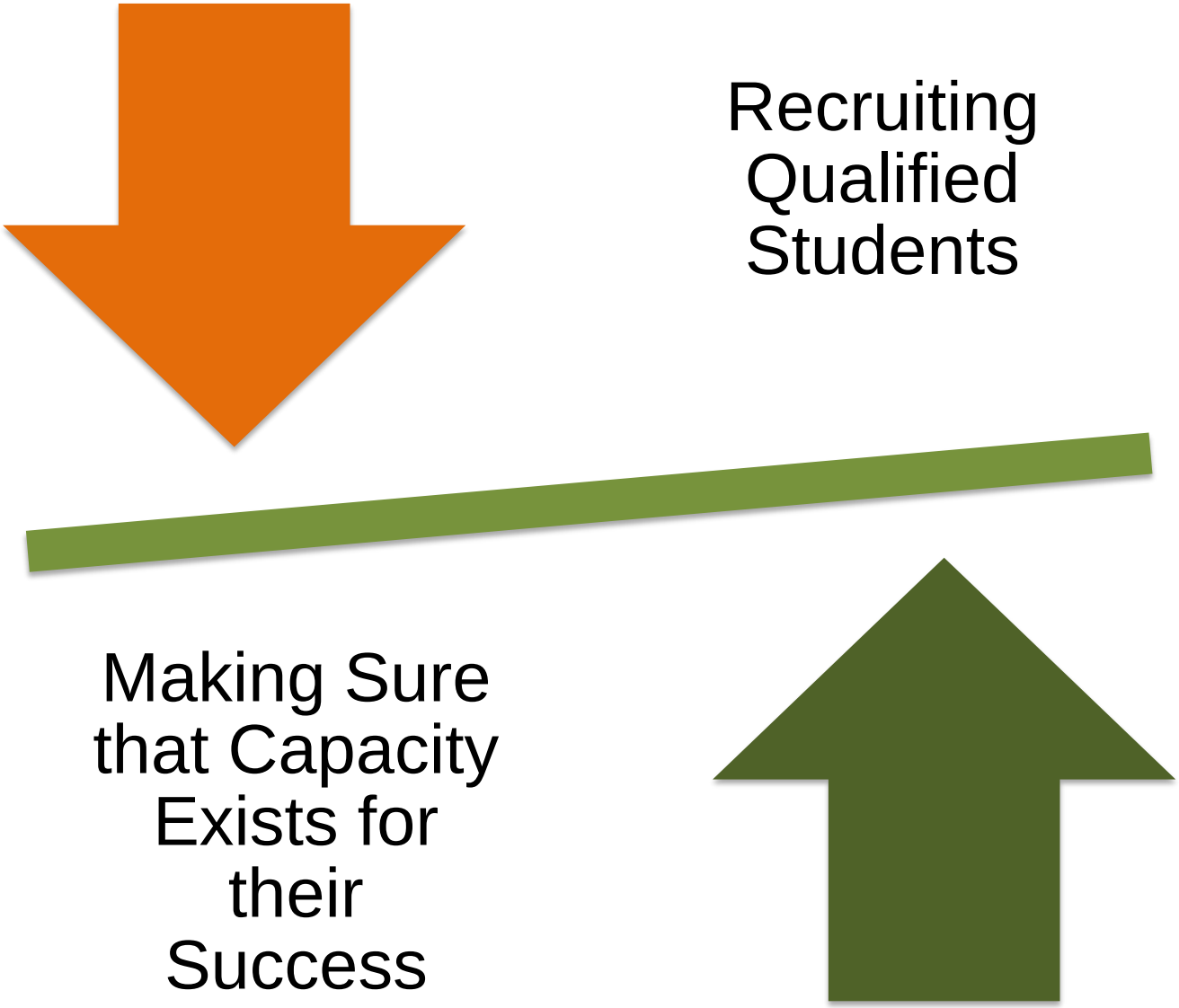


ENROLLMENT GROWTH NOT JUST A MATTER OF ADMITTING MORE STUDENTS

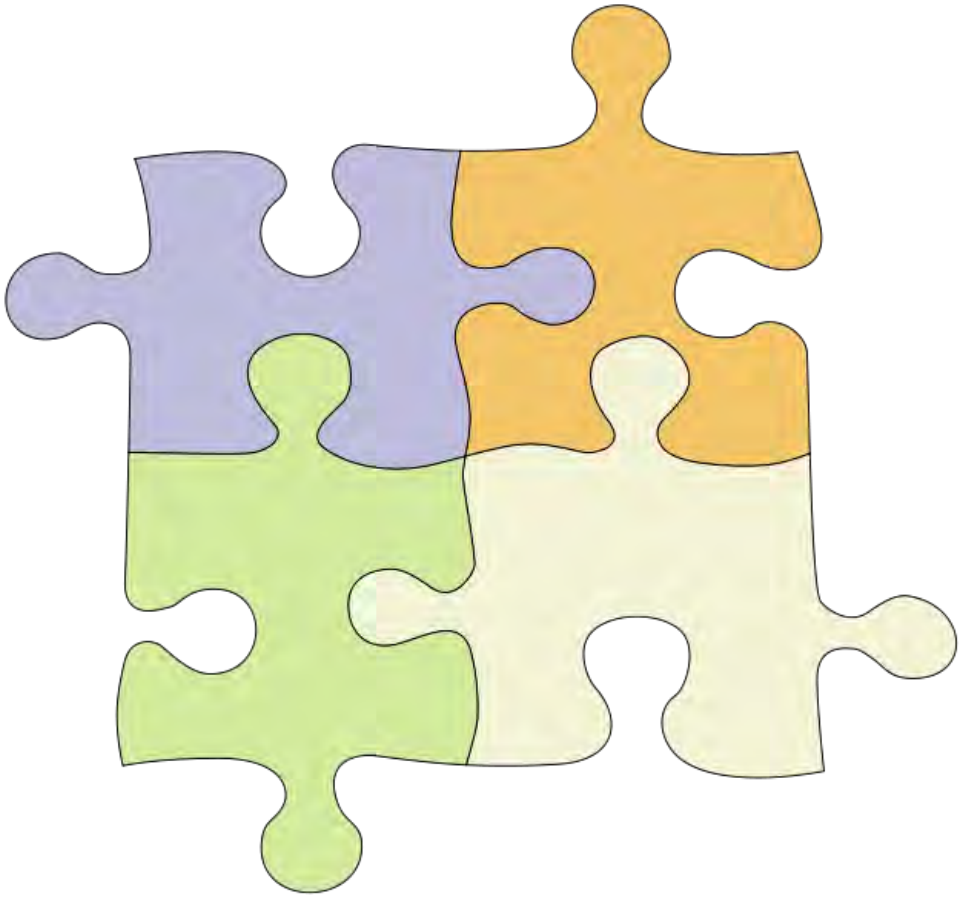
1. Admitted Students must exhibit a level of academic readiness that will allow them to take advantage of the student-centered learning that takes place at Ohio University.

   - *Retention, course completions, and timely graduation are the new measures that the State of Ohio will use to evaluate and reward universities.*

1. Must have the instructional and space capacity to handle increased enrollments while maintaining optimal conditions for student success.


Recruiting Qualified Students
Making Sure that Capacity Exists for their Success

Growth Capacity Analysis Committee Formed to Analyze Key Pieces of the Puzzle



- ☑ Instruction
- ☑ Student Experience
- ☑ Regional Campuses
- ☑ Commuter & Adult Student Populations
- ☑ Facilities & Housing

Participants in the Growth Analysis Committee Work

Dr. Pam Benoit, Executive Vice President and Provost
Ms. Deb Benton, University Registrar
Dr. Charles Bird, Vice Provost for University Outreach
Dr. Brian Bridges, Vice Provost for Diversity, Access and Equity
Mr. Craig Cornell, Vice Provost for Enrollment Management, Chair
Dr. John Day, Associate Provost for Academic Budget and Planning
Dr. David Descutner, Dean of University College and Associate Provost for Undergraduate Studies
Dr. Dan Evans, Executive Dean for Regional Campuses
Mr. Steve Flaherty, Senior Associate Vice President for Regional Campuses and University Outreach
Dr. Jennifer Hines, Interim Associate Dean, Graduate College
Dr. David Ingram, Professor, Physics
Ms. Christine Sheets, Assistant Vice President for Auxiliary Services
Ms. Rebecca Vazquez-Skillings, Assistant Vice President, Budget Planning and Analysis
Ms. Rebecca Watts, Chief of Staff, Special Assistant to the President
Dr. Michael Williford, Associate Provost for Institutional Research and Assessment

Recommendation #1: Smart Growth

FOCUS ON ACADEMIC PROGRAMS ON ALL CAMPUSES

THAT CURRENTLY HAVE CAPACITY

Recommendation #1: Smart Growth

➔OPERATIONALIZE🡐

1. **Developing targeted recruiting materials and enrollment strategies**
2. **Addressing issues of contingent instructional capacity across the university for growth in targeted programs.**
3. **Ensuring that academic support services are sufficient to meet growth in targeted programs.**

Recommendation #2: Strategic Growth

EXPAND MARKET SHARE AND DEVELOP NEW MARKETS BY REINVIGORATING EXISTING INITIATIVES AND REDIRECTING OTHERS

Recommendation #2: Strategic Growth

➔OPERATIONALIZE🡐

1. **Online Education. Increase efficiency of partnerships among colleges and University Outreach.**
2. **Out-of-State. Focus recruitment on nationally prominent programs and Centers of Excellence.**
3. **Transfer Students (Domestic & International). Step up work on partnerships & agreements to allow students to complete their educations at OU.**

Recommendation #2: Strategic Growth (Cont.)

➔OPERATIONALIZE🡐

4. **International Students. Shift focus to new international markets and reexamine student support services.**
5. **Graduate Students. Identify ways to grow graduate enrollment within current service and staffing levels.**
6. **Strategically Expand Summer Transition Program.**
7. **Scholarship Leveraging. Review capacity of scholarship pool & complete price-elasticity analysis.**

Recommendation #3: Sustainable Growth

ENSURE THAT ENROLLMENT GROWTH ON ALL CAMPUSES ALIGNS WITH STUDENT SUCCESS THROUGH SUFFICIENT INSTRUCTIONAL CAPACITY,

STUDENT SERVICES

&

FACILITIES

Recommendation #3: Sustainable Growth

➔OPERATIONALIZE🡐

1. **Study faculty teaching capacity.**
2. **Review implications of the new State Share of Instruction taxonomy.**
3. **Develop cost-benefit ratio analysis for various student populations.**
4. **Develop calculation to better determine full university costs for the maintenance and growth of academic programs.**
5. **Ensure alignment, prioritization, and continuation of Institutional Research reports related to overall enrollment planning process.**

Recommendation #3: Sustainable Growth (cont.)

➔OPERATIONALIZE🡐

6. Investigate the opportunity and impact of differential tuition models and concomitant scholarship leveraging programs.
7. Develop enrollment projection models that set target enrollment goals and predict the impact on capacities.
8. Review university policies and procedures that impact capacity issues.

Proposed Next Steps

Formation of three work groups corresponding to each of the recommendations:

1. Smart Growth
2. Strategic Growth
3. Sustainable Growth

Co-chaired by dean & faculty member.

Vice Provosts will staff along with content experts from other units.

Membership of Enrollment Management Advisory Committee (EMAC) subsumed with additional individuals added as needed.

academic restructuring

Executive Vice President &

Academic Restructuring

Academic Program	Disposition
Athletic Training and Exercise Physiology	College of Health Sciences and Professions
Sports Administration	College of Business
Interior Architecture	College of Fine Arts
Physical Education, Coaching Education, and Recreation Studies	College of Education*
Early Childhood Education	College of Education
Nutrition	College of Health Sciences and Professions
Family Studies	College of Health Sciences and Professions
Restaurant, Hotel, Tourism	College of Education
Retail Merchandising	College of Education
Family & Consumer Sciences Education	College of Education *To be renamed because of its

Academics

OHIO UNIVERSITY BOARD OF TRUSTEES

01-14-10

Executive Vice President &

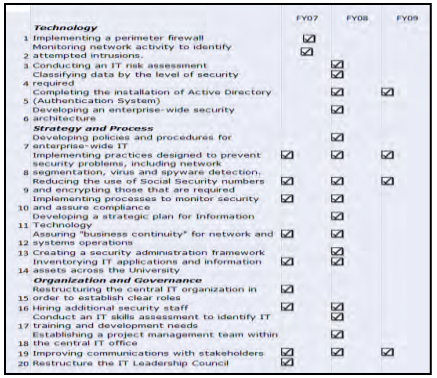
Information Technology Improvement Plan Update

Report to the Board of Trustees
Academics Committee
January 14, 2010
J. Brice Bible
Chief Information Officer

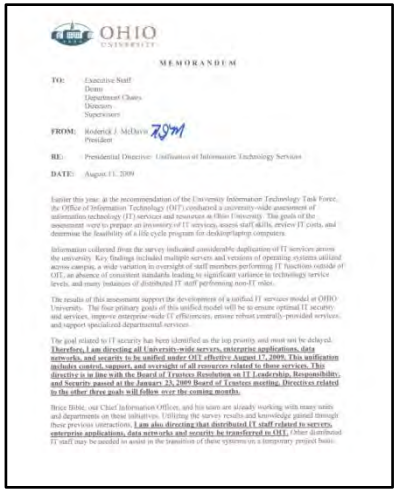
Agenda

- IT Improvement Plan
  - Progress toward 20-Point Plan
- Update on Major Initiatives
  - Rufus Initiative (SIS)
  - NextGen Network Upgrade
- IT Realignment Initiative
  - Status of Presidential IT Directive
  - Cost Savings Scenarios

20-Point Plan Evolution
“Modernizing and Securing the IT Environment”



		FY07	FY08	FY09
	Technology			
1	Implementing a perimeter firewall	☑		
2	Monitoring network activity to identify attempted intrusions.	☑		
3	Conducting an IT risk assessment		☑	
4	Classifying data by the level of security required		☑	
5	Completing the installation of Active Directory (Authentication System)		☑	☑
6	Developing an enterprise-wide security architecture		☑	
	Strategy and Process			
7	Developing policies and procedures for enterprise-wide IT		☑	
8	Implementing practices designed to prevent security problems, including network segmentation, virus and spyware detection.	☑	☑	☑
9	Reducing the use of Social Security numbers and encrypting those that are required	☑	☑	☑
10	Implementing processes to monitor security and assure compliance	☑	☑	
11	Developing a strategic plan for Information Technology		☑	
12	Assuring “business continuity” for network and systems operations	☑	☑	
13	Creating a security administration framework		☑	
14	Inventorying IT applications and information assets across the University	☑	☑	
	Organization and Governance			
15	Restructuring the central IT organization in order to establish clear roles	☑		
16	Hiring additional security staff	☑	☑	
17	Conduct an IT skills assessment to identify IT training and development needs		☑	
18	Establishing a project management team within the central IT office		☑	
19	Improving communications with stakeholders	☑	☑	☑
20	Restructure the IT Leadership Council	☑		



OHIO UNIVERSITY

MEMORANDUM

TO: Executive Staff
Dean
Department Chairs
Directors
Supervisors

FROM: Roderick J. McDavis
President

RE: Presidential Directive: Unification of Information Technology Services

DATE: August 17, 2009

Earlier this year, at the recommendation of the University Information Technology Task Force, the Office of Information Technology (OIT) conducted a university-wide assessment of information technology (IT) services and resources at Ohio University. This goals of the assessment were to prepare an inventory of IT services, assess staff skills, review IT costs, and determine the feasibility of a life cycle program for desktop/laptop computers.

Information collected from the survey indicated considerable duplication of IT services across the university. Key findings included multiple servers and versions of operating systems utilized across campus, a wide variation in oversight of staff members performing IT functions outside of OIT, an absence of consistent standards leading to significant variance in technology service levels, and many instances of distributed IT staff performing non-IT roles.

The results of this assessment support the development of a unified IT services model at OHIO University. The four primary goals of this unified model will be to ensure optimal IT security and services, improve enterprise-wide IT efficiencies, ensure robust centrally-provided services, and support specialized departmental services.

The goal related to IT security has been identified as the top priority and must not be delayed. **Therefore, I am directing all University-wide servers, enterprise applications, data networks, and security to be unified under OIT effective August 17, 2009. This unification includes control, support, and oversight of all resources related to these services. This directive is in line with the Board of Trustees Resolution on IT Leadership, Responsibility, and Security passed at the January 23, 2009 Board of Trustees meeting. Directives related to the other three goals will follow over the coming months.**

Brice Bible, our Chief Information Officer, and his team are already working with many units and departments on these initiatives. Utilizing the survey results and knowledge gained through these previous interactions, **I am also directing that distributed IT staff related to servers, enterprise applications, data networks and security be transferred to OIT.** Other distributed IT staff may be needed to assist in the transition of these systems on a temporary project basis.

Vision OHIO
Unified
Information
Technology

2006 2007 2008 2009 2010

20 Point Plan Update

	Completed	Status
Technology		
Implementing a perimeter firewall	☑	Perimeter and data center firewalls in place; dept specific firewalls as necessary
Monitoring network activity to identify attempted intrusions.	☑	Network-based monitoring in place. IDS and SIEM deployed
Conducting an IT risk assessment	☑	Full assessment in 2007; major systems assessments conducted annually; departmental assessments conducted regularly
Classifying data by the level of security required	☑	Classification standard in place based on Federal-199 std; waiting for policy approval
Completing the installation of Active Directory (Authentication System)	☑	AD in place at all campus; 2350 workstations joined; remainder via Presidential IT Directive
Developing an enterprise-wide security architecture	☑	Established standard linux/windows configurations and automated patching; Implementing enterprise NAC/VPN

20 Point Plan Update

Strategy and Process

Developing policies and procedures for enterprise-wide IT	☑	Enterprise Security Framework completed; IdM and Data Classification policies under review
Implementing practices designed to prevent security problems, including network segmentation, virus and spyware detection.	☑	Site license for McAfee, Firewalls, URL filtering, and training and awareness; network design accommodates segmentation
Reducing the use of Social Security numbers and encrypting those that are required	☑	Only used for required business functions; Legacy data stores remediated during security assessments
Implementing processes to monitor security and assure compliance	☑	HIPAA reviews completed; PCI underway; close cooperation with external/internal audits
Developing a strategic plan for Information Technology	☑	IT Strategic Improvement Plan implemented 2007; University-wide IT Plan underway
Assuring "business continuity" for network and systems operations	☑	Disaster Recovery plans under implementation; Network/Systems designed for BC; close collaboration with Risk Mgmt
Creating a security administration framework	☑	Systems utilizing ITSM methodologies; Monthly DC scans; Standard configurations in place for entire campus; Under Data Classification policy
Inventorying IT applications and information assets across the University	☑	OIT assets fully inventories 2007; University-wide assessment under Presidential IT Directive

20 Point Plan Update

Organization and Governance

Restructuring the central IT organization in order to establish clear roles	☑	Created consolidated structure in 2007; Updating structure under Presidential IT Directive
Hiring additional security staff	☑	Hired security director, firewall administrator, security analyst and NAC engineer; Initiated distributed IT security training; hold annual security conference
Conduct an IT skills assessment to identify IT training and development needs	☑	Completed university-wide IT skills assessment; training program in place since 2007 for OIT
Establishing a project management team within the central IT office	☑	Created PMO office for training, project tracking, and resource management; utilizing simple tool for resource allocation with robust tool planned for 2010
Improving communications with stakeholders	☑	ITAC in place since 2007; faculty, administrative, and student advisory groups active; regular interactions with college leadership
Restructure the IT Leadership Council	☑	IT Advisory Council active since 2007; BoT advice requested regularly

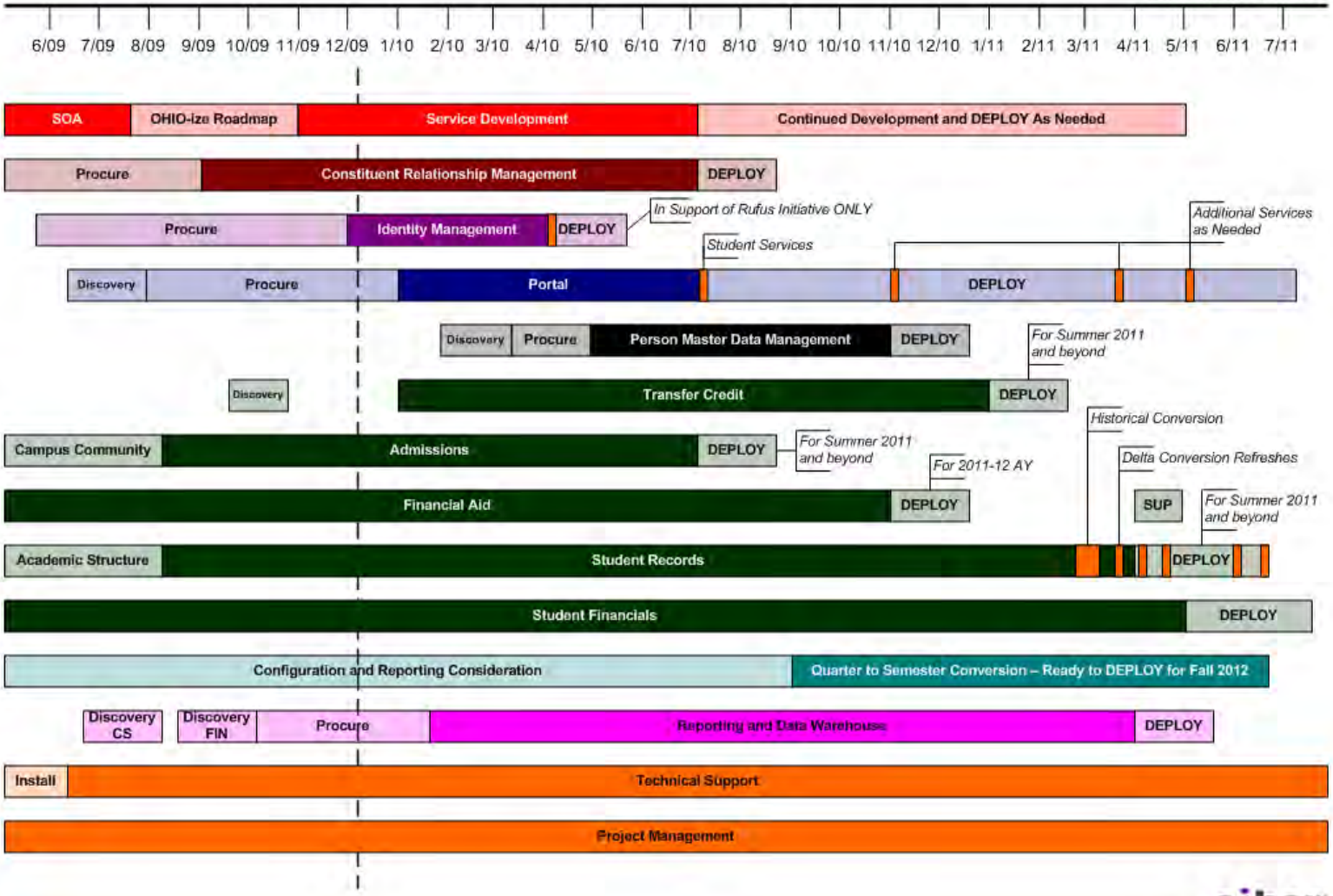
Rufus Initiative

OHIO UNIVERSITY

Rufus Initiative

Implementation Timeline

Version 1.5
December 7, 2009



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Rufus Initiative Update

Initiative	Progress	Status
1. Overall Project Status	Program Schedule – 30% Complete. Some delays relative to resource assignment, procurement of IdM, Portal and CRM solutions. Program Budget – 10% Spent; contingency balance $2.1m.	
2. PeopleSoft Campus Solutions	Progressing well without delays relative to configuration and conversion. Delays in the CRM procurement are placing the Admissions implementation at risk. CRM procurement is expected to completed by the week of December 14th.	
3. Service Oriented Architecture (SOA)	This strategy ensures a highly-integrated, service -focused delivery. The SOA Roadmap has been accepted and the team is progressing on the implementation plan.	
4. Identity Management	Procurement of product and services are complete, and the implementation partner, Wolcott, begins onsite work December 14th. Delays are due to the assignment of staff and the procurement process. The scope and deliverables will be evaluated to bring the project back to an acceptable timeline. Scope related to Master Data Management moved to Fall 2010. This aligns with the Student Financial Aid conversion and deployment.	

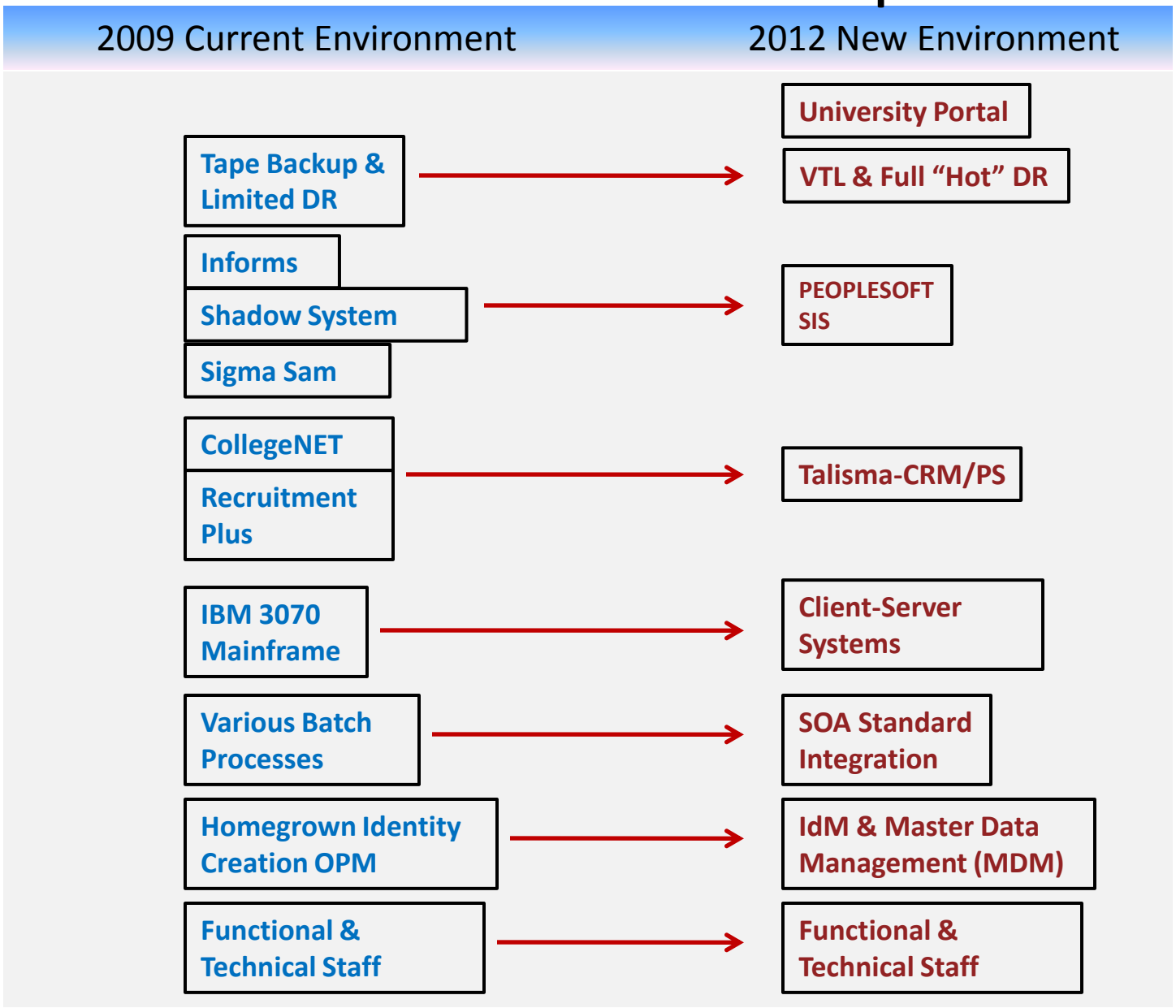
Completed
On Schedule
Funding Issue or Delays

Rufus Initiative Update

Initiative	Progress	Status
5. University Portal	Evaluating top vendor and developing Service Agreement. Procurement will not occur before the end of December and team will determine deliverables based on a new timeline.	
6. CRM Implementation	Vendor negotiations are expected to be completed the week of December 14th. Resource assignments have been made and the team is anticipating a kickoff in late January/early February 2010.	
7. Enterprise Reporting and Intelligence (ERI)	Environments are being prepared, resources have been assigned and the team is conducting requirement sessions specific to the needs of Institutional Research.	
8. DARS upgrade, Transfer Articulation	The team is working on the upgrade to Darwin 3.5.9, which is scheduled to be complete and in production by March 2010. The Admissions team has decided to use PeopleSoft Transfer Articulation for the OHIO transfer process.	

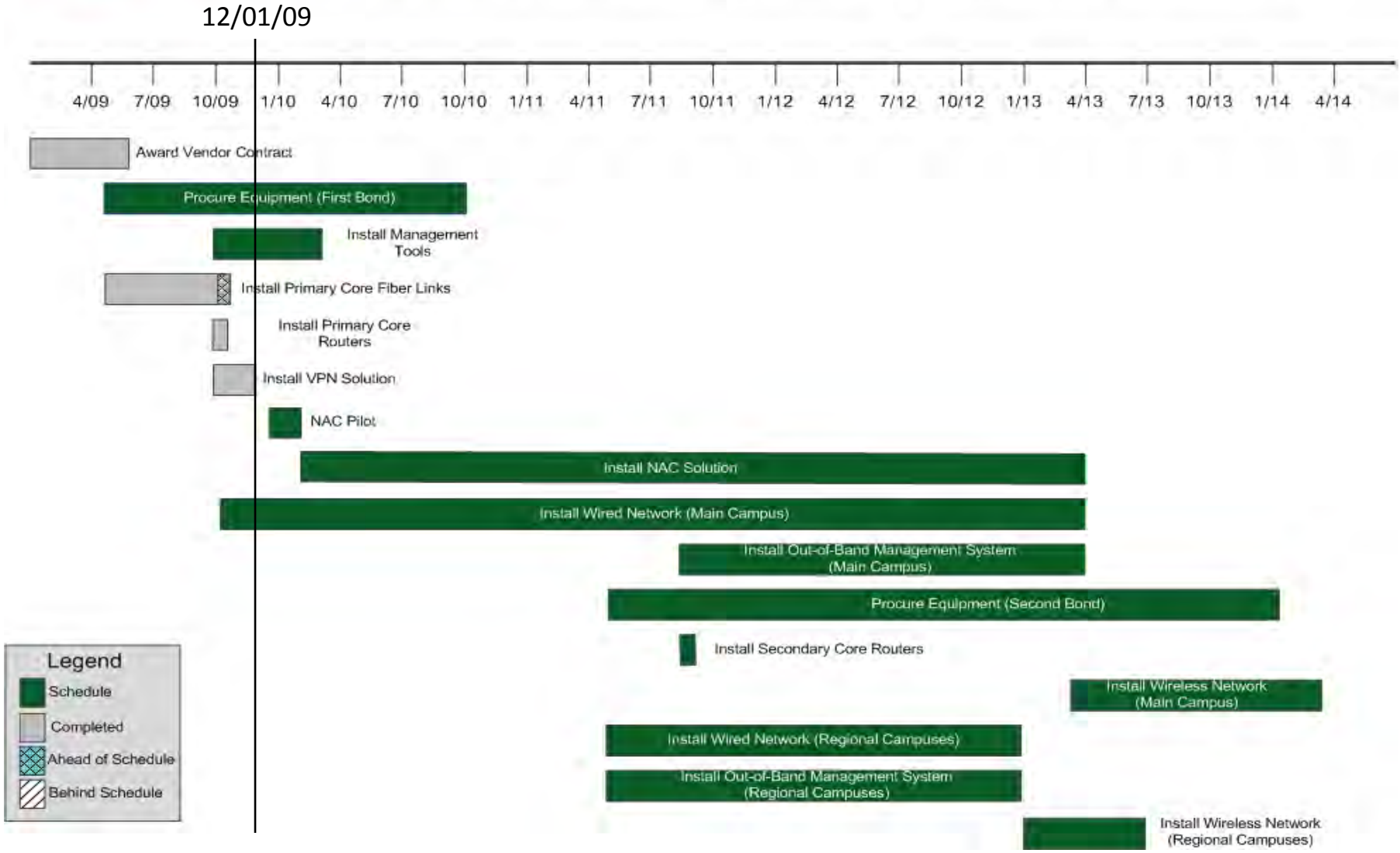
Completed
On Schedule
Funding Issue or Delays

SIS – Related Cost Components



NextGen Network Upgrade

OHIO UNIVERSITY NextGen Network Implementation Timeline



NextGen Network Upgrade Update

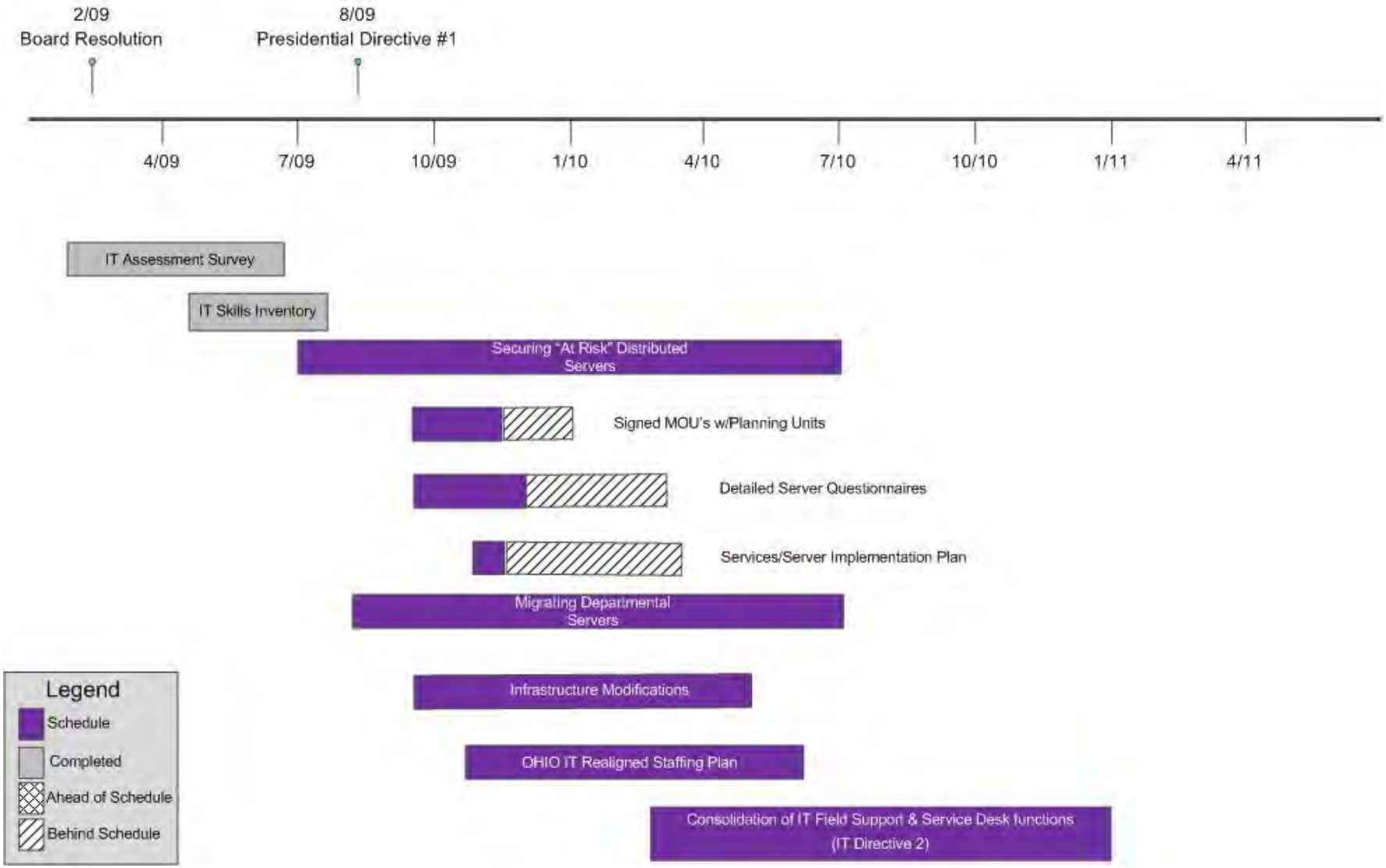
Initiative	Progress	Status
1. Upgrade connections across campus	Completed connection upgrades in HDL Center, Computer Service Center, Martzolff House, Smith House, and Jefferson Hall (1,388 network ports) Work scheduled for Ellis Hall, Scripps, and Lindley Hall	
2. Deploy VPN	Rolling out to campus	
3. Electrical Upgrades	HDL and The Ridges	
4. Core router in Library	Completed	
5. Regional design and cost estimate	Completed	

Completed
On Schedule
Funding Issue or Delays

Office of Information Technology

IT Realignment

IT Realignment Implementation Timeline



OHIO IT Realignment Update

Initiative	Progress	Status
1. Realignment Strategy	Draft Realignment Strategy Complete.	
2. Directive One Staffing Plan	Staffing plan presented to President and Provost.	
3. Planning Unit Head meetings	Discussion of project update and staffing plans.	
4. Memorandums of Understanding	Proposed Memorandum of Understandings (Directive One) completed for 7 planning units.	
5. Detailed Server Information Data Gathering	Server Technology Leads identified. Kick-off meeting 09/09.	
6. Migrate high priority servers	Strategic and high priority servers identified.	

Completed
On Schedule
Funding Issue or Delays
Stopped

IT Realignment Objectives

- Security of Infrastructure
  - Directive I (server, networking, enterprise applications)
- Efficiency
  - Standardization of technology where appropriate
    - Services (i.e., email, file storage, web, video streaming, collaboration)
    - Managed desktop and/or virtual desktop
    - New classroom and lab approaches
  - Consolidation of existing services – drive out duplicative services
  - Efficient utilization of IT staff expertise (holistic versus departmental)
- New Customer-Focused IT Service Model
  - Integrated IT services portfolio based on realigned responsibilities
  - Support strategies for critical departmental IT services during transition
  - New innovative service offerings utilizing departmental IT staff expertise

Realignment Strategy

- Planning Unit Strategy
  - Identify staff to be realigned
  - Establish MOU with Planning Units
  - Assimilation of IT staff
  - Establish and manage transition service level requirements
- Server Strategy
  - Collect detailed server information
  - Develop overall strategy and staff plan which is aligned with other critical OIT projects
  - Establish and execute detailed migration/testing plans
- Staffing Strategy
  - Identify and transfer all staff with Directive I-related IT responsibilities
  - Reclaim open positions for savings
  - Establish appropriate levels for IT services and support

Realignment Complexities

- Technical
  - Multiple services on servers (i.e., storage, web, applications, databases)
  - Prerequisite projects (i.e., Active Directive, new services)
  - Bandwidth and resiliency issues with existing network
- Resource
  - Accommodating unsupported IT services
  - Obtaining detailed server knowledge --“inherited” servers
- Logistical
  - Developing detailed migration/testing plans
  - Working with outsourced server administration service providers

Cost Saving & Risk Reduction Opportunities

- Reduced # of servers, software licensing, maintenance agreements
- Consolidated IT solutions (i.e., room scheduling, ticketing, electronic signage, web sites, video streaming, collaboration services)
- Right-size server administration, networking application support, lab and classroom management, and field service staffing
- Eliminate undermanaged/antiquated departmental servers
- Review of all IT-related procurements
  - Adherence to standards
  - Consolidated buys and aggressive pricing negotiations
  - Ensure Office of Legal Affairs review where appropriate
- Reduction in outsourced service agreements
- Explore outsourced services where appropriate
- Reduce departmental single-threaded IT staff

IT Realignment Savings

- Reduction of estimated 50 domain servers
  - Server administration staff effort
  - Cost avoidance of replacement ($2,500/server)
  - Energy savings
  - Reduced security profile
- Examples of consolidated servers
  - Student Senate “Book Exchange” server
  - Library servers
  - Engineering Web server
- Improved distributed staff utilization
  - Better alignment of work priorities between university/departmental needs
  - Efficiency gains through specialization

IT Realignment Savings

- Server Surveys
  - 149 of 350 completed as of December 15, 2009
    - Represents an estimated 80% of “commodity” servers
  - Distribution of Services
    - AD/DNS – 38
    - Web – 37
    - Database – 19
    - Storage – 40
    - Apps – 58
    - Other - 65

Next Phase

- Focus on efficiency and customer-facing services
- Realignment of services/resources related to desktop, research support, classroom and lab, collaboration services
- Complete IT skills inventory and establish training programs around technology standards
- Define new customer-focused IT service model
  - Pilot and develop “Zoned” field customer support
  - Evaluate and adopt innovative technologies that improve efficiencies
  - Define and prioritize projects to enhance and expand services
- Establish transitional staffing plan

Resources Committee Meeting
Ohio University, Southern Campus
January 14, 2010, 2:30 pm

Committee Chair Marnette Perry called the meeting to order at 1:30 pm. Other board members present included Trustee Charles R. Stuckey, Jr., Trustee Sandra J. Anderson, Trustee Norman E. Dewire, Student Trustee Chauncey J. Jackson, and Faculty Representative Scott Titsworth.

Committee member Trustee David A. Wolfort was not in attendance.

Board members in attendance included Trustees Krasovec, Brightbill, and Harris and Student Trustee Triplett.

Chair Perry commented on the change in schedule to allow all board members to attend the committee meetings and reviewed the agenda items. Interim Senior Vice President Michael Angelini was introduced and thanked for doing such a fine job in his interim capacity.

- **Budget Updates**

Rebecca Vazquez-Skillings, Assistant Vice President for Budget Planning and Analysis, shared the agenda for the budget presentation which includes an update on FY 2010 to date, FY 2011 budget development and assumptions being used in the budget build, and the process being employed to garner planning unit input for budget reductions.

Brief discussion of FY 2010 year-to-date reflected increased tuition and fee income due to higher than budgeted fall enrollments. Winter enrollments are in the process of being finalized. State share of instruction, the other significant revenue item besides tuition, was in jeopardy following the loss of planned video gaming revenues. The state legislature helped us 'dodge a significant bullet' in late December by acting to delay the final year of previously enacted tax reform.

Expenditure assumptions being built into the FY 2011 budget scenario by the Budget Planning Council (BPC) include Vision Ohio investments and 2% salary increases. Other expenditure increase assumptions for health benefits, financial aid, and utilities were shared. No changes are being proposed for employee share of health insurance which is currently at just below 10%. The expenditure assumptions result in an expenditure increase of $10.1 million. BPC may be conservative and recommend that some personnel increases in the $10.1 million only be put in place if enrollments continue at the fall 2009 levels.

It was discussed that the assumptions being used to build the budget should challenge us to be 'best of class' and maintain affordability and access. Assumptions should be benchmarked to see how we compare to other universities in Ohio. Industry is beating many of the expenditure increases that we

have been using. Another challenge is to make sure that our salary increases reward stellar performance – "pay the best the best".

Revenue assumptions include a 3.5% undergraduate tuition increase which would amount to approximately $200 per year per full-time student. Graduate tuition and the non-resident surcharge are proposed to remain unchanged. State support is in the budget at a 9.5% reduction or $10.4 million but this is not a firm figure given the current issues at the state. The net impact on revenue reflects a loss of $5.2 million. Trustee Dewire requested the board be presented with a 15 year look at the state subsidy as a percent of total general program revenue.

The revenue and expenditure assumptions in the current modeling for FY 2011 result in a $15.7 million budget gap. Planning is occurring with planning units to identify 5 % and 10% reduction scenarios. Prioritization of planning unit reduction plans will be through a process of review by the President, EVP and Provost, and Interim Senior Vice President for Finance and Administration. Proposed reductions will be in line with the strategic priorities of Vision Ohio. Board will be looking for a budget that is consistent with the University's strategic priorities in April.

Critical budget issues facing the university include the state's economic realities and the impact on state subsidy, the subsidization of Foundation operations and endowed scholarships as well as nothing in the current budget planning for the planned campaign, and intercollegiate athletics' continuing annually budgeted deficit which cannot be sustained. The board will want to see that our revenue recommendations for tuition and fees keep us competitive with our Ohio peers at the April board meeting.

- **Housing Partnership**

Interim Senior Vice President Angelini provided an update on work being done by a cross-organizational group including Student Affairs, Legal, Finance and others, regarding residential housing on campus and the need for renovation – there have been 5 renovations of 42 residence halls on campus over the last 10 years. The pace of renovation needs to be accelerated and we are looking at alternatives. In reviewing options we are considering 1) debt capacity issues and the fact that that option should be reserved for future academic initiatives, 2) how could public private partnerships accelerate the renovations as well as provide for our programmatic requirements and goals, and 3) could University Courtyard serve as a potential addition to the housing stock to serve as swing space under any option.

This calls for a comprehensive plan on what we propose to do with residential housing across campus as it links to other capital and strategic priorities of enrollment and retention. It was recognized that we may in fact be losing students due to the quality of our housing and that information should be quantified and be included as part of the plan. The residential experience is critical to what Ohio University offers but we need data to support the right model and also to understand the priority of the residential experience for Ohio University. The board is supportive of efforts on the part of the administration to garner information to more fully understand options to deal with residence hall renovations.

- **Construction Projects**

Harry Wyatt, Associate Vice President for Facilities reviewed the Clippinger Hall Chilled Water Piping – Phase II project and the Chillicothe campus Technical Studies Addition project.

The committee recommended moving the resolution to approve the Construction Projects to the full Board for approval.

- **Energy Management Performance Contracting**

Associate Vice President Wyatt presented information on the practice of energy management firms proposing modifications that can be made to our building systems and configurations to save energy through projects with good payback. Those projects can also serve to deal with existing deferred maintenance. This process allows for the projects to be developed and financed by an energy firm, expert in the identification and implementation of such projects. The related debt is assumed by the energy firm which is typically paid by recovering a percentage of the projects' realized savings. An RFQ (review for qualifications) will be issued shortly to identify a qualified firm to identify projects. A comprehensive business plan will be brought back to the board prior to engaging in this activity.

- **2009 ERIP Report, FY 2009 Financial Statement Highlights and Year-over-Year Results, and Treasurer's Report** were considered as information items with no presentation – no questions were asked.

- **University Advancement Campaign Update**

Vice President for Advancement Howard Lipman discussed the upcoming campaign and will be engaging with the Deans on a funding plan for the campaign. There has also been discussion of a 'gift tax' on incoming gifts. A white paper on the 'gift tax' is developed and going through the review process with hopes of distributing to the Board for discussion at their April meeting. Campaign priorities and the case study are being developed as well as finalization of campaign leaders and materials. Materials are being developed by an Ohio alum who is donating his services. Campaign infrastructure is being put in place, including website efforts by OIT. The alumni association has been aligned to be a revenue generating entity for the university rather than simply coordinating social gatherings.

Vice President Lipman reported that much of the campaign work occurring now is internal to the university with deans and colleges, establishing goals, and raising awareness. The communication to and input from campus will continue on campus. The board would like to be engaged in the evaluation of the case statement, materials and the feasibility study.

Vice President Lipman presented the Advancement update as of November 30, 2009. This week a $13.3 million gift was announced as well as the purchase of Diagnostic Hybrids, Inc. Conservatively this year, we could be on track for a $50 million fund raising year. The fund raising report by College / Unit, included in your materials, is created weekly and helps to focus the development officers and Deans on the fund raising task.

Other Business: None.

Meeting adjourned at 4:10 pm.

OHIO UNIVERSITY

Memorandum

Date: December 15, 2009

To: The President and Board of Trustees

From: William R. Decatur, Senior Vice President for Finance and Administration and Treasurer

Re: **Budget Updates**

At the January Resources Committee meeting, updates regarding the FY 2010 Budget Implementation and the FY 2011 Budget Development will be presented. The agenda materials also include two documents that were posted to the Provost website November 20, 2009 regarding the FY 2011 budget time line and guidance to the planning units on developing their budget reallocation scenarios. The Provost will attend the Resources Committee's discussion of the Budget and will provide a status update on the Budget Reallocation Process.

Please find the following agenda materials:

- Powerpoint presentation titled "Budget Updates" including
  - Update of the FY 2010 budget and current challenges
  - Review of preliminary FY 2011 budget assumptions and estimates
  - Update on the FY 2011 budget development process
- Interim Financial Statements-September, 2009 - mailed to Board members November 16, 2009
- Strategic Budget Process - November 20, 2009
- Strategic Budget Reallocation Guidance - November 20, 2009

As you are aware, the current budget environment presents a number of challenges for both the budget implementation and planning processes and there remain a number of unknown factors, principally the State operating budget. We are hopeful to provide additional details regarding the State budget at the upcoming meeting should additional information become available.

Should you have any questions about the presentation prior to the January committee meeting, please feel free to contact Rebecca Vazquez-Skillings, Assistant Vice President for Budget Planning & Analysis (740.597.1564 or skillinr@ohio.edu).

Budget Updates

OHIO UNIVERSITY

Budget Updates Agenda

- FY 2010 Budget Implementation
  - Interim Financial Statements – September, 2009
  - Update on Key Revenue Drivers
  - Update on Budget Challenges
- FY 2011 Budget Development
  - Preliminary Budget Assumptions
  - Overview of Budget Development Process

OHIO UNIVERSITY

FY 2010 Budget Implementation Update on Key Revenue Drivers

- Tuition & Fee Revenues:
  - Preliminary Fall & Winter Enrollments
- State Budget Update

OHIO UNIVERSITY

FY 2010 Budget Implementation Update on Budget Challenges

(in million)	Total	E&G Base	1 Time Gen Fee	1 Time Gen Fund	Capital	OUF
Revenue:						
State Share of Instruction (SSI)	$ (2.20)	$ (2.20)				
Investment Income	$ (0.75)					$ (0.75)
Tuition Increase eff Winter Qtr						
Tuition	$ 3.14	$ 3.14				
Add'l Revenue due to Enrollments*	$ 2.65		$ 0.65	$ 2.00		
15 Park Place / Jepson residual	$ 0.75				$ 0.75	
Subtotal	**$ 3.59**	**$ 0.94**	**$ 0.65**	**$ 2.00**	**$ 0.75**	**$ (0.75)**
Expense:						
ERIP payouts	$ 0.99			$ 0.99		
Severance payouts	$ 0.10			$ 0.10		
Support to OCOG-eligible Students	$ 0.70	$ 0.70				
Support to Full Scholarship Students	$ 0.24	$ 0.24				
15 Park Place renovation shortfall	$ 1.00				$ 1.00	
Unemployment Benefits	$ 0.31			$ 0.31		
Participation in Football Bowl Game	?		?			
Misc funding requests	$ 0.20	$ 0.20				
Subtotal	**$ 3.54**	**$ 1.14**	**$ -**	**$ 1.40**	**$ 1.00**	**$ -**
Net:	**$ 0.05**	**$ (0.20)**	**$ 0.65**	**$ 0.60**	**$ (0.25)**	**$ (0.75)**

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FY 2010 Budget Implementation Update on Budget Challenges

- FY 2010 Budget Challenges
  - Addressing Budget Challenges

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FY 2011 Budget Development

- Preliminary Budget Assumptions
  - BPC Budget Model
- Overview of Budget Development Process
  - FY 2010 Budget Reductions by Planning Unit
  - FY 2011 Budget Reallocation Process

OHIO UNIVERSITY

FY 2011 Budget Development Preliminary Budget Assumptions

- Key Expenditure Drivers
  - Vision OHIO Investments
    - Up to $1.2 Million to Support Additional Faculty Lines
    - $750,000 Additional Investment in Faculty Salaries
    - $1 Million to Targeted Investments
  - Salary Adjustments
    - 2% Merit Increase for Faculty and Administrators
    - 2% Increase for Classified Non-bargaining Unit Employees
    - 2% Increase to Support Graduate, Research and Teaching Assistants
    - $300,000 Faculty Promotion & Tenure

FY 2011 Budget Development Preliminary Budget Assumptions

- Key Expenditure Drivers
  - Health Benefits
    - 9% Increase (Await Milliman Study Results)
    - No Increase in Employee Share
  - Financial Aid
    - Support to Offset Tuition Increase for Full-ride Scholarships
  - Utilities
    - 11% Increase

FY 2011 Budget Development Preliminary Budget Assumptions

- Key Expenditure Drivers

EXPENDITURES	FY 2010 Revised*	FY 2011 Preliminary	Δ
Salaries & Wages	163.7	169.3	5.6
$750,000 for Faculty Wages			
$300,000 for Faculty Promotion & Tenure			
Up to $1.2M for Faculty Lines			
Benefits	53.9	56.0	2.1
Undergraduate Scholarships	23.7	23.9	0.2
Graduate Fee Waivers	26.7	26.7	0.0
Utilities	11.2	12.4	1.2
Other 3-9 Operating Expenses	48.9	48.9	0.0
Vision Ohio Base Funding Investments - Additional	0.0	1.0	1.0
Total Expenditures	**328.1**	**338.2**	**10.1**

* Includes increases in Undergraduate Financial Aid

FY 2011 Budget Development Preliminary Budget Assumptions

- Key Revenue Drivers
  - Tuition
    - Enrollment Estimates to be Finalized in Late January/Early February
    - 3.5% Increase to Undergraduate Instructional Fee and General Fee
    - 0% Increase to Graduate Instructional Fee and Non-resident surcharge
  - State Support
    - 9.5% Reduction ($10.4 Million)

FY 2011 Budget Development Preliminary Budget Assumptions

- Key Revenue Drivers

REVENUE	FY 2010 Revised*	FY 2011 Preliminary	Δ
Student Tuition and Fees	201.9	207.1	5.2
State Support	109.2	98.8	-10.4
Other Fees & Revenue	8.1	8.1	0.0
Total Revenues	**319.2**	**314.0**	**-5.2**

*Includes 3.5% tuition increase effective Winter 2010 based on FY 2010 Budgeted Enrollments

FY 2011 Budget Development Preliminary Budget Assumptions

- BPC Budget Model Summary Table

	FY 2010 Revised	FY 2011 Preliminary	Δ
Total Revenues	319.2	314.0	-5.2
Total Expenditures	328.1	338.2	10.1
Overhead & Transfers In	33.7	33.7	0.0
Auxiliary Support	-24.8	-25.3	-0.5
NET INC/(DEC) TO FUND BALANCE	**0.0**	**-15.7**	**4.4**

FY 2011 Budget Development
Preliminary Budget Assumptions

- Critical Budget Issues & Drivers
  - The State's Current Operating Budget
  - Budget Relationship between the University and the Foundation
  - Inter-Collegiate Athletics
  - Goals of Access and Affordability

FY 2011 Budget Development
Overview of Budget Development Process

- FY 2010 Budget Reductions Taken by Planning Units

Planning Unit	Total FY 2010 Budget Reductions		
	General Fund	General Fee	Total
SUPPORT PLANNING UNITS			
President	$ (458,818)	$ -	$ (458,818)
Provost	$ (1,153,245)	$ (66,787)	$ (1,220,032)
VP Research	$ (269,806)	$ -	$ (269,806)
Library	$ (688,519)	$ -	$ (688,519)
Information Technology	$ (1,366,224)	$ -	$ (1,366,224)
VP Finance & Administration	$ (3,251,698)	$ (14,448)	$ (3,266,146)
VP University Advancement	$ (301,786)	$ -	$ (301,786)
VP Student Affairs	$ -	$ (622,165)	$ (622,165)
Intercollegiate Athletics*	$ -	$ -	$ -
Campus Recreation	$ -	$ (189,628)	$ (189,628)
WOUB Center for Public Media	$ -	$ -	$ -
Kennedy Museum	$ (34,418)	$ -	$ (34,418)
Central Reserves	$ (255,000)	$ -	$ (255,000)
TOTAL SUPPORT PLANNING UNITS:	$ (7,759,515)	$ (893,028)	$ (8,652,543)
ACADEMIC PLANNING UNITS			
Arts & Sciences	$ (2,134,259)	$ -	$ (2,134,259)
Business	$ (419,893)	$ -	$ (419,893)
Communication	$ (493,372)	$ -	$ (493,372)
Education	$ (356,226)	$ -	$ (356,226)
Engineering	$ (550,949)	$ -	$ (550,949)
Fine Arts	$ (527,352)	$ (8,336)	$ (535,688)
Health & Human Services	$ (282,972)	$ -	$ (282,972)
Honors Tutorial College	$ -	$ -	$ -
International Studies	$ (74,207)	$ -	$ (74,207)
University College	$ (122,327)	$ -	$ (122,327)
Voinovich School	$ (86,700)	$ -	$ (86,700)
Summer School	$ -	$ -	$ -
Provost	$ -		$ -
TOTAL ACADEMIC PLANNING UNITS:	$ (5,048,259)	$ (8,336)	$ (5,056,595)
Total Athens Campus	$ (12,807,774)	$ (901,364)	$ (13,709,138)

FY 2011 Budget Development
Overview of Budget Development Process

- FY 2011 Budget Reallocation Process
  - Development of 5% and 10% Reduction Scenarios by All Units (Athens, COM, UORC, Auxiliary Operations)
  - Engagement of Units & Stakeholder Groups
    - Identification of Realignments that Result in Cost Savings and Strengthen Quality, Productivity and Efficiency
    - Identification of Joint Initiatives and Promising Activities that with a Short- or Mid-term Investment Could be Self-Sustaining and Generate Revenue
    - Identification of Cost Savings

OHIO UNIVERSITY

FY 2011 Budget Development
Overview of Budget Development Process

- Focus on Support to Areas which Impact:
  - Enrollment Objectives
  - Graduation & Retention Rates
  - Credit Hour Generation
  - Quality of Student Experience
  - Research & Creative Activity

OHIO UNIVERSITY

OHIO UNIVERSITY

Memorandum

Date: November 16, 2009

To: The President and Board of Trustees

From: William R. Decatur, Vice President for Finance and Administration and Treasurer

Re: **FY 2010 Budget Book and Interim Financial Reports – September 2009**

Included with this mailing is the FY 2010 Budget Book and the following interim financial statement materials:

- FY 2010 Budget Update and Analysis of Interim Financial Reports

- Statement of Net Assets – all funds
    - September 2009
    - September 2008
    - Increases/(Decreases) between the two years

- Statement of Revenues, Expenditures and Other Changes
    - Unrestricted Educational and General (E&G)
        - Expenditures shown by function and by natural account categories
    - Auxiliary Operations – summary

Updates to this information will be presented at the January 14, 2010 meeting of the Resources Committee. Please feel free to contact me with any questions you may have about each of these reports prior to the January meeting of the Board of Trustees.

FY 2010 BUDGET OUTLOOK

SUMMARY OF CURRENT FINANCIAL ISSUES - Athens Campus

The University continues to monitor each revenue and expenditure category with close attention being paid to enrollment-driven fee revenues and the State's budget. As reported at the August meeting of the Board of Trustees, the Athens Campus is developing plans to address a number of budget-related issues impacting the Unrestricted Educational and General (E&G base) base budget; one-time impacts to the Athens General Fee and General Fund; the 15 Park Place capital project budget; and the Ohio University Foundation (OUF) support for Advancement operations. Below is a revised view of the issues (both potential and realized), which present a potential total gap of $290,000. The highlighted items below reflect revised fee revenue over-attainment of $2.65 million (net of designated program adjustments); the University will determine if these revenues can be classified as base revenue once Winter Quarter data are available. Also, two expenditure items are added to the summary: potential over-expenditure of the unemployment benefits budget and unbudgeted expenses related to potential participation of the football team in a bowl game.

(in millions)	Total	E&G Base	1 Time Gen Fee	1 Time Gen Fund	Capital	OUF
Revenue:						
State Share of Instruction (SSI)	$ (2.20)	$ (2.20)				
Investment Income	$ (0.75)					$ (0.75)
Tuition Increase eff Winter Qtr						
Tuition	$ 3.14	$ 3.14				
Add'l Revenue due to Enrollments*	$ 2.65		$ 0.65	$ 2.00		
15 Park Place / Jepson residual	$ 0.75				$ 0.75	
Subtotal	**$ 3.59**	**$ 0.94**	**$ 0.65**	**$ 2.00**	**$ 0.75**	**$ (0.75)**
Expense:						
ERIP payouts	$ 0.99			$ 0.99		
Severance payouts	$ 0.10			$ 0.10		
Support to OCOG-eligible Students	$ 0.70	$ 0.70				
Support to Full-Scholarship Students	$ 0.24	$ 0.24				
15 Park Place renovation shortfall	$ 1.00				$ 1.00	
Unemployment Benefits	$ 0.31			$ 0.31		
Participation in Football Bowl Game	?		?			
Misc funding requests	$ 0.20	$ 0.20				
Subtotal	**$ 3.54**	**$ 1.14**	**$ -**	**$ 1.40**	**$ 1.00**	**$ -**
Net:	**$ 0.05**	**$ (0.20)**	**$ 0.65**	**$ 0.60**	**$ (0.25)**	**$ (0.75)**

State Budget Update: Beyond the $2.2 million reduction in the Athens State Share of Instruction compared to the original budget, no additional reductions are anticipated in FY 2010. The Office of Budget and Management reports Ohio's financial position for the month of September remained stable with total year-to-date revenues slightly below estimates by $18.4 million or 0.2%. However, there is not yet a resolution to potential revenue shortfall as a result of the recent ruling which places the plan to allow video lottery terminals (VLTs) at race tracks and, thus, the expected $851 million in tax revenues, is on hold. Governor Strickland has proposed a delay in the full implementation of tax reforms initiated under the Taft administration as a method to manage the potential shortfall. The legislature is expected to take action on the Governor's proposal as presented in House Bill 318 in the coming week.

Tuition Revenue: Fortunately, to-date we have not yet seen a negative impact of the current economy on enrollments, however, monitoring is ongoing. The Ohio University Class of 2013 has over 4,075 members, an increase of approximately 2.5% over last year, putting total University enrollment at more than 31,700. Final enrollment on the Athens campus is expected to top 21,000. Preliminary Enrollment across all of Ohio University Campuses is up by approximately 2,050 students (6.8%). The largest increase, nearly 1,400 students, occurred on the five regional campuses. Based on first quarter data, the Athens campus estimates an additional $3.14 million as a result of the increased tuition and $2.65 million in instructional and general fee revenue as a result of over-attained enrollments. The total $5.8 million in additional revenue is net of estimated resources to support designated programs. The University will continue to monitor this revenue source.

Investment Income and OUF: While the University's FY 2010 operating budget no longer relies upon investment income to support budgeted expenditures, we continue to monitor the market with interest due to its indirect impact – positive and negative – on the unrestricted budget. Those impacts include the posting of realized and unrealized losses/gains to the fund balance and the need to support the University Advancement operation with Unrestricted E&G sources to an increasing degree as investment income, historically used to support Advancement operations, declines. The FY 2010 operating budget includes an increase of $1.9 million to support Advancement efforts in recognition of this decline and the one-time need for an additional $750,000 has been identified; the ongoing need for increased resources will be considered during the budget process. The relationship between the unrestricted budget of the University and the Ohio University Foundation (OUF) has been clearly highlighted in the current environment.

RESPONSE TO THE CURRENT AND STRUCTURAL FINANCIAL ISSUES

During FY 2010, the University will continue to implement spending controls, including the freeze on hiring and non-essential travel, equipment and technology-related purchases. While we do not anticipate reductions in state support at this point in the fiscal year, the University's contingency strategy is built upon an expectation of fee revenues in excess of what was budgeted for the year to help offset any potential shortfalls in other revenue categories. The University will also continue to identify budgeted resources that may be reduced to support the issues summarized above and have the least impact on planning units.

Resolution of Structural Financial Issues

In addition to monitoring and response to FY 2010 current year issues, the University has taken action to strengthen the University's financial position through three principle actions: revised carry-forward policy; a freeze on carry-forward spending; and the establishment of multi-year savings targets to resolve the current structural financial issues impacting the University's expendable net assets. In combination, these actions present a strategy to address the current risk immediately (freeze on carry-forward spending); to reduce the current structural deficit (savings targets); and limit future risk (change in carry-forward policy).

	Issues to be Addressed	**Amount**
1	Carry-forward into FY 2010 v. Fund Balance*	$12,549,802
2	ICA Cumulative Deficit	$ 6,553,491
3	ICA Current Year Projected Loss	$ 947,000
4	Airport Auxiliary	$ 1,013,899
	Total	**$ 21,064,192**

*Excludes outstanding working capital loans of $3.1 million which are currently being repaid on a set schedule.

- **Freeze Targets:** Beginning in FY 2010, the University has established freeze targets equal to the calculated structural financial deficit, currently totaling $21.1 million. This freeze target serves as an immediate financial control to ensure expenditures do not exceed the available fund balance. This target will be assessed each year based upon the calculated structural financial deficit. Optimistically, the freeze target will decline as the economy improves and the University makes progress in building expendable net assets.

- **Savings Targets:** Beginning in FY 2010, the University will establish savings targets sufficient to *resolve* the structural financial issues over the next five fiscal years (FY 2010 – FY 2014). As with the freeze targets, the savings targets will be reviewed each year. Optimistically, the structural financial deficit, and thus the savings targets, will decline over time as the economy improves and investment income and other resources become available to support the fund balance. These targets will be transferred centrally over the next five years until the structural financial issues are completely resolved.

- **Carry-forward Policy Change:** Effective July 1, 2010, 25% of unexpended personnel-related budgets will be transferred centrally on a routine basis throughout the fiscal year. Planning units will maintain 75% of personnel-related budgets and 100% of non-personnel expenditure budgets. In addition to limiting the risk that carry-forward budgets will exceed the fund balance, this change will incentivize the development of more accurate departmental budgets.

STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES – Current Funds – Unrestricted – Educational & General (E&G)

TOTAL UNIVERSITY:

- **Summary of Revenues (line 10):** Total FY 2010 year-to-date revenue receipts are $9.4 million above FY 2009 as of September ($161.5 million in FY 2010 compared to $152.1 million in FY 2009). This increase reflects increased enrollments, the implementation of a new fee to support SIS and network upgrades and revenue from the Student WellBeing Fee. Approximately $3.9 million of fee revenue posted in Fall 2009 will support designated programs.

  State Subsidy (line 5): This line reflects the State Share of Instruction (SSI), which beginning in FY 2010 reflects the consolidation of SSI, Success Challenge and Access Challenge into a single appropriation item. Additionally, the Jobs Challenge subsidy, which previously supported non-credit job training at our Regional Campuses, is eliminated in FY 2010. As reported in August, the FY 2010 actual revenues are anticipated to be $2.2 million less on the Athens Campus than originally budgeted.

  Federal Stimulus Funding: In FY 2010, 19% or $397.8 million of the $2.08 billion statewide total SSI appropriation is supported by federal stimulus funding provided through the American Recovery and Reinvestment Act (ARRA). To accommodate ARRA requirements, some FY 2010 payments will be deferred until July 2010, or the first month of FY 2011. The total anticipated deferment for Ohio University totals $6.4 million; this deferment will have a temporary impact on the University's fund balance.

- **Enrollments:** Preliminary Fall Quarter enrollment and retention news continues to be positive. As previously communicated, total Athens campus Fall 2009 enrollments set a University record and exceeded the estimates used in the formulation of the FY 2010 budget. Final Fall 2009 enrollment data will be available in January.

  A portion of this record-level enrollment results from retention of students and the delayed timing of graduations compared to University estimates. As noted in the section titled, *Budget Outlook*, the University has not yet ascertained if the Fall enrollment level, and the related revenue, are to be considered base-level enrollments. Further analysis of enrollments will be made once Winter Quarter enrollment and retention data become available.

Fall Quarter Enrollments (Headcount)		Fall 2009 (Preliminary)	Fall 2008 (Final)	Change (Fall 2009-Fall 2008)
Undergraduate	Resident	15,159	15,000	159
	Non-Resident	1,957	1,738	219
	Subtotal	17,116	16,738	378
Graduate*	Resident	1,366	1,293	73
	Non-Resident	1,444	1,469	(25)
	Subtotal	2,810	2,762	48
College of Medicine	Resident	435	428	7
	Non-Resident	27	18	9
	Subtotal	462	446	16
	TOTAL	20,388	19,429	442

*Includes Athens on-campus only.

Source: Institutional Research

ATHENS CAMPUS

Revenues:

- **Instructional Fee (line 1):** This report reflects receipts for Summer Quarter and preliminary receipts for Fall Quarter (final adjustments for Fall Quarter will be posted during Winter Quarter). These figures reflect both instructional fee revenues that post to the benefit of the general program operations as well as those not yet transferred to the designated funds of colleges for the provision of certain academic programs. These programs include education abroad and the OPIE program for intensive English language instruction, which most notably impacts undergraduate enrollments.

  The Board of Trustees authorized a mid-year increase in the instructional fee effective Winter Quarter. This increase is anticipated to raise approximately $3.1 million in revenue. This additional revenue will be used to offset $2.2 million shortfall in SSI revenue (see below for additional information) and provide supplemental support for OCOG-eligible students.

  Additionally, as a result of higher than budgeted enrollments, over-attainment of undergraduate instructional and non-resident fee revenues (net of adjustments) is projected to reach approximately $2 million for the year. This over-attainment may be used to offset ERIP-related expenses, anticipated income shortfalls for Advancement operations and costs to renovate 15 Park Place.

- **General Fee (line 2):** While the report of General Fee revenue reflects some designated activity yet to be transferred, the amount is not significant; a limited number of designated programs receive general fee revenue. As a result, general fee revenues are projected to exceed the original budget by $650,000 to $1 million.

- **Other Student Fees (line 4):** This revenue category includes the new SIS & Network Infrastructure Upgrades fee, the WellBeing fee in support of student health services as well as a number of miscellaneous fees which include the application fee, fines and penalties and fees for transcripts. Revenues in this category are expected to be within budget. Any over-attainment of revenues from the SIS & Network Infrastructure Upgrades and WellBeing fee may only be used to support those initiatives.

State Subsidy (line 5)

- **State Share of Instruction (SSI):** The SSI allocation to Athens campus is anticipated to be $2.2 million less than originally budgeted. As previously reported, the State's operating budget was not finalized in time for presentation of the University budget to the Board of Trustees. This negative variance will be offset by a mid-year instructional fee increase.

  During the first quarter of FY 2010, partial distributions of the SSI were made however, the payment amounts will be increased during the remainder of the year to meet the anticipated distributions. A total of $5.3 million in FY 2010 SSI payments to support the Athens campus and College of Osteopathic medicine will be deferred until July 2010.

Expenditures:

Expenditures by Natural Account

Benefits (line 24):

- **Early Retirement Incentive Plan (ERIP):** This report reflects the payout of approximately $1.2 million in benefits to employees participating in the most recent ERIP. Total FY 2010 expenses are estimated at $2.6 million.

- **Health Benefits:** Through September 2009, total health benefit related expenditures, including medical, drug, and dental claims, are within 1-2% of projected costs for this time of year. Approximately $2 million of the $4.7 million medical claims paid this fiscal year to-date are from claims incurred in FY 2009, which include large claims. We will continue to closely monitor this budget. Any over-expenditure in this category will be supported by reserves.

- **Unemployment:** First quarter billings for unemployment totaled $102,000 compared to $32,000 for the same period last year. If the current trend continues, the $150,000 budget could be exceeded by $312,000. The University will continue to monitor this expenditure item closely.

- **Utilities (line 31):** Total year-to-expenditures utilities expenditures through September are $1.3 million compared with $2.4 million last year due to timing. The University is currently reviewing utilities expenditures and updating its forecast for the remainder of the year. An update will be provided at the January 2010 meeting of the Board of Trustees.

- **Internal Transfers (line 33):** The significant variance in first quarter spending compared to the prior year simply reflects the timing of transactions, including overhead payments and support payments to auxiliary operations.

Other Items of Note

- **College of Business:** The College of Business continues to make progress on the resolution of a prior year deficit resulting from the India MBA Program due to changes in interpretation of the Indian tax law. The deficit will be reduced as back taxes are paid and remaining funds are released from India. The structure and delivery of this program is being changed to eliminate future tax exposure. The College is also reducing overall expenditures.

- **WOUB:** As a result of reductions in federal and state support, WOUB is facing significant funding issues that will need to be addressed in FY 2010 and beyond. Most recent projections present a FY 2010 cumulative deficit of approximately $720,000. The unit expects to receive a one-time receipt of approximately $600,000 that, when received, will offset that projected deficit. WOUB and academic affairs are working to develop a multi-year plan to ensure successful operations and eliminate the risk of future deficits.

- **Arts and Sciences**: The primary increase to actual expenditures over the prior year for Arts and Sciences reflects scholarship activity associated with the OPIE program. The scholarship expenditure increased by approximately $632,000 in tandem with the increase enrollments in the program.

- **VP University Advancement**: The primary increase of actuals over the prior year for VP University Advancement is for payroll and benefit activity that was previously charged to Ohio University Foundation Account(s).

UNIVERSITY OUTREACH & REGIONAL CAMPUSES (OURC)

Barring reductions in state funding in FY 2010, UORC expects to receive State Share of Instruction totaling approximately $27.8 million in FY 2010 based on activities associated with its campuses, centers and credit-based programs offered through University Outreach and the Division of Lifelong and Distance Learning —a 1% increase above the amount received ($27.5 million) in FY 2009.

Revenues:

Instructional Fee (line 1): Fall fee revenues for regional campuses were above estimate and are projected to be nearly 17% greater than budgeted for the period. UORC is projecting a 9% increase in total gross income for FY 2009, representing a $6 million favorable variance compared to the prior year. All of the regional campuses have experienced positive variance for revenue.

Outreach: Revenues for University Outreach and the Division of Lifelong and Distance Learning are trending lower than estimated due to reorganization and a change in programming focus for several reasons:

1) Revenues for programs offered through vendor assistance are shared with the vendor who markets and distributes the programs and with the academic unit that provides instruction and academic oversight. The projected revenue decline of approximately $1.4 million will be offset by planned reductions to expenditures. In exchange for dramatically expanding enrollments, University Outreach and the Division of Lifelong and Distance Learning retain a smaller percentage of revenue. Overall revenues should increase as programs expand and as more programs are added.
2) Corporate training contracts have declined.
3) Several departments such as community and professional programs, international programs, and Without Boundaries have been either discontinued or transferred to other areas of the university. Outreach and the Division of Lifelong and Distance Learning still projects positive net revenues of approximately $600,000 in FY 2010.

In total, FY 2010 gross revenues for the combined UORC are projected to increase by 6.2% above FY 2009 levels.

Enrollments: For the second year, Regional Campuses are experiencing significant increases in enrollment. Headcount enrollment on regional campuses for Fall 2009 is trending 14% above Fall 2008 levels and has exceeded 9,700 students. Regional campus enrollments for Summer 2009 exceeded Summer 2008 levels by nearly 6%.

Fall Quarter Enrollments (Headcount)	Fall 2009 (Preliminary)	Fall 2008 (Final)	Change (Fall 2009-Fall 2008)
Chillicothe	2,368	1,978	390
Eastern	910	774	136
Lancaster	2,296	1,868	428
Southern	2,138	1,831	307
Zanesville	1,993	1,893	100
TOTAL REGIONAL	9,705	8,344	1,361

Source: Institutional Research

Programs offered through University Outreach and the Division of Lifelong and Distance Learning have also experienced significant growth, on-line vendor-assisted programs in nursing completion and health administration. In addition, graduate cohorts marketed through University Outreach and offered by Athens academic units on regional campuses and in the Columbus area have increased by over 10%. Enrollments in the on-line community college partnership program are at approximately 200 students, an increase of about 15%.

Expenditures:

Summary of Expenditures: Expenditures at regional campuses in FY 2010 are trending over 6% or $3 million higher than FY 2009 expenditure levels. Two years of significant enrollment growth are increasing costs for faculty, course-related supplies, marketing and communication, and scholarships. In FY 2009, despite double-digit enrollment growth, expenses for regional campuses grew by just 3.5%. Expenditures for University Outreach and the Division of Lifelong and Distance Learning are trending lower and in FY 2010 are projected to decrease by approximately 19% in comparison to FY 2009 levels, reflecting the program changes noted above. In total, expenditures for the combined UORC are projected to increase by approximately 3%.

COLLEGE OF OSTEOPATHIC MEDICINE

Revenues:

The College of Osteopathic Medicine (COM) budget includes six state subsidies which total $4.5 million in FY 2010 to support clinical teaching, community health programs and specializations in high-need areas of medical practice (family, geriatric and primary care). State support for COM is $578,000 less than in FY 2009, which includes the elimination of state funding for the mobile health van which has historically been supplemented with college funds. These appropriation items have been reduced by $1.1 million since FY 2008.

- **Instructional Fee (line 1):** Instructional fee revenues are slightly above the estimates ($25,000 variance).

- **State Subsidy (line 5):** With the exception of the State Share of Instruction, all state subsidies received by COM are restricted and, therefore, not reflected in the interim financial statement. However, given the importance of these restricted sources, a summary of recent reductions is provided.

  Various restricted state subsidies for COM have been reduced by $578,000 in FY 2010, representing 1.9% of the college's total operating budget. The most significant impact has been on the clinical teaching component, which is considered core funding for the college as are the family medicine, primary care and geriatric medicine components (also reduced). The reductions to the AHEC subsidy and elimination of the mobile health van support will also impact the college's ability to provide community health programs. Although state support for mobile health services is eliminated, the college will continue to provide $150,000 to support this vital service to Southeast Ohio.

Expenditures:

Summary of Expenditures: COM expenses have been trending as planned for FY 2010. COM will be covering the budgeted state reductions through planned expense reductions and savings from vacant positions. COM is in process of strategically planning for long term budget reductions to cover current and anticipated future state reductions.

STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES – Current Funds – Unrestricted – Auxiliaries

General Note Regarding Supported Auxiliaries:

- **Auxiliary Support Revenues:** With the exception of Parking Services, Residential Housing, Dining Services and Telephone Operations, the auxiliaries receive supplemental revenue from either the General Fund or General Fee to support operating costs. Supplemental support is deposited into the relevant auxiliary fund on a monthly basis, often yielding a negative fund balance during the year until the entire support amount is provided at the end of the fiscal year. This Further impacting this presentation, support payments for the first quarter were not posted to these accounts as of this reporting as a result of a minor programming error that has since been resolved. These issues of timing, which currently impact the presentation of each auxiliary operation, are taken into consideration when monitoring and reporting the current financial status of the auxiliary operations.

- **Debt Service Payments:** Year-to-date actual expenditures for the first quarter include the full annual principal payment, and partial interest payment.

- **Inter-Collegiate Athletics (ICA):** As of this report, ICA is on track to operate within the authorized budget. However, the University is currently assessing the potential budgetary impact of the football team's participation in a bowl game and will report its findings once available.

  This report does not reflect their first quarter support payment of $2,027,869.

- **Residential Housing:** FY 2010 will be the first full year during which Residential Housing will operate independently from Dining Services. During the first quarter, the University continues work to ensure the successful transition to a separate organization, including the review of fund balances, overhead assessments and the capital plan.

  As a result of the historically high enrollments, Residential Housing anticipates an over-attainment of revenue.

- **Dining Services:** FY 2010 will be the first full year during which Dining Services will operate independently from Residential Housing. During the first quarter, the University continues work to ensure the successful transition to a separate organization, including the review of fund balances, overhead assessments and the capital plan.

  Like Residential Housing, Dining Services anticipates an over-attainment of revenue due to high enrollments.

- **Airport:** The Airport Auxiliary currently projects expenditures to exceed the original budget by approximately $33,000 primarily as a result of unbudgeted maintenance and repairs. These expenditures will be offset by reductions in other expenditure categories.

  This report does not reflect their first quarter support payment of $260,000.

- **Parking Services:** Parking Services is currently projecting a current-year revenue shortfall of $90,000. The unit anticipates use of its prior reserves to offset this shortfall. The University will continue to monitor auxiliary activity and ensure that deficit spending does not occur.

- **Student Union (Baker Center)**: The current variance between in original budget for net transfers and the year-to-date actual expenditures includes their full principal payment, partial interest payment, but excludes their first quarter support payment from the General Fee funds. The full principal payment is $1,015,000 and the partial interest payment is $853,177.

  This report does not reflect their first quarter support payment of $1,021,189.

STATEMENT of NET ASSETS

ASSETS

Cash and cash equivalents (line 1): The decrease in cash and cash equivalents from September 30, 2008 to September 30, 2009 of $13.1 million is due to timing differences in expenses and does not reflect any material variance or issue.

Restricted cash and cash equivalents (line 2): The increase in restricted cash and cash equivalents from September 30, 2008 to September 30, 2009 of $25.8 million is due mainly to the net increase in cash from the 2009 Bond Series and decrease due to subsequent bond payments.

Accounts receivable, net (line 4): Accounts receivable, net increase relates directly to increased student enrollment and retention. Preliminary enrollment numbers for all campuses is 6.8% higher than the prior year.

Investments (line 3): Investments fell by 17.3% during the twelve months ending September 30, 2009. The decrease is largely attributable to an investment return of -19.6% during that time period. This was offset slightly by net additions to the investment pool of approximately $2.6 million.

Capital assets (line 9): The increase in capital assets is due to the acquisition of the HDL Center for administrative offices previously leased by the University, renovations of buildings including Lincoln, Porter, and Bryan Halls on the Athens campus, as well as acquisitions of equipment.

LIABILITIES & NET ASSETS

Bonds and notes payable (line 15): Bonds and notes payable have increased 8.2% or $14.5 million due to the net increase in proceeds from the Series 2009 Bond Series and subsequent debt payments on other bond issues.

Ohio University
Statement of Net Assets - All Funds
Unclassified and Unaudited
As of September 30, 2009

		Current Funds			Noncurrent Funds				Total						
		Unrestricted		Restricted	Plant	Endowment (including quasi)	Loan	Agency	September 30, 2009	September 30, 2008	June 30, 2009	$ Difference 9/30/08 to 9/30/09	% Difference 9/30/08 to 9/30/09	$ Difference 6/30/09 to 9/30/09	% Difference 6/30/09 to 9/30/09
		Educational & General (E&G)	Auxiliaries												
ASSETS															
1	Cash and cash equivalents	9,116,873	4,885,177	(7,280,562)	34,838,940	2,542,828	2,829,283	1,878,085	48,810,624	61,993,456	41,322,593	(13,182,832)	-21.26%	7,488,031	18.12%
2	Restricted cash and cash equivalents	0	0	2,466,695	25,466,586	0	0	0	27,933,281	2,126,376	29,749,815	25,806,905	1213.66%	(1,816,534)	-6.11%
3	Investments	65,056,521	0	0	0	41,149,824	0	0	106,206,345	128,432,210	113,622,001	(22,225,865)	-17.31%	(7,415,656)	-6.53%
4	Accounts receivable, net	56,089,320	4,866,440	17,337,841	0	0	228,243	0	78,521,844	68,556,951	48,132,199	9,964,893	14.54%	30,389,645	63.14%
5	Accrued interest and dividends receivable	370,341	0	0	0	0	0	0	370,341	381,505	372,275	(11,164)	-2.93%	(1,934)	-0.52%
6	Notes receivable, net	431,603	0	0	0	0	13,925,754	0	14,357,357	14,595,947	14,493,880	(238,590)	-1.63%	(136,523)	-0.94%
7	Prepaid expenses and deferred charges	1,487,514	39,030	0	0	0	0	0	1,526,544	897,097	15,429,270	629,447	70.16%	(13,902,726)	-90.11%
8	Inventories	849,858	1,600,369	0	0	0	0	0	2,450,227	2,358,676	2,062,398	91,551	3.88%	387,829	18.80%
9	Capital assets, net	0	0	0	606,309,508	0	0	0	606,309,508	558,866,999	604,052,287	47,442,509	8.49%	2,257,221	0.37%
10	**Total assets**	133,402,030	11,391,016	12,523,974	666,615,034	43,692,652	16,983,280	1,878,085	886,486,071	838,209,217	869,236,718	48,276,854	5.76%	17,249,353	1.98%
LIABILITIES AND NET ASSETS															
	Liabilities:														
11	Accounts payable and accrued liabilities	20,299,672	2,450,147	75,912	109,254	0	0	1,878,085	24,813,070	28,942,724	58,849,830	(4,129,654)	-14.27%	(34,036,760)	-57.84%
12	Deferred revenue	0	19,154,143	5,058,265	0	0	0		24,212,408	26,070,531	32,497,652	(1,858,123)	-7.13%	(8,285,244)	-25.49%
13	Refunds and other liabilities	2,991,071	58,042	0	5,799	0	0	0	3,054,912	3,360,244	4,249,470	(305,332)	-9.09%	(1,194,558)	-28.11%
14	Capital lease obligations	0	0	0	1,498,265	0	0	0	1,498,265	438,027	1,498,265	1,060,238	242.05%	0	0.00%
15	Bonds and notes payable	0	0	0	191,220,000	0	0	0	191,220,000	176,765,000	191,220,000	14,455,000	8.18%	0	0.00%
16	Bond premium, net	0	0	0	6,094,501	0	0	0	6,094,501	5,270,625	6,094,501	823,876	15.63%	0	0.00%
17	Refundable advances for federal student loans	0	0	0	0	0	8,526,390	0	8,526,390	8,456,624	8,526,390	69,766	0.82%	0	0.00%
18	Total liabilities	23,290,743	21,662,332	5,134,177	198,927,819	0	8,526,390	1,878,085	259,419,546	249,303,775	302,936,108	10,115,771	4.06%	(43,516,562)	-14.36%
	Net assets:														
19	Current year net change	56,428,965	(15,556,182)	(291,570)	17,683,848	2,500,175	679	0	60,765,915	43,296,947	20,692,118	17,468,968	40.35%	40,073,797	193.67%
20	Prior year net assets	53,682,322	5,284,866	7,681,367	450,003,367	41,192,477	8,456,211	0	566,300,610	545,608,495	545,608,492	20,692,115	3.79%	20,692,118	3.79%
21	Total net assets	110,111,287	(10,271,316)	7,389,797	467,687,215	43,692,652	8,456,890	0	627,066,525	588,905,442	566,300,610	38,161,083	6.48%	60,765,915	10.73%
22	**Total liabilities and net assets**	133,402,030	11,391,016	12,523,974	666,615,034	43,692,652	16,983,280	1,878,085	886,486,071	838,209,217	869,236,718	48,276,854	5.76%	17,249,353	1.98%

Ohio University
Statement of Revenues, Expenditures and Other Changes
Current Funds - Unrestricted - Educational & General (E&G)
Fiscal Year To Date through September 30, 2009 and September 30, 2008

		Original Budget FY10 $	Actual to Date FY10 $	Original Budget FY09 $	Actual to Date FY09 $	Actuals as a Percent of Budget FY10 YTD %	Actuals as a Percent of Budget FY09 YTD %	Increase/(Decrease) of actuals over prior year $	Increase/(Decrease) of actuals over prior year %	Actuals as a Percent of Total Actuals FY10 %	Actuals as a Percent of Total Actuals FY09 %
	REVENUES:										
1	Instructional fee	211,300,988	89,477,525	199,375,130	83,106,068	42.3%	41.7%	6,371,457	7.7%	55.4%	54.6%
2	General fee	32,195,112	13,528,633	31,136,904	13,273,949	42.0%	42.6%	254,684	1.9%	8.4%	8.7%
3	Nonresident surcharge	24,877,728	13,194,325	26,675,542	11,500,959	53.0%	43.1%	1,693,366	14.7%	8.2%	7.6%
4	Other student fees	8,868,353	3,350,675	5,660,471	2,155,994	37.8%	38.1%	1,194,681	55.4%	2.1%	1.4%
5	State subsidy	151,972,787	35,677,545	148,358,641	36,897,605	23.5%	24.9%	(1,220,060)	-3.3%	22.1%	24.3%
6	Sales and services	6,974,269	1,897,068	5,639,990	1,590,777	27.2%	28.2%	306,291	19.3%	1.2%	1.0%
7	Indirect cost recovery	6,498,000	1,843,522	7,220,000	1,749,556	28.4%	24.2%	93,966	5.4%	1.1%	1.2%
8	Investment income	-	16,711	5,100,665	(59,075)	#DIV/0!	-1.2%	75,786	-128.3%	0.0%	0.0%
9	Other revenues	11,190,539	2,555,030	9,996,895	1,880,911	22.8%	18.8%	674,119	35.8%	1.5%	1.2%
10	Total revenues	453,877,776	161,541,034	439,164,238	152,096,744	35.6%	34.6%	9,444,290	6.2%	100.0%	100.0%
	EXPENDITURES - functional view										
11	Instruction and departmental research	178,222,992	26,380,124	174,885,564	25,750,000	14.8%	14.7%	630,124	2.4%	26.9%	28.1%
12	Separately budgeted research	6,143,726	3,679,321	8,334,219	3,636,643	59.9%	43.6%	42,678	1.2%	3.8%	4.0%
13	Public service	9,293,341	3,451,393	7,926,123	3,304,953	37.1%	41.7%	146,440	4.4%	3.5%	3.6%
14	Academic support	65,912,762	11,191,965	66,202,244	12,114,324	17.0%	18.3%	(922,359)	-7.6%	11.4%	13.2%
15	Student services and aid	72,652,066	22,536,998	65,094,759	21,557,332	31.0%	33.1%	979,666	4.5%	23.0%	23.5%
16	Institutional support	41,900,955	18,966,921	39,594,691	14,066,413	45.3%	35.5%	4,900,508	34.8%	19.3%	15.3%
17	Operation and maintenance of plant	48,646,875	11,893,795	40,035,244	11,212,894	24.4%	28.0%	680,901	6.1%	12.1%	12.2%
18	Central and academic reserves	3,436,600	-	5,355,197	-	0.0%	0.0%	-		0.0%	0.0%
19	Total expenditures	426,209,317	98,100,517	407,428,041	91,642,559	23.0%	22.5%	6,457,958	7.0%	100.0%	99.9%
20	**TRANSFERS - Mandatory and Non-mandatory**	27,668,459	7,011,554	31,736,197	7,770,650	25.3%	24.5%	(759,096)	-9.8%		
21	**Total expenditures and transfers**	453,877,776	105,112,071	439,164,238	99,413,209	23.2%	22.6%	5,698,862	5.7%		
22	**CURRENT YEAR NET CHANGE TO NET ASSETS**	-	56,428,963	-	52,683,535			3,745,428			

Institutional Support: The FY 2010 budget reflects increased investments in University Advancement to offset losses in Ohio University Foundation income previously used to support operations.
Operation and Maintenance of Plant: The FY 2010 budget includes increases in the COM to support maintenance and $10.3 million for Athens campus facilities operations previously budgeted within auxiliary operations.

		Original Budget FY10 $	Actual to Date FY10 $	Original Budget FY09 $	Actual to Date FY09 $	Actuals as a Percent of Budget FY10 YTD %	Actuals as a Percent of Budget FY09 YTD %	Increase/(Decrease) of actuals over prior year $	Increase/(Decrease) of actuals over prior year %	Actuals as a Percent of Total Actuals FY10 %	Actuals as a Percent of Total Actuals FY09 %
	EXPENDITURES - natural account view										
23	Salaries, wages and other compensation	232,355,694	41,976,576	224,530,806	40,313,789	18.1%	18.0%	1,662,787	4.1%	42.8%	44.0%
24	Benefits	71,596,447	17,889,722	69,990,510	16,094,144	25.0%	23.0%	1,795,578	11.2%	18.2%	17.6%
25	Scholarships	55,474,180	23,887,899	49,950,850	21,795,326	43.1%	43.6%	2,092,573	9.6%	24.4%	23.8%
26	Miscellaneous	33,125,438	2,287,075	31,219,646	1,809,484	6.9%	5.8%	477,591	26.4%	2.4%	2.0%
27	Information and communication	12,159,391	3,251,089	10,941,294	3,326,377	26.7%	30.4%	(75,288)	-2.3%	3.3%	3.6%
28	Maintenance operations	11,847,664	3,839,699	10,911,060	4,137,160	32.4%	37.9%	(297,461)	-7.2%	3.9%	4.5%
29	Supplies	10,094,830	1,900,829	9,286,055	3,494,156	18.8%	37.6%	(1,593,327)	-45.6%	1.9%	3.8%
30	Travel and entertainment	7,990,648	1,905,545	7,416,813	2,523,546	23.8%	34.0%	(618,001)	-24.5%	1.9%	2.8%
31	Utilities	12,911,881	1,257,031	12,046,794	2,362,761	9.7%	19.6%	(1,105,730)	-46.8%	1.3%	2.6%
32	Capitalized costs	2,336,952	888,168	2,826,844	1,955,842	38.0%	69.2%	(1,067,674)	-54.6%	0.9%	2.1%
33	Internal transfers	(27,120,401)	(983,116)	(27,047,828)	(6,170,026)	3.6%	22.8%	5,186,910	-84.1%	-1.0%	-6.7%
34	Central and academic reserves	3,436,600	-	5,355,197	-	0.0%	0.0%	-		0.0%	0.0%
35	Total expenditures	426,209,324	98,100,517	407,428,041	91,642,559	23.0%	22.5%	6,457,958	7.0%	100.0%	100.1%
36	**TRANSFERS - Mandatory and Non-mandatory**	27,668,459	7,011,554	31,736,197	7,770,650	25.3%	24.5%	(759,096)	-9.8%		
37	**Total expenditures and transfers**	453,877,783	105,112,071	439,164,238	99,413,209	23.2%	22.6%	5,698,862			

Ohio University
Statement of Revenues, Expenditures and Other Changes
Current Funds - Unrestricted - Educational & General (E&G)
Fiscal Year To Date through September 30, 2009 and September 30, 2008

		Original Budget FY10	Actual to Date FY10	Original Budget FY09	Actual to Date FY09	Actuals as a Percent of Budget FY10 YTD	Actuals as a Percent of Budget FY09 YTD	Increase/(Decrease) of actuals over prior year		Actuals as a Percent of Total Actuals FY10	Actuals as a Percent of Total Actuals FY09	Budget as a Percent of Total Budget FY10	Budget as a Percent of Total Budget FY09
	REVENUES:	$	$	$	$	%	%	$	%	%	%	%	%
1	Instructional fee	211,300,988	89,477,525	199,375,130	83,106,068	42.3%	41.7%	6,371,457	7.7%	55.4%	54.6%	46.6%	45.4%
2	General fee	32,195,112	13,528,633	31,136,904	13,273,949	42.0%	42.6%	254,684	1.9%	8.4%	8.7%	7.1%	7.1%
3	Nonresident surcharge	24,877,728	13,194,325	26,675,542	11,500,959	53.0%	43.1%	1,693,366	14.7%	8.2%	7.6%	5.5%	6.1%
4	Other student fees	8,868,353	3,350,675	5,660,471	2,155,994	37.8%	38.1%	1,194,681	55.4%	2.1%	1.4%	2.0%	1.3%
5	State subsidy	151,972,787	35,677,545	148,358,641	36,897,605	23.5%	24.9%	(1,220,060)	-3.3%	22.1%	24.3%	33.5%	33.8%
6	Sales and services	6,974,269	1,897,068	5,639,990	1,590,777	27.2%	28.2%	306,291	19.3%	1.2%	1.0%	1.5%	1.3%
7	Indirect cost recovery	6,498,000	1,843,522	7,220,000	1,749,556	28.4%	24.2%	93,966	5.4%	1.1%	1.2%	1.4%	1.6%
8	Investment income	4,327	16,711	5,100,665	(59,075)	386.2%	-1.2%	75,786	-128.3%	0.0%	0.0%	0.0%	1.2%
9	Other revenues	11,186,212	2,555,030	9,996,895	1,880,911	22.8%	18.8%	674,119	35.8%	1.5%	1.2%	2.4%	2.2%
10	Total revenues	453,877,776	161,541,034	439,164,238	152,096,744	35.6%	34.6%	9,444,290	6.2%	100.0%	100.0%	100.0%	100.0%
	EXPENDITURES - planning unit view												
11	Arts and Sciences	64,597,340	8,822,858	62,376,584	7,908,924	13.7%	12.7%	913,934	11.6%	8.4%	8.0%	14.2%	14.2%
12	Business	14,524,858	1,739,051	15,062,282	1,994,979	12.0%	13.2%	(255,928)	-12.8%	1.7%	2.0%	3.2%	3.4%
13	Communications	14,986,818	1,675,752	14,874,361	1,782,769	11.2%	12.0%	(107,017)	-6.0%	1.6%	1.8%	3.3%	3.4%
14	Education	10,497,431	1,888,442	10,542,647	1,533,864	18.0%	14.5%	354,578	23.1%	1.8%	1.5%	2.3%	2.4%
15	Engineering	16,682,103	3,409,906	17,148,145	3,372,271	20.4%	19.7%	37,635	1.1%	3.2%	3.4%	3.7%	3.9%
16	Fine Arts	16,709,424	2,147,500	16,543,816	2,248,016	12.9%	13.6%	(100,516)	-4.5%	2.0%	2.3%	3.7%	3.8%
17	Health and Human Services	16,167,807	2,795,503	15,147,887	2,288,327	17.3%	15.1%	507,176	22.2%	2.7%	2.3%	3.6%	3.4%
18	Honors Tutorial	864,922	174,160	776,558	140,310	20.1%	18.1%	33,850	24.1%	0.2%	0.1%	0.2%	0.2%
19	International Studies	5,534,869	1,769,185	4,751,902	1,623,290	32.0%	34.2%	145,895	9.0%	1.7%	1.6%	1.2%	1.1%
20	Information Technology	17,625,970	4,481,732	17,513,670	6,408,016	25.4%	36.6%	(1,926,284)	-30.1%	4.3%	6.4%	3.9%	4.0%
21	Library	11,473,147	2,049,322	12,152,119	2,135,133	17.9%	17.6%	(85,811)	-4.0%	1.9%	2.1%	2.5%	2.8%
22	President	5,279,886	1,124,081	5,384,622	1,137,318	21.3%	21.1%	(13,237)	-1.2%	1.1%	1.1%	1.2%	1.2%
23	Provost	13,831,129	2,992,814	14,085,318	3,462,516	21.6%	24.6%	(469,702)	-13.6%	2.8%	3.5%	3.0%	3.2%
24	Scholarships	20,854,167	7,117,507	18,859,318	6,777,791	34.1%	35.9%	339,716	5.0%	6.8%	6.8%	4.6%	4.3%
25	Summer Sessions	447,006	288,555	451,626	226,386	64.6%	50.1%	62,169	27.5%	0.3%	0.2%	0.1%	0.1%
26	Telecommunications Center	1,920,138	1,844,959	2,434,725	1,355,194	96.1%	55.7%	489,765	36.1%	1.8%	1.4%	0.4%	0.6%
27	University College	3,822,699	893,720	3,324,967	838,912	23.4%	25.2%	54,808	6.5%	0.9%	0.8%	0.8%	0.8%
28	VP Finance and Administration	43,382,749	12,009,754	34,026,922	5,882,485	27.7%	17.3%	6,127,269	104.2%	11.4%	5.9%	9.6%	7.5%
29	VP Research	31,657,472	9,656,086	29,611,395	9,417,820	30.5%	31.8%	238,266	2.5%	9.2%	9.5%	7.0%	6.7%
30	VP Student Affairs	8,311,834	2,130,373	7,424,976	2,112,632	25.6%	28.5%	17,741	0.8%	2.0%	2.1%	1.8%	1.7%
31	VP University Advancement	5,203,318	973,292	3,545,602	773,603	18.7%	21.8%	199,689	25.8%	0.9%	0.8%	1.1%	0.8%
32	Voinovich	2,645,837	634,069	1,787,395	625,978	24.0%	35.0%	8,091	1.3%	0.6%	0.6%	0.6%	0.4%
33	College of Medicine	26,444,400	4,775,481	25,090,625	5,773,127	18.1%	23.0%	(997,646)	-17.3%	4.5%	5.8%	5.8%	5.7%
34	University Outreach and Regional Campuses	72,443,674	12,765,345	67,869,000	14,096,016	17.6%	20.8%	(1,330,671)	-9.4%	12.1%	14.2%	16.0%	15.5%
35	Central Pools and Other	27,968,785	16,952,625	38,377,776	15,497,531	60.6%	40.4%	1,455,094	9.4%	16.0%	15.6%	6.2%	8.8%
36	Total expenditures and transfers	453,877,783	105,112,072	439,164,238	99,413,208	23.2%	22.6%	5,698,864	5.7%	99.9%	99.8%	100.0%	99.9%
37	CURRENT YEAR NET CHANGE TO NET ASSETS	(7)	56,428,962	-	52,683,536			3,745,426					

VP Finance & Administration (VPFA): Beginning in FY 2010, the VPFA budget reflects transfers of $10.3 million for facilities operations previously budgeted and expensed by auxiliary operations. When these transfers are factored out, the VPFA operating
VP University Advancement: The FY 2010 budget reflects additional general fund invesment to offset the loss of investment income previously used to support operations.
Voinovich School: The FY 2010 budget reflects an additional investment of general fund support to offset the loss of restricted state revenues.

Ohio University
Current Funds - Unrestricted - Auxiliaries
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Fiscal Year To Date through September 30, 2009 and September 30, 2008

	September 30, 2009			Auxiliary Unit	September 30, 2008		
	Original Budget	Year to Date Actuals	Percent of Budget Recognized		Original Budget	Year to Date Actuals	Percent of Budget Recognized
1				**AIRPORT**			
2	450,410	107,713	23.91%	Revenues	543,531	150,097	27.62%
3	(1,399,184)	(332,718)	23.78%	Expenditures	(1,424,075)	(357,316)	25.09%
4	948,774	(61,006)	-6.43%	Net Transfers (In + /Out -)	880,544	177,510	20.16%
5	0	(286,011)		Current year net change to net assets	0	(29,709)	
6		(1,013,899)		Plus beginning of year net assets		(834,739)	
7		(1,299,910)		Net assets as of this report		(864,448)	
8				**CAMPUS RECREATION**			
9	1,199,087	309,043	25.77%	Revenues	1,101,016	277,518	25.21%
10	(4,347,243)	(648,463)	14.92%	Expenditures	(4,224,132)	(935,653)	22.15%
11	3,148,156	(1,467,309)	-46.61%	Net Transfers (In + /Out -)	3,123,116	(246,609)	-7.90%
12	0	(1,806,729)		Current year net change to net assets	0	(904,744)	
13		960,775		Plus beginning of year net assets		1,240,097	
14		(845,954)		Net assets as of this report		335,353	
15				**CONVOCATION CENTER**			
16	0	0		Revenues	0	0	
17	(12,000)	(11,803)	98.36%	Expenditures	(14,000)	(12,524)	89.46%
18	12,000	0	0.00%	Net Transfers (In + /Out -)	14,000	(435,625)	-3111.61%
19	0	(11,803)		Current year net change to net assets	0	(448,149)	
20		0		Plus beginning of year net assets		0	
21		(11,803)		Net assets as of this report		(448,149)	
22				**DINING SERVICES**			
23	36,313,751	5,120,369	14.10%	Revenues	72,420,400	9,389,867	12.97%
24	(35,813,751)	(4,206,397)	11.75%	Expenditures	(67,942,088)	(7,185,638)	10.58%
25	(500,000)	(6,026,467)	1205.29%	Net Transfers (In + /Out -)	(4,478,312)	(13,738,308)	306.77%
26	0	(5,112,495)		Current year net change to net assets	0	(11,534,079)	
27		9,014,415		Plus beginning of year net assets		7,206,991	
28		3,901,920		Net assets as of this report		(4,327,088)	
29				**INTERCOLLEGIATE ATHLETICS**			
30	3,683,699	124,227	3.37%	Revenues	4,191,000	951,209	22.70%
31	(17,752,335)	(5,233,450)	29.48%	Expenditures	(16,963,120)	(5,412,297)	31.91%
32	14,068,636	2,372,380	16.86%	Net Transfers (In + /Out -)	12,772,120	1,682,457	13.17%
33	0	(2,736,843)		Current year net change to net assets	0	(2,778,631)	
34		(6,553,491)		Plus beginning of year net assets		(4,731,465)	
35		(9,290,334)		Net assets as of this report		(7,510,096)	
36				**PARKING SERVICES**			
37	1,301,500	346,456	26.62%	Revenues	1,353,504	307,195	22.70%
38	(949,500)	(164,325)	17.31%	Expenditures	(921,448)	(280,263)	30.42%
39	(352,000)	46,265	-13.14%	Net Transfers (In + /Out -)	(432,056)	(250,000)	
40	0	228,396		Current year net change to net assets	0	(223,068)	
41		105,891		Plus beginning of year net assets		125,662	
42		334,287		Net assets as of this report		(97,406)	
43				**RESIDENTIAL HOUSING**			
44	40,595,741	4,589,695	11.31%	Revenues	0	0	0.00%
45	(23,675,656)	(2,850,522)	12.04%	Expenditures	0	0	0.00%
46	(16,920,085)	(5,809,687)	34.34%	Net Transfers (In + /Out -)	0	0	0.00%
47	0	(4,070,514)		Current year net change to net assets	0	0	
48		(316,046)		Plus beginning of year net assets		0	
49		(4,386,560)		Net assets as of this report		0	
50				**STUDENT UNION**			
51	1,253,500	260,582	20.79%	Revenues	503,017	63,280	12.58%
52	(1,841,520)	(356,876)	19.38%	Expenditures	(2,061,386)	(498,528)	24.18%
53	588,020	(1,868,177)	-317.71%	Net Transfers (In + /Out -)	1,558,369	(891,463)	-57.20%
54	0	(1,964,471)		Current year net change to net assets	0	(1,326,711)	
55		224,477		Plus beginning of year net assets		390,290	
56		(1,739,994)		Net assets as of this report		(936,421)	

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	September 30, 2009			Auxiliary Unit	September 30, 2008		
	Original Budget	Year to Date Actuals	Percent of Budget Recognized		Original Budget	Year to Date Actuals	Percent of Budget Recognized
57				**TELEPHONE OPERATIONS**			
58	2,912,000	1,459,029	50.10%	Revenues	763,700	1,266,914	165.89%
59	(2,060,000)	(1,239,978)	60.19%	Expenditures	101,300	(675,793)	-667.12%
60	(852,000)	0	0.00%	Net Transfers (In + /Out -)	(865,000)	0	0.00%
61	0	219,051		Current year net change to net assets	0	591,121	
62		2,897,173		Plus beginning of year net assets		2,664,021	
63		3,116,224		Net assets as of this report		3,255,142	
64				**ATHENA CINEMA**			
65	173,878	27,722	100.00%	Revenues	0	0	0.00%
66	(173,878)	(42,482)	100.00%	Expenditures	0	0	0.00%
67	0	0	0.00%	Net Transfers (In + /Out -)	0	0	0.00%
68	0	(14,760)		Current year net change to net assets	0	0	
69		(34,430)		Plus beginning of year net assets		0	
70		(49,190)		Net assets as of this report		0	
71				**TOTAL OF ALL AUXILIARIES**			
72	87,883,566	12,344,836	14.05%	Revenues	80,876,168	12,406,080	15.34%
73	(88,025,067)	(15,087,014)	17.14%	Expenditures	(93,448,949)	(15,358,012)	16.43%
74	141,501	(12,814,001)	-9055.77%	Net Transfers (In + /Out -)	12,572,781	(13,702,038)	-108.98%
75	0	(15,556,179)		Current year net change to net assets	0	(16,653,970)	
76		5,284,865		Plus beginning of year net assets		6,060,857	
77		(10,271,314)		Net assets as of this report		(10,593,113)	

Strategic Budget Process
Ohio University
November 20, 2009

Phase 1: December 1 – February 1
Phase 1 outlines a strategic process to reduce planning unit budgets to address a shortfall in FY 2010 and to lay the groundwork for meeting an anticipated shortfall in FY 2011. Instead of across-the-board cuts, recommendations are to be formulated that will result in strategic reallocation of base-budget resources according to designated strategic priorities.

In partnership with entities such as the Budget Planning Council (BPC), constituent senates, the deans, and the executive staff, the university will find a way to meet budget shortfalls across multiple years and to establish a means of finding additional resources to invest in university academic priorities.

The strategic budget process will include the following stages and timeline:

Completed by February 1:

1. Planning units, constituent senates, and the Budget Planning Council will:
    a. Suggest realignments that would result in cost savings and strengthen quality, productivity and efficiency.
    b. Identify joint initiatives and promising activities that with a short or mid-term investment could become self-sustaining and generate new, durable sources of revenue for the university.
    c. Identify cost savings and revenue enhancements.
2. The Athens and regional campus communities will be asked to propose, via a web site, ideas for saving costs and generating revenues.
3. Planning units will develop *5%* and 10% base-budget reduction scenarios guided by a set of strategic priorities.* While each unit is asked to develop a 5% and 10% base-budget reduction scenario, the actual reductions will be differentially assigned based on a set of strategic priorities. The range of reductions will be from 0% to 10%. Planning unit scenarios should be sent to the Office of Budget Planning and Analysis by February 1.

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* *The only exempted funds are those used for fee waivers and centrally-funded scholarships .*

Phase 2—February 1 – March 27

1. The President, the Executive Vice President and Provost, and the Interim Senior Vice President for Finance and Administration will draft, by February 13, a set of recommendations based on planning unit scenarios and input from the campuses.
2. Deans, executive staff, constituent groups, BPC and members of campus communities will review the draft recommendations. They will provide comment on whether the recommendations are sufficient to position the university to advance its mission of undergraduate and graduate education and meet immediate budget needs while holding to established constraints.
3. A summary of the comments on the draft recommendations will be shared by March 13 with the President and will be made available to the campuses.
4. The President will produce final recommendations by March 27 and share them with the university community.
5. Final recommendations will be presented to the Board of Trustees for endorsement.

Due Date	Activity
February 1	5% & 10% planning unit scenarios
February 1	Recommendations from planning units, constituent senates, and BPC on cost savings and revenue generation.
February 1	Input from web site compiled
February 13	Draft set of recommendations compiled and shared
March 13	Responses to draft recommendations due
March 27	President produces and shares final set of recommendations with the university community

Strategic Budget Reallocation Guidance
Ohio University
November 20, 2009

Planning units' 5% and 10% budget reduction scenarios should reflect a commitment to protecting the university's academic quality and to ensuring an exemplary experience for our students. Planning units should take into account the following impact criteria as they construct their scenarios:

- Impact on meeting enrollment objectives
- Impact on graduation/retention rates
- Impact on generation of student credit hours
- Impact on the quality of the student experience
- Impact on research and creative activity

Planning units should group activities identified in proposed reductions into three categories:

Primary* to Supporting Enrollment Objectives, Graduation Rates, SCH, Quality of Student Experience, Research & Creative Activity	Secondary to Supporting Enrollment Objectives, Graduation Rates, SCH, Quality of Student Experience, Research & Creative Activity	Tertiary to Supporting Enrollment Objectives, Graduation Rates, SCH, Quality of Student Experience, Research & Creative Activity

*Planning units must provide evidence of the quality, efficacy, and efficiency of those activities identified as primary.

The university must perform activities that are essential to its operation but are not directly related to the five key activities listed above (e.g. legal services or payroll). Planning units responsible for those functions must demonstrate that they are delivering the service effectively and at the lowest feasible cost.

Interoffice Communication

Date: December 15, 2009

To: The President and Board of Trustees

From: William R. Decatur, Senior Vice President for Finance and Administration and Treasurer

Re: **Housing Partnership**

This mailing includes a presentation regarding the investigation of non-traditional opportunities for funding improvements to portions of student housing on the Athens Campus.

The current ten-year residential capital plan does not include funding for the University's South Green which is located on the southeastern edge of campus and is comprised of 20 residence halls with a total of 3,237 beds. More specifically, this green includes 15 residence halls built between 1968 and 1970; four large, traditional residence halls, also known as the Front Four, constructed between 1965 and 1967; and the first new construction in more than 35 years, in 2007, a 350-bed, suite-style residence hall.

A collaborative team including staff from Residential Housing, Legal Affairs, and Finance and Administration created and issued a formal request for information ("RFI") in October to explore the possibility of a partnership with various firms. The team is interested in identifying methods by which to develop and transform a portion of the institution's outdated and inefficient housing stock into high-quality living environments that will support the academic mission and enhance recruitment and retention efforts. The purpose of the presentation is to inform the Board of the team's efforts to date and the anticipated activities which will lead to a recommendation to the Board in April 2010.

If you have any questions prior to the January committee meeting, please contact the Vice President for Finance and Administration office.

Housing Partnership

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Housing Partnership

- Ohio University Residential Housing
  - Current State
  - Master Plan
  - Immediate focus – South Green, New South

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Housing Partnership

- Strategy for Renewal of New South Beds
  - Debt Capacity
  - Public-Private Partnership
  - University Courtyard

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Housing Partnership

- Impacts
  - Financial
  - Competitive position

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Housing Partnership

- Process
  - RFP – Request for Proposal
  - OU Board of Trustee Approval
  - Legislative Approvals

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APPROVAL OF PROJECT AND AUTHORIZATION TO DEVELOP CONSTRUCTION DOCUMENTS, RECEIVE BIDS AND AWARD CONSTRUCTION CONTRACTS FOR CLIPPINGER HALL CHILLED WATER PIPING (ATHENS CAMPUS) AND TECHNICAL STUDIES ADDITION (CHILLICOTHE CAMPUS)

RESOLUTION 2010 - 3143

WHEREAS, a capital project has been planned and developed for the Clippinger Hall Chilled Water Piping construction project on the Athens campus, with a total project budget of $1 million identified, and

WHEREAS, funding of $1 million was appropriated from House Bill 562 State Major Capital Appropriations for FY2009 – FY2010 for the Clippinger Hall Chilled Water Piping construction project, and

WHEREAS, a capital project has been planned and developed for the Technical Studies Addition on the Chillicothe Campus with a total budget of $2 million, and

WHEREAS, funding of $2 million has been identified from the Ohio University Regional Higher Education Reserve for the Technical Studies Addition construction project.

NOW THEREFORE BE IT RESOLVED that the Ohio University Board of Trustees authorizes development of construction documents, receipt of bids, and delegation to the President or his designee to accept and award construction contracts within the total project budgets identified for these two construction projects.

Interoffice Communication

Date: December 15, 2009

To: The President and Board of Trustees

From: William R. Decatur, Senior Vice President for Finance and Administration and Treasurer

Re: APPROVAL OF PROJECT AND AUTHORIZATION TO DEVELOP CONSTRUCTION DOCUMENTS, RECEIVE BIDS AND AWARD CONSTRUCTION CONTRACTS FOR CLIPPINGER HALL CHILLED WATER PIPING (ATHENS CAMPU8) AND TECHNICAL STUDIES ADDITION (CHILLICOTHE CAMPUS)

The Design and Construction Office has developed the above mentioned projects and is ready to proceed with detailed design, construction, bidding and awarding of contract phases as funding identified below is available for each project.

Clippinger Hall Chilled Water Piping (Athens Campus)
Clippinger Hall is a 188,000 gross square foot building housing classrooms and teaching and research laboratories that primarily serve Geography, Geological Sciences, Chemistry, Biochemistry, Physics and Astronomy. The building was originally constructed in 1967. A series of phased systems modifications have been planned for the building. The first phase which provided a mechanical system concept strategy, set up a central exhaust system, tied the teaching lab hoods into that central exhaust system, and was completed last year. The project described here is the second phase which will provide chilled water piping to the building from a district system on the south side of campus. Provisions will be made in the piping for future connection to campus buildings adjacent to the piping. The total project budget is $1 million which is funded from FY2009- FY2010 State Funded Major Capital, House Bill 562. Subsequent phases will upgrade the supply side of the air conditioning system and controls, connect the system to district cooling, upgrade the electrical system, and provide new fume hoods for research laboratories and connect them to the new exhaust system. Subsequent phases are planned to be funded from future major state capital appropriations.

Technical Studies Addition, Phase 1 (Chillicothe Campus)
This project will construct a 6000 gross square foot addition to the 5,800 gross square foot Technical Studies Building. The building houses offices, labs, and training areas for Law Enforcement Technology and Environmental Technology. This first phase will construct the entire addition and will fit out approximately 20% of the building with offices and law enforcement simulation training areas. The remaining 80% of the building will be constructed as

shell space. The project budget is $1 million which will be funded from Ohio University Regional Higher Education Reserves.

The fit out of the remaining 80% of the building is expected to cost an additional $1 million and is expected to be funded from Ohio University Regional Higher Education Reserves as well, as funds are available. This second phase will construct area for business incubators and related office and meeting areas.

Included with the materials is a resolution for the two projects for consideration by the Board of Trustees at the January meeting.

If we can be of further assistance or provide additional information regarding this matter, please contact the Vice President for Finance and Administration office.

Construction Projects

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Construction Projects Agenda

- Clippinger Hall Chilled Water Piping
  - Athens Campus
- Technical Studies Addition-Phase I
  - Chillicothe Campus

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Construction Projects
Clippinger Hall Chilled Water Piping
Athens Campus

- Phased systems modifications
- Built in 1967; 188,000 gross sq ft lab building
- Second of three anticipated phases
- Budget - Phase II: $1 million
- Fund source: House Bill 562, State Funded Major Capital

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Construction Projects
Technical Studies Addition, Phase I
Chillicothe Campus

- Phased addition to 5800 gross sq ft building serving Law Enforcement & Environmental Technology programs
- Phase I – Construct shell of 6000 gross sq ft and fit out 1200 sq ft for Law Enforcement offices and simulation training areas.
- Budget – Phase I: $1 million
- Fund Source: Ohio University Regional Higher Education fund reserve

OHIO UNIVERSITY

Interoffice Communication

Date: December 15, 2009

To: The President and Board of Trustees

From: William R. Decatur, Senior Vice President for Finance and Administration and Treasurer

Re: ENERGY PROJECT PERFORMANCE CONTRACT INITIATIVE UPDATE

The Board of Trustees was introduced to the concept and role of performance contracting in October of 2008 in relation to House Bill 251 Energy Conservation legislation, and again in April 2009 after more exploration in relation to new processes and contract templates for implementation at Ohio public agencies. The concept is energy conservation projects accomplished through a contractor-at-risk relationship.

Ohio University has a history in identifying energy conservation project packages with a good pay back opportunity, funding those projects through debt, and implementing them. Physical energy conservation projects of approximately $7M were accomplished in the period from 1998 to 2007. The contractor-at-risk relationship was however not part of the implementation of those projects and they were done at a time when the required payback period was 10 years.

Revised legislation now allows for a 15 year payback on energy project packages. The Attorney General's office has brought better structure to the agreement process with templates for contractor selection and contract award. Under the arrangement the contractor will guarantee a certain amount of savings due to physical energy conservation projects they finance and implement and the University will agree to pay the contractor a set amount based on those savings. That payment amount will come from the University's utility budget. During the period of the agreement the savings must be monitored carefully to ensure the integrity of the agreement. Any modifications the University might make during that period might modify campus utility cost in the aggregate positively or negatively and those changes may or may not be due to performance of the projects under the agreement. Metering, monitoring, and auditing of each project covered by the agreement is necessary to maintain the integrity of the guarantee.

The University plans to issue a Request for Qualifications (RFQ) from prospective energy contractors that might be interested in a contractor-at-risk energy conservation project package for Ohio University. The RFQ will be issued in December 2009 and responses ranked based on qualifications in January 2010. The top ranked contractors will be asked to respond to a detailed Request for Proposal (RFP). The interested contractors will research and provide project specific proposals for the Athens Campus and one regional campus. It is anticipated that a range of projects will be proposed from simple lighting retrofits to expansion of central chilled water

systems to more buildings. A contractor will be selected from the RFP responses. It is anticipated that the contractor will be selected in late spring 2010 with a final agreement in place by summer 2010.

It is anticipated that the value of energy projects proposed by prospective contractors for the Athens Campus and one regional campus could be in the general range of $200 million or more. This is highly dependent on the analyses provided by the prospective contractors. The University will need to decide a level of tolerance and the number and magnitude of projects to accept under the agreement. Based on past investment and return on energy conservation projects, the University estimates that in order to meet the House Bill 251 energy intensity reduction target, the University would need to undertake $35M in energy conservation projects in order to meet the goal for the Athens campus alone. Other means of meeting our HB251 target include behavioral changes on campus and increasing the energy reduction focus of major capital rehabilitation projects.

A phased approach may be considered that would ultimately bring energy analysis and improvements to each of the regional campuses.

If we can be of further assistance or provide additional information regarding this matter, please contact the Vice President for Finance and Administration office.

OHIO UNIVERSITY

Interoffice Communication

Date: December 15, 2009

To: The President and Board of Trustees

From: William R. Decatur, Senior Vice President for Finance and Administration and Treasurer

Re: **Preliminary Results of Early Retirement Incentive Plan (ERIP)**

The university experienced an ERIP for OPERS-eligible employees during the past fiscal year. The ERIP opened for participation April 1, 2009 and ended August 31, 2009 – spanning two fiscal years. The final employment date for some retirees was October 31, 2009. ERIP results are being compiled by University Human Resources with assistance from the Controller's office. Please refer to the Summary Report included with these materials.

The ERIP successfully allowed the university to achieve retirements and trim the staffing levels through position abolishment. The university will realize an annual cost reduction, due to abolished positions, of $1.8 million with a projected ROI of 1.53 years. Other facts and results of the ERIP include:

- **318** total administrators and classified staff were **eligible** for the ERIP
- a total of **114 (35%** of eligible participants) took advantage of the program
    - the number of participants were relatively **evenly split between three major groups of employees**: administrators – classified staff – and bargaining unit members
    - we have not yet determined the status of 6 of the vacated positions; this leaves further opportunity for cost-reduction or redeployment of resources
- of the 114 positions vacated by staff members retiring, 37 of the positions have been abolished; the actual annualized savings from these abolished positions is $1.8 million

If you have any questions, please feel free contact the Vice President Finance and Administration office. Otherwise, Human Resources staff will be on hand at the Resources Committee meeting.

2009 ERIP Report
OPERS ERIP

Eligible Employees	**318**	**Total Salary**	**$14,979,536**
ERIP Employees	**114**	**Total Salary**	**$ 5,638,796**

Estimated Cost *

$5,000 Incentive	$ 305,000
One Year Credit	$2,362,650
Sick Payout	$ 570,798
Vacation Payout	$ 594,624
	$3,833,072

Estimated Savings -

Salaries of Eliminated Positions	$1,685,661
Benefits of Eliminated Positions	$ 588,687

Projected ROI = 1.68 years

***Based on estimates. Actual OPERS ERIP costs may not be finalized until end of Jan 2010**

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Interoffice Communication

Date: December 15, 2009

To: The President and Board of Trustees

From: William R. Decatur, Senior Vice President for Finance and Administration and Treasurer

Re: **Financial Statement Highlights and Year-over-Year Review**

At the January Resources Committee meeting we will share with the board some of the highlights of the FY 2009 financial statements as well as how those results compare to FY 2008. The FY 2009 results show that we are continuing to strengthen the University's balance sheet and financial position.

The University has calculated its required Senate Bill 6 ratios for the year ended June 30, 2009. The FY 2009 ratio results as well as the preliminary SB6 ratios for our state peers are part of the presentation and, based on these preliminary scores, Ohio University continues to remain ranked average among the 14 institutions.

If you have any questions prior to the January committee meeting, please contact the Vice President for Finance and Administration office.

FY 2009
Financial Statement Highlights
and
Year-over-Year Results

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Statements of Revenues, Expenses, and Changes in Net Assets

Operating and Non-operating Revenues

	2009 Primary Institution	2008 Primary Institution	% Change over prior Year	$ Change over prior Year
Student tuition and fees-net of scholarship allowances	$ 229,594,649	$ 215,984,213	6.30%	$ 13,610,436
State appropriations	155,105,565	144,999,895	6.97%	10,105,670
Auxiliary enterprises - net of scholarship allowances	75,094,902	69,154,022	8.59%	5,940,880
Federal grants and contracts	51,742,972	49,697,333	4.12%	2,045,639
State capital appropriations	24,900,161	17,603,472	41.45%	7,296,689
State grants and contracts	15,280,053	12,248,411	24.75%	3,031,642
Other sources	14,291,055	11,504,445	24.22%	2,786,610
Private grants and contracts	12,141,871	11,995,084	1.22%	146,787
Capital grants and gifts	10,810,781	3,829,024	182.34%	6,981,757
Sales and services	10,331,376	9,619,377	7.40%	711,999
Local grants and contracts	473,723	444,546	6.56%	29,177
Additions to permanent endowments	5,959	12,572	-52.60%	(6,613)
Investment income-net of investment expense	(15,432,314)	589,930	-2715.96%	(16,022,244)
Total revenues	$ 584,340,753	$ 547,682,324	6.69%	$ 36,658,429

OHIO UNIVERSITY

The presentation of University revenues from the Statements of Revenues, Expenses, and Changes in Net Assets is ranked in order of each line item's contribution to the total. For the purpose of this presentation we have grouped together operating, non-operating and other revenues displayed throughout the audited statements. We've highlighted some of the line items whose fluctuation warrants further comment.

•**Student tuition and fees – net of scholarship allowances** is the University's largest source of revenue. The $13.6 million increase in student tuition and fees in FY 2009 compared to FY 2008 primarily reflects the significant growth in enrollments on the University's regional campuses as well as enrollments in targeted programs, including the Ohio Program in Intensive English which serves the University's growing international student population.

•**State capital appropriations** increased $7.3 million. An increase in funding for the construction of the Academic and Research Center accounts for $6.7 million of this change.

•**State grants and contracts** increased mainly due to the Ohio Department of Development ESP 3rd Frontier grant and Ohio Board of Regents Ohio College Opportunity Grant (OCOG) funds through Student Financial Aid

•**Other sources** increased $2.8 million. The biggest change was in royalty income which increased from $5.9 million in FY 2008 up to $8.9 million in FY 2009 due to a change in accounting procedure.

•**Capital grants and gifts** increased $7.0 million mainly due to funding for the Academic and Research Center from the Osteopathic Heritage Foundation and other private donors.

•**Investment income – net of investment expense** decreased $16.0 million due to the market volatility which preceded the 2008 fiscal year-end and continued through FY 2009.

Statements of Revenues, Expenses, and Changes in Net Assets

Operating and Non-operating Expense – Functional View

	2009 Primary Institution	2008 Primary Institution	% Change over prior Year	$ Change over prior Year
Instruction and departmental research	$ 214,971,589	$ 202,895,906	5.95%	$ 12,075,683
Auxiliary enterprises	73,500,573	68,845,947	6.76%	4,654,626
Academic support	59,343,563	58,703,123	1.09%	640,440
Operation and maintenance of plant	44,771,516	41,675,475	7.43%	3,096,041
Separately budgeted research	33,495,239	32,995,537	1.51%	499,702
Depreciation	33,075,444	32,308,560	2.37%	766,884
Institutional support	32,769,600	28,522,321	14.89%	4,247,279
Student services	28,533,312	26,912,492	6.02%	1,620,820
Public service	23,453,952	21,917,621	7.01%	1,536,331
Student aid	10,878,749	9,344,798	16.42%	1,533,951
Interest on capital asset - related debt	8,492,106	7,447,971	14.02%	1,044,135
Disposal and write-offs of plant facilities	283,266	174,000	62.80%	109,266
Total expenses	$ 563,568,909	$ 531,743,751	5.99%	$ 31,825,158

OHIO UNIVERSITY

3This presentation of University expenses is displayed using a functional view as defined by the National Association of College and University Business Officers (NACUBO) and required by the State of Ohio as the display in our audited statements. The functional expenses are ranked in order of each line item's contribution to the total. We've highlighted some of those line items whose fluctuation warrants further comment.

•**Instruction and Departmental Research -** The largest contributor to total operating expenses, this functional category increased by $12.1 million. Included in that increase was an additional $1.2 million provided as faculty compensation, over and above the University's normal raise pool, to elevate faculty ranking among peer institutions.

•**Operation and maintenance of plant –** The primary contributors to the increase in this line item above the normal raise pool of 3% on all employees in this category was an increase of $2.2 million in purchased utility costs and an increase of dollars spent in capital improvement projects.

•**Institutional support –** The primary contributor to the increase in this line item above the normal raise pool of 3% on all employees in this category was an increase of $1.6 million of Advancement payroll funding moved to the University from the Foundation.

The line items **Instruction and departmental research, Separately budgeted research** and **Public service** comprise the University's core mission and account for 48.3% of the University's total expenditures in FY 2009, down slightly from 48.5% in the year before.

All functional line items maintained their relative ranking from FY 2008 to FY 2009.

Statements of Revenues, Expenses, and Changes in Net Assets

Operating and Non-operating Expenses – Category View

	2009 Primary Institution	2008 Primary Institution	% Change over prior Year	$ Change over prior Year
Non-teaching salaries/wages	$ 129,336,256	$ 123,169,006	5.01%	$ 6,167,250
Faculty salaries	115,087,732	109,608,828	5.00%	5,478,904
Benefits - all employees	88,431,255	79,086,180	11.82%	9,345,075
Depreciation	33,374,187	31,458,149	6.09%	1,916,037
Maintenance operations	33,075,444	32,308,560	2.37%	766,885
Graduate fee waivers	30,730,902	26,834,007	14.52%	3,896,895
Supplies	20,878,813	22,784,947	-8.37%	(1,906,134)
Graduate stipends	17,380,074	17,058,578	1.88%	321,496
Information & communication	17,290,262	17,597,699	-1.75%	(307,437)
Professional fees	16,730,538	14,831,388	12.80%	1,899,151
Travel & entertainment	14,364,138	16,016,271	-10.32%	(1,652,133)
Student wages	13,944,201	13,597,627	2.55%	346,574
Scholarships	10,878,749	9,344,798	16.42%	1,533,951
All other categories	22,066,357	18,047,713	22.27%	4,018,644
Total expenses	$ 563,568,909	$ 531,743,751	5.99%	$ 31,825,158

OHIO UNIVERSITY

This slide takes total University expenses and arrays it according to expenditure categories as defined by us. We've highlighted some of those line items whose fluctuation warrants further comment.

•**Non-teaching salaries/wages** exceed the FY 2009 raise pool of 3%. This is due in part to the movement of $1.6 million in payroll from the Foundation to the University, mentioned on the first slide. This line item also includes one time only costs associated with the ERIP affecting only this category of employees.

•**Faculty salaries** exceed the FY 2009 raise pool of 3%. This is due in part to an additional amount of $1.2 million provided as faculty compensation, over and above the University's normal raise pool, to elevate faculty ranking among peer institutions mentioned on the previous slide.

•**Graduate fee waivers** increased mainly due to increases in Pell grants of $3.7 million from FY 2008 to FY 2009.

•**Supplies** costs, which are partially discretionary spending in nature, are presumed to have decreased due to budget constraints.

•**Travel & entertainment** costs decreased due to budget constraints and communication from leadership discouraging all but essential travel.

•**Professional fees** costs increased due to the increase in royalty payments of $1.0 million from FY 2008 to FY 2009.

•**All other categories –** the biggest item in this category is interest expense which increased $1.0 million from FY 2008 to FY 2009. The other large contributor to the increase is bad debt expense which went up $1.5 million due to increases in bad debt for grants, loans, and student receivables.

Statements of Net Assets

Assets

	2009 Primary Institution	2008 Primary Institution	% Change over prior Year	$ Change over prior Year
CURRENT ASSETS				
Cash and cash equivalents	$ 39,033,891	$ 48,850,210	-20.09%	$ (9,816,319)
Investments	99,709,943	112,219,274	-11.15%	(12,509,331)
Accounts receivable - net	52,379,198	43,309,109	20.94%	9,070,089
Interest and dividends receivable	372,275	384,594	-3.20%	(12,319)
Notes receivable - net	2,581,708	2,001,368	29.00%	580,340
Prepaid expenses and deferred charges	15,429,271	13,300,265	16.01%	2,129,006
Inventories	2,062,398	2,263,482	-8.88%	(201,084)
Total current assets	211,568,684	222,328,302	-4.84%	(10,759,618)
NONCURRENT ASSETS				
Restricted cash and cash equivalents	29,749,815	2,086,503	1325.82%	27,663,312
Endowment investments	13,912,057	16,237,286	-14.32%	(2,325,229)
Notes receivable - net	11,912,171	12,737,648	-6.48%	(825,477)
Capital assets - net	604,963,765	565,635,713	6.92%	39,128,052
Total noncurrent assets	660,537,808	596,897,150	10.66%	63,640,658
TOTAL ASSETS	$ 872,106,492	$ 819,225,452	6.46%	$ 52,881,040

OHIO UNIVERSITY

Next we move to the Statements of Net Assets (aka balance sheet) which shows the University's financial position as of the end of each of the fiscal years presented. Again we've highlighted some of those line items whose fluctuation warrants further comment. This slide displays University assets.

•**Investments** and **Endowment investments** decreases are both reflective of market performance in FY 2009. As displayed on the Statement of Revenues, Expenses and Changes in Net Assets, investment income losses were $15.4 million for the year. Footnote 2 beginning on page 23 of the audited financial statements provides additional detail about investments including the portfolio and risk disclosures.

•**Accounts receivable – net** increased by an amount of $9 million over FY 2008. Footnote 3 on page 29 of the audited financial statements provides a further breakdown of this line item into 3 categories of student receivables, research contract receivables and other. The first and last categories are the primary contributors to the increase. Accounts receivable – net increased due to the current economic conditions which led to growth in enrollments and the number of outstanding student payments. Significant enrollment growth occurred on the University's regional campuses as well as enrollments in targeted programs, including the Ohio Program in Intensive English. In addition accounts receivable – net increased due to amounts expected in royalty income.

•**Prepaid expenses and deferred charges** increased $2.1 million or 16.01% over the prior year due mainly to an increase in prepaid payroll (EFT amounts for the July 1 faculty payroll) and prepaid amounts for the Interuniversity Council Insurance Consortium.

•**Restricted cash and cash equivalents'** increase of $27.7 million represents unspent bond proceeds at June 30 from General Receipts Bond Series 2009, issued on June 2, 2009.

•**Capital assets – net** increased by $39.1 million as a result of a $6.9 million increase for the acquisition of the HDL Center for administrative offices, an increase of $21.4 million in construction in progress for the Academic and Research Center and a $7.7 million increase in construction in progress for Shively Hall Renovations. Footnote 5 of the audited financial statements beginning on page 30 provides additional detail about increases to capital assets.

Statements of Net Assets

Liabilities

	2009 Primary Institution	2008 Primary Institution	% Change over prior Year	$ Change over prior Year
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	$ 47,307,506	$ 44,234,027	6.95%	$ 3,073,479
Deferred revenue	32,520,439	30,607,236	6.25%	1,913,203
Refunds and other liabilities	4,249,469	3,453,259	23.06%	796,210
Capital lease obligations	383,390	89,615	327.82%	293,775
Bonds and notes payable	14,445,000	16,620,000	-13.09%	(2,175,000)
Deposits held in custody for others	1,238,139	1,235,280	0.23%	2,859
Total current liabilities	100,143,943	96,239,417	4.06%	3,904,526
NONCURRENT LIABILITIES				
Compensated absences	12,857,622	13,460,923	-4.48%	(603,301)
Capital lease obligations	1,114,875	348,412	219.99%	766,463
Other long-term liabilities	3,089,962	2,464,160	25.40%	625,802
Bonds and notes payable	176,775,000	150,345,000	17.58%	26,430,000
Bonds premium - net	6,094,501	5,178,561	17.69%	915,940
Refundable advances for federal student loans	8,526,390	8,456,624	0.82%	69,766
Total noncurrent liabilities	208,458,350	180,253,680	15.65%	28,204,670
TOTAL LIABILITIES	$ 308,602,293	$ 276,493,097	11.61%	$ 32,109,196

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Moving on to the liability section of the Statements of Net Assets, there are a couple of items worth noting.

•**Capital lease obligations**, both current and noncurrent, increased by an amount of $1.1 million due to a new lease for an Information Technologies disc storage system.

•**Bonds and notes payable**, both current and noncurrent, increased by an amount of $24.3 million. This is net of new debt of $42 million issued in FY 2009 and retirements of $17.7 million. Additional information regarding bonds and notes payable exists in footnote 7 beginning on page 32 of the audited financial statements.

Statements of Net Assets

Net Assets

	2009 Primary Institution	2008 Primary Institution	%Change over prior Year	$ Change over prior Year
Invested in capital assets - net of related debt	$ 433,324,410	$ 393,337,530	10.17%	$39,986,880
Restricted:				
Nonexpendable	13,912,057	16,237,286	-14.32%	(2,325,229)
Expendable	38,368,587	46,085,751	-16.75%	(7,717,164)
Unrestricted	77,899,145	87,071,788	-10.53%	(9,172,643)
TOTAL NET ASSETS	$ 563,504,199	$ 542,732,355	3.83%	$20,771,844

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Net Assets represent our net worth from the beginning of time (1804) through present day. All categories of net assets except for **Invested in capital assets – net of related debt** decreased in FY 2009. Each line item of net assets is described in greater detail on the following slides.

Statements of Net Assets

Net Assets

Invested in capital assets – net of related debt

	2009 Primary Institution	2008 Primary Institution	% Change over prior Year	$ Change over prior Year
Invested in capital assets - net of related debt				
Capital assets - net of depreciation	$ 604,963,765	$ 565,835,713	6.92%	$39,128,052
Restricted cash (unspent bond proceeds portion)	27,883,604	83,405	33331.57%	27,800,199
Less - Bonds and notes payable	(197,314,501)	(172,143,561)	14.62%	(25,170,940)
Less - Capital lease obligations	(1,498,265)	(438,027)	242.05%	(1,060,238)
Less - Deferred revenue (Housing for Ohio)	(710,193)	-	100.00%	(710,193)
Total Invested in capital assets- net of related debt	$ 433,324,410	$ 393,337,530	10.17%	$39,986,880

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Invested in capital assets – net of related debt is made up of capital assets net of their related depreciation (directly from the Statements of Net Assets), plus restricted cash representing unspent bond proceeds, less outstanding bonds and notes payable, and further reduced by the outstanding liability for capital leases and deferred revenue. This net asset category was the only category with an increase over FY 2008 and was due to significant capital expenditures in FY 2009. Those include acquisition of the HDL Center for administrative offices, an increase of $21.4 million in construction in progress for the Academic and Research Center and a $7.7 million increase in construction in progress for Shively Dining Hall Renovations. Footnote 5 of the audited financial statements beginning on page 30 provides additional detail about increases to capital assets.

Statements of Net Assets

Net Assets

Restricted Nonexpendable Net Assets

	2009 Primary Institution	2008 Primary Institution	% Change over prior Year	$ Change over prior Year
Restricted Nonexpendable Net Assets				
Endowment investments	$ 13,912,057	$ 16,237,286	-14.32%	$ (2,325,229)
Total Restricted Nonexpendable Net Assets	$ 13,912,057	$ 16,237,286	-14.32%	$ (2,325,229)

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Restricted Nonexpendable Net Assets is made up of the contributed value of University endowments plus net market appreciation on non-total return endowments. This is represented by **Endowment investments** on the Statements of Net Assets. The decrease to this net asset category is reflective of market losses on non-total return endowments.

•The University generally does not take on new endowments, unless a donor's bequest specifically states that the gift is to be administered by the Board of Trustees of Ohio University. Endowments received on behalf of the University are taken into The Ohio University Foundation, the University's gift-receiving arm.

Statements of Net Assets

Net Assets

Restricted Expendable Net Assets

	2009 Primary Institution	2008 Primary Institution	% Change over prior Year	$ Change over prior Year
Restricted Expendable Net Assets				
Grants and Contracts fund balance	$ 7,681,367	$ 8,265,218	-7.06%	$ (583,851)
Plant Funds fund balance	14,778,782	16,617,118	-11.06%	(1,838,336)
Loan fund balance	8,456,211	8,516,084	-0.70%	(59,873)
Capital appreciation of total return endowments	7,452,227	12,687,331	-41.26%	(5,235,104)
Total Restricted Expendable Net Assets	$ 38,368,587	$ 46,085,751	-16.75%	$ (7,717,164)

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Restricted expendable net assets are funds whose use has externally imposed restrictions. This includes fund balances from grants whose purposes have not been completely fulfilled, plant funds not yet spent for their intended purpose, revenues received to provide loans to students and the market appreciation of University total return endowments.

•Fluctuations in the specific line items for **Grants and Contracts** and **Plant** fund balances are expected due to the rotating in and out of various grants and projects.

•**Capital appreciation** decreased in FY 2009 over FY 2008 due to negative investment returns.

Statements of Net Assets

Net Assets

Unrestricted Net Assets

	2009 Primary Institution	2008 Primary Institution	% Change over prior Year	$ Change over prior Year
Unrestricted Net Assets				
Unrestricted educational and general fund balance	$ 50,865,249	$ 58,266,417	-12.70%	$ (7,401,168)
Unrestricted auxiliary fund balance	5,284,867	6,040,368	-12.51%	(755,501)
Quasi endowments	19,828,192	19,679,493	0.76%	148,699
Reserves in plant funds	1,920,837	3,085,510	-37.75%	(1,164,673)
Total Unrestricted Net Assets	$ 77,899,145	$ 87,071,788	-10.53%	$ (9,172,643)

OHIO UNIVERSITY

Unrestricted (expendable) net assets are made up of the cumulative net results of unrestricted educational and general operations and unrestricted auxiliary activities. It is further increased by any quasi endowments whose original source of funds was unrestricted, and reserves held in plant funds.

•**Unrestricted Net Assets** decreased by 10.53% in FY 2009 primarily due to losses in investment income beyond the institution's ability to curtail expenditures for the period and additional costs related to the ERIP, accrued expenses for the involuntary reduction in force and $1.6 million of Advancement payroll previously funded by the Foundation as mentioned earlier.

Statements of Net Assets

Net Assets

Unrestricted Auxiliary Fund Balance

	2009 Primary Institution	2008 Primary Institution	% Change over prior Year	$ Change over prior Year
Unrestricted Auxiliary Fund Balance				
Residence and Dining Hall	$ 8,698,369	$ 7,186,503	21.04%	$ 1,511,866
Telephone/Technology Store Operations	2,897,173	2,664,021	8.75%	233,152
Campus Recreation	960,775	1,240,097	-22.52%	(279,321)
Baker Center	224,477	390,290	-42.48%	(165,813)
Parking Services	105,891	125,662	-15.73%	(19,770)
Athena Cinema	(34,430)	-		(34,430)
Airport	(1,013,899)	(834,739)	21.46%	(179,160)
Intercollegiate Athletics	(6,553,490)	(4,731,465)	38.51%	(1,822,025)
Total Unrestricted Auxiliary Fund Balance	$ 5,284,867	$ 6,040,368	-12.51%	$ (755,501)

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This table shows the University's auxiliaries and the contribution each make to the overall **Total Unrestricted Auxiliary Fund Balance**. Three auxiliaries have deficit fund balances that need to be addressed.

Senate Bill 6 Ratios

Universities	Composite Score FY 2009	Relative Position FY 2009	Composite Score FY 2008	Relative Position FY 2008	Composite Score Change over prior year
NEOUCOM	4.40	1	5.00	1	(0.60)
Central State	4.00	2	2.70	13	1.30
Youngstown State	3.80	3	4.10	Tie 2	(0.30)
Wright State	3.20	Tie 4	4.10	Tie 2	(0.90)
Ohio University	3.20	Tie 4	3.50	5	(0.30)
Bowling Green	3.20	Tie 4	3.40	Tie 6	(0.20)
Ohio State	3.20	Tie 4	3.40	Tie 6	(0.20)
Kent State	2.90	Tie 8	3.90	4	(1.00)
Shawnee State	2.90	Tie 8	3.40	Tie 6	(0.50)
Miami University	2.90	Tie 8	3.10	10	(0.20)
University of Toledo/MUO	2.60	11	3.30	9	(0.70)
Cleveland State	2.30	Tie 12	2.80	12	(0.50)
University of Cincinnati	2.30	Tie 12	2.50	14	(0.20)
University of Akron	2.00	14	2.90	11	(0.90)

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Senate Bill 6 of the 122nd General Assembly was enacted into law in 1997. It is designed to increase financial accountability of state colleges and universities by using a standard set of measures with which to monitor the fiscal health of campuses. Using the year-end audited financial statements submitted by each public institution, the Board of Regents annually applies these standards to monitor individual campus finances.

Ohio University is in a 4 way tie for 4th out of 14 for FY 2009. Our ratios decreased during FY 2009, but our overall ranking improved. This was due in part to a $13.4 million savings target put forth for planning units in FY 2009 which served to help offset losses in investment income, additional costs of the ERIP, involuntary reduction in force and $1.6 million in Advancement payroll previously funded by the Foundation.

Note – The Composite Scores for FY 2009 from all of the universities except Ohio University are preliminary based on a survey conducted on the IUC Controllers List Serv.

Interoffice Communication

Date: December 15, 2009

To: The President and Board of Trustees

From: William R. Decatur, Senior Vice President for Finance and Administration and Treasurer

Re: **Treasurer's Report**

Included within the materials is the Treasurer's Report which will be shared with the Board at the January meeting. Along with the presentation slides are schedules containing information required by various University policies to be presented on a quarterly basis. The following schedules and data below provide information for the period ending October 31, 2009.

Investment Pool Report
The investment performance report details the composite return for the University's long-term investments and the policy index, which is equivalent to the product of the target asset class weights and the returns of the respective passive benchmarks. The fiscal 2010 year-to-date composite return was 8.91% compared to a policy index of 9.34%. The calendar year-to-date composite return was 13.28% compared to a policy index of 15.72%. The return target for the portfolio is 9.0% with a standard deviation of 14.0%. The materials include pie charts depicting asset class detail for the University's and Foundation's endowment and non-endowment investments.

Working Capital Report
Working capital assets are also referred to as non-endowment investments and are governed by University policy. The policy specifies three tiers of assets: a Cash Pool invested in highly liquid instruments, a Liquidity Pool invested in fixed income investments with a longer duration, and a Diversified Pool invested alongside the endowment's asset allocation strategy.

Investment Loan Fund Detail
Outstanding "internal" loans total $2.6 million. This program provides departments within the University an opportunity to borrow from the University's Diversified Pool of funds for strategic purposes that advance the educational mission.

Bond Principal Outstanding
Included is a schedule depicting $220.1 million in bond principal outstanding. This includes tax-exempt and taxable bonds issued by the University and $28.9 million in non-recourse debt issued by a subsidiary of the Foundation, Housing for Ohio, Inc., for the construction of University Courtyard apartments. This non-recourse debt, however, is not included in the total bonds and notes payable in the University's general ledger. Also included is a graph showing the amortization of bond principal over the remaining life of the bonds currently outstanding which averages over $8.0 million annually.

Should you require further assistance or additional information, please contact the Vice President for Finance and Administration office.

Ohio University Foundation
October 31, 2009

Account Type	Account Number	Account Name	% of Portfolio	Market Value	1 Month	3 Month	Year to Date	FYTD	1 Year	2 Year	3 Years	5 Years	ITD	Inception Date
Cash	OHUF33333302	*Mellon - Cash*												
	OHUF22222202	*Mellon - Cash*												
	OHUF11111102	*Mellon - Cash*	1.14%	$ 3,602,107	0.02	0.07	--	0.10	--	--	--	--	0.10	7/31/2009
	IX1F00080228	***ML 91-Day T-Bill Index***			0.02	0.07	--	0.09	--	--	--	--	0.09	7/31/2009
Fixed Income	OHUF20011102	*Pimco Total Return Fund*	15.22%	$ 47,967,925	0.61	4.29	13.33	6.63	20.04	10.49	9.14	--	9.63	7/31/2006
	IX1F00003848	***BarCap Aggregate Bond Index***			0.49	2.60	6.24	4.26	13.79	6.83	6.35	--	7.10	7/31/2006
	OHUF20011002	*Student Fixed Income*	0.33%	$ 1,027,891	0.17	1.13	2.72	1.75	6.72	3.46	3.90	--	3.99	3/31/2006
	IX1F00003848	***BarCap Aggregate Bond Index***			0.49	2.60	6.24	4.26	13.79	6.83	6.35	--	6.12	3/31/2006
	OHUF20011302	*Vanguard TIPS*	1.00%	$ 3,140,665	1.46	--	--	--	--	--	--	--	3.40	9/30/2009
	OHUGX0903VAN	***Vanguard TIPS BM***			1.46	--	--	--	--	--	--	--	3.40	9/30/2009
	OHUG07000000	***Total Fixed Income***	**17.69%**	**$ 55,738,588**	0.61	4.21	13.05	6.47	19.67	10.21	8.94	--	7.83	12/31/2005
	OHUGX0903FIX	***Custom Benchmark***			0.52	2.65	6.26	4.28	13.82	6.85	6.36	--	6.08	12/31/2005
U.S. Equity	OHUF18577702	*MCM Foundation*	13.83%	$ 43,573,923	(1.80)	5.53	17.25	13.50	10.02	(16.13)	(6.94)	0.37	(0.40)	6/30/1999
	IX1F00079488	***S&P 500***			(1.86)	5.48	17.05	13.46	9.80	(16.23)	(7.02)	0.33	(0.43)	6/30/1999
	OHUF53015402	*MCM University*	6.32%	$ 19,912,056	(1.85)	5.48	17.26	13.45	10.04	(16.12)	(6.93)	--	(3.35)	2/28/2006
	IX1F00079488	***S&P 500***			(1.86)	5.48	17.05	13.46	9.80	(16.23)	(7.02)	--	(3.42)	2/28/2006
	OHUF10011402	*Student Equity Account*	0.33%	$ 1,041,481	1.93	5.16	16.79	11.73	10.33	(19.15)	(3.69)	(0.30)	(0.14)	7/31/2004
	IX1F00003858	***Russell 3000***			(2.57)	5.14	18.07	13.32	10.83	(16.18)	(6.98)	0.71	0.61	7/31/2004
	OHUF10010402	*Royce*	2.40%	$ 7,569,691	(4.63)	5.25	25.43	15.90	19.12	(12.36)	(4.61)	3.53	4.12	6/30/2004
	IX1F00003878	***Russell 2000***			(6.79)	1.41	14.12	11.18	6.46	(16.28)	(8.51)	0.59	1.14	6/30/2004
	OHUF10011602	*Cadence*	1.85%	$ 5,819,711	(6.89)	(3.03)	(2.07)	2.91	(8.50)	(23.50)	(10.03)	--	(9.66)	5/31/2006
	IX1F00039058	***Russell 2000 Growth***			(6.95)	0.13	20.15	7.89	11.34	(16.83)	(6.88)	--	(6.66)	5/31/2006
	OHUF10012002	*Bernzott*	2.76%	$ 8,707,062	(4.58)	3.22	22.77	11.32	21.79	(7.49)	(8.59)	--	(6.47)	9/30/2006
	IX1F00039298	***Russell 2000 Value***			(6.64)	2.68	8.63	14.56	1.96	(15.84)	(10.26)	--	(8.04)	9/30/2006
	OHUG06000000	***Total U.S. Equity***	**27.49%**	**$ 86,623,924**	(2.66)	4.64	17.19	12.76	10.64	(15.37)	(6.62)	--	(2.51)	1/31/2006
	IX1F00003858	***Russell 3000***			(2.57)	5.14	18.07	13.32	10.83	(16.18)	(6.98)	--	(2.69)	1/31/2006
International Equity	OHUF10013102	*Alliance Bernstein*	6.51%	$ 20,514,973	(3.37)	8.74	27.23	21.25	36.87	20.27	(12.32)	--	(9.31)	5/31/2006
	IX1F00036368	***MSCI EAFE***			(1.25)	8.15	27.97	18.03	28.41	(16.99)	(4.74)	--	(3.00)	5/31/2006
	OHUF10011702	*New Star*	0.00%	$ -	2.54	10.34	21.15	18.67	21.19	(19.30)	(6.29)	--	(5.47)	5/31/2006
	IX1F00036368	***MSCI EAFE***			(1.25)	8.15	27.97	18.03	28.41	(16.99)	(4.74)	--	(3.00)	5/31/2006
	OHUF10011902	*Aberdeen*	3.38%	$ 10,658,494	(0.05)	9.30	66.91	22.06	65.63	(5.08)	11.94	--	15.80	7/31/2006
	IX1F00046008	***MSCI EMF***			0.13	8.88	65.10	21.20	64.63	(15.10)	6.66	--	9.05	7/31/2006
	OHUF20011502	*HC International*	7.51%	$ 23,649,883	(2.94)	--	--	--	--	--	--	--	2.21	9/30/2009
	IX1F00036368	***MSCI EAFE***			(1.25)	--	--	--	--	--	--	--	2.55	9/30/2009
	OHUG05000000	***Total Global Ex U.S. Equity***	**17.40%**	**$ 54,823,350**	(2.80)	6.80	31.98	17.35	30.98	(19.17)	(5.26)	--	1.43	12/31/2005
	IX1F00091498	***MSCI ACWI ex US***			(1.23)	7.73	35.27	18.29	34.79	(16.50)	(2.49)	--	3.78	12/31/2005
	OHUG08000000	***Total Equity***	**44.89%**	**$ 141,447,274**	(1.89)	6.33	--	15.37	--	--	--	--	15.37	7/31/2009
	OHUGX0903TEQ	***Custom Benchmark***			(2.05)	6.13	--	15.15	--	--	--	--	15.15	7/31/2009
Absolute Return Strategies	OHUF20010402	*Arden*	5.04%	$ 15,889,117	1.00	4.05	11.29	5.45	5.14	(5.36)	0.68	4.18	4.03	5/31/2004
	OHUF20010602	*Federal Street*	4.63%	$ 14,594,885	(0.17)	3.59	12.19	6.38	6.55	(11.84)	(2.79)	--	0.16	1/31/2006
	OHUF20010702	*Mariner*	5.17%	$ 16,290,555	(0.19)	2.94	8.18	4.16	6.68	(4.58)	(1.20)	--	0.36	1/31/2006
	OHUF20011202	*Post Advisory*	3.23%	$ 10,169,597	2.79	6.87	31.42	9.87	20.38	--	--	--	1.26	7/31/2008
	OHUF20010502	*Liberty View* [1]	1.01%	$ 3,179,788	0.00	(41.67)	(41.67)	(41.67)	(41.67)	(42.89)	(29.79)	(16.71)	(15.17)	5/31/2004
	OHUG04000000	***Total Absolute Return Strategies***	**19.08%**	**$ 60,123,941**	0.67	4.10	11.28	6.07	6.91	(6.70)	(1.02)	--	1.42	12/31/2005
	IX1F00065457	***HFRI FoF Index***			(0.08)	2.76	9.75	4.33	5.26	(7.60)	(0.46)	--	1.77	12/31/2005
	OHUGX0903TB3	***ML 91-Day T-Bill Index +3%***			0.26	0.79	2.68	2.68	3.30	4.50	5.69	--	6.16	12/31/2005
	IX1F00003848	***Barclays Aggregate***			0.49	2.60	6.24	4.26	13.79	6.83	6.35	--	6.07	12/31/2005
Real Assets	OHUF10012302	*Commonfund*	1.79%	$ 5,652,318	4.42	7.13	22.26	11.91	9.56	(13.63)	--	--	(13.63)	11/30/2007
	OHUF10012402	*Wellington*	1.80%	$ 5,662,257	0.80	6.66	33.10	12.96	22.68	(14.68)	--	--	(14.68)	11/30/2007
	IX1F00298908	***DJ AIG Commodities Index***			3.28	4.29	12.64	7.66	0.10	(14.29)	--	--	(14.29)	11/30/2007
	OHUF20011402	*Wellington REITs*	0.49%	$ 1,529,538	(6.22)	--	--	--	--	--	--	--	1.98	9/30/2009
	IX1F00183087	***DJ U.S. Select RESI***			(4.86)	--	--	--	--	--	--	--	1.95	9/30/2009
	OHUG03000000	***Total Real Assets***	**4.08%**	**$ 12,844,113**	1.45	6.34	26.73	11.84	15.09	(14.37)	--	--	(14.37)	11/30/2007
	OHUGX0903REA	***Custom Benchmark***			2.23	3.94	12.25	7.30	(0.24)	(14.44)	--	--	(14.44)	11/30/2007
Total Account	**OHUG09000000**	**OU Total ex Private Equity**	**85.74%**	**$ 270,153,916**	(1.12)	3.99	16.64	9.61	14.26	(10.41)	(2.70)	2.33	2.76	12/31/2003
	OHUGTOTALPOL	***Total Policy Benchmark***			(0.84)	4.19	15.72	9.34	13.82	(7.67)	(0.67)	4.13	4.92	12/31/2003
Private Equity	**OHUG02000000**	**Total PE**	**14.26%**	**$ 44,930,276**	0.24	4.43	(4.09)	4.57	(6.29)	(0.20)	4.48	3.24	4.56	1/31/2003
Total Account	**OHUG01000000**	**OU Total**	**100.00%**	**$ 315,084,192**	(0.93)	4.07	13.28	8.91	10.99	(9.83)	(2.29)	2.80	4.69	12/31/2002

Ohio University and The Ohio University Foundation
Investment Pool Composition
as of October 31, 2009

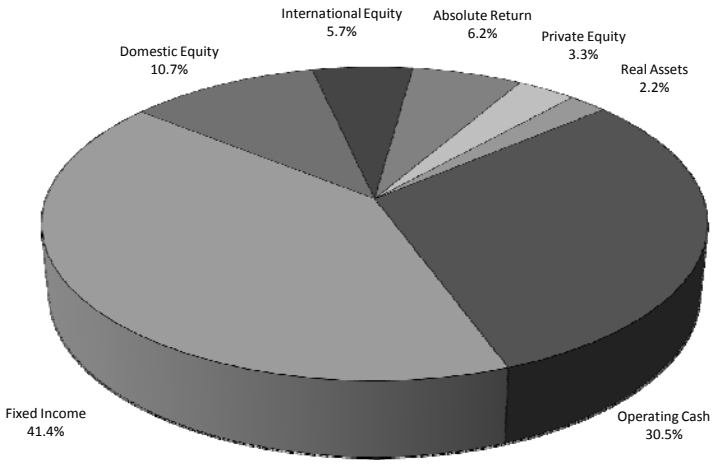
University Working Capital

	Amount	Actual %	Target %
Cash Pool	$38,571,300	35.5%	25.0%
Liquidity Pool	33,232,162	30.6%	50.0%
Diversified Pool	36,885,632	33.9%	25.0%
Total Working Capital Investments	$108,689,094	100.0%	100.0%

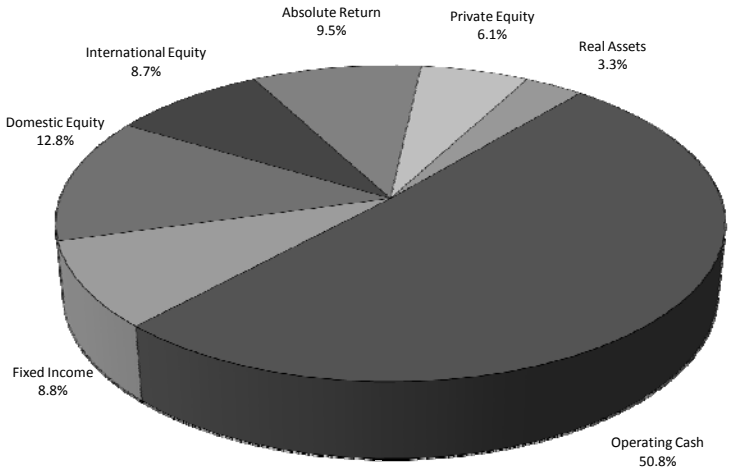
Foundation Working Capital

	Amount	Actual %	Target %
Cash Pool	$11,942,321	50.8%	25.0%
Diversified Pool	11,569,566	49.2%	75.0%
Total Working Capital Investments	$23,511,887	100.0%	100.0%

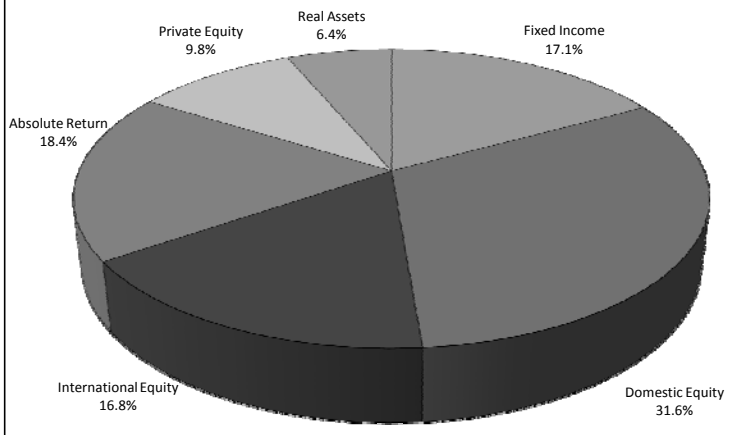
University Working Capital by Asset Class
$108.7mm



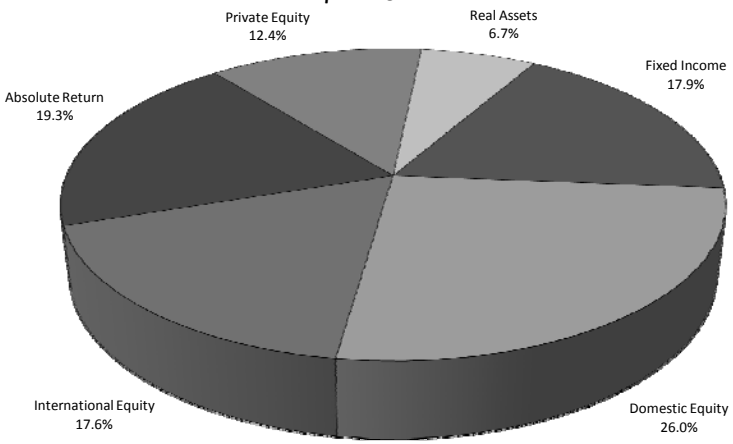
Foundation Working Capital by Asset Class
$23.5mm



University Endowment by Asset Class
$44.0mm



Foundation Endowment by Asset Class
$222.6mm



Ohio University

Investment Loan Fund

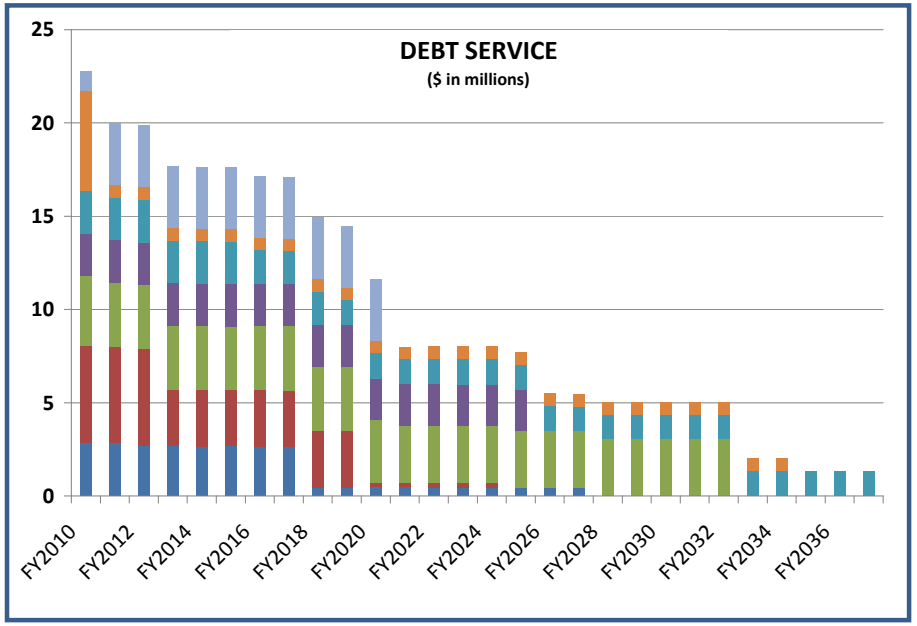
July 01, 2009 to June 30, 2010

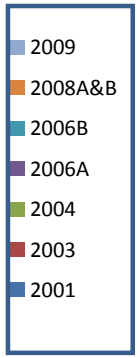
**single payment for the fiscal year*

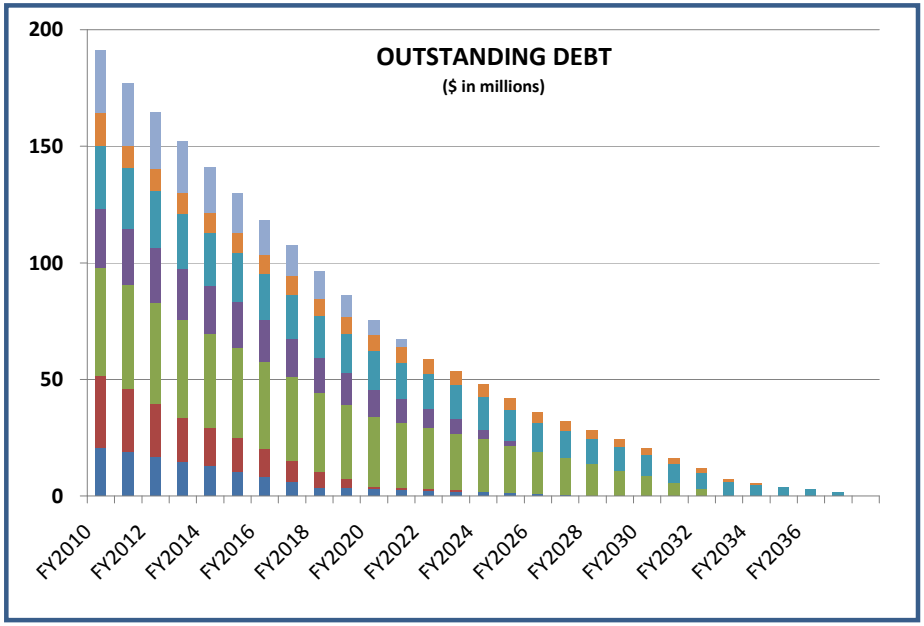
Investment Loan	Loan Approval Date	Loan Expiration Date	Authorized Draw Amount	Interest	Payments	Net Outstanding
- Airport T Hangars	Nov 2001	Feb 2012	300,000	102,387	218,722	183,665
- Center for Auto ID	Jun 2002	Jun 2012	177,100	46,498	171,791	51,807
- Performance Contract Ph IIB	July 2002	Nov 2009	1,276,818	284,968	1,561,786	0
- Broadband Antenna Tower - Cambridge	May 2003	Jun 2026	595,200	173,416	246,585	522,030
- Airport 2 Aviation Training Upgrade	May 2003	Apr 2011	432,267	77,598	476,635	33,230
- Bob Wren Stadium Lights	Jun 2003	Jun 2015	281,121		114,750	166,371
- NASA ACTS Satellite Ph II	May 2005	Apr 2010	384,375	58,785	443,160	(0)
- Student Training 7 Piper Warriors	Jan 2005	May 2020	1,134,000	284,813	577,132	841,681
- Performance Contract Ph IV	Apr 2005	Nov 2013	1,267,821	299,116	792,045	774,892
Total			5,848,702	1,327,582	4,602,607	2,573,676

Ohio University
Outstanding Bonds
as of October 31, 2009

Bond Series	Purposes	Coupon Rate	Final Maturity	Outstanding Balance ($mm) 06/30/09	06/30/10	06/30/11
Ohio University Outstanding Debt (OU Balance Sheet)						
2001	Various including Innovation Center, Walter Hall, Bromley Hall, Utilities upgrade, Peden Stadium Field, and various refinancings	Variable & Syn. Fixed	FY2027	20.9	18.9	16.9
2003	Various including Ping Recreation Center, Walter Hall, Pickerington Center, Avionics Engineering Center, Convo refinancing	5.0% - 5.25%	FY2024	30.5	26.8	22.8
2004	Baker University Center, King Air 350, Lausche project, performance contracting, various refinancing	2.0% - 5.0%	FY2032	46.3	44.7	43.4
2006A	Various including Grover Center, HRTC, Stores/Receiving demolition, W. State St. Lab, chilled water loop, child care center	3.5% - 5.0%	FY2025	25.6	24.4	23.2
2006B	Adams Hall, SIS, performance contracting	3.75% - 5.0%	FY2037	27.1	26.0	24.8
2008A&B	HDL Center Acquisition, Enterprise System (BANS)	4.0% - 5.0%	FY2034	14.2	9.4	9.2
2009	SIS, Network Upgrades	2.0% - 5.0%	FY2020	26.6	26.6	24.4
TOTAL				191.2	176.8	164.6
Housing for Ohio, Inc. Outstanding Debt (HFO and OUF Balance Sheets - Not OU Balance Sheet)						
2000	University Courtyard apartments	Variable		28.9	28.2	27.5
Ohio University Outstanding Debt (OU Credit)						
TOTAL				220.1	205.0	192.1







Treasurer's Report

October, 2009

OHIO UNIVERSITY

Treasurer's Report Agenda

- Investment Report
- Working Capital Report
- Investment Pool Composition
- Investment Loan Fund Detail
- Bond Principal Outstanding

OHIO UNIVERSITY

Treasurer's report
•Covers status of OHIO's financial assets and debt obligations
•Schedules provided in the advance materials summarize information required by the investment policies
•Schedules are presented to the board at every meeting

Investment performance report
•outlines historical performance of the endowment assets and the diversified pool portion of the working capital

Working capital performance report
•details historical performance of the most liquid working capital assets – the cash pool and the liquidity pool

Investment Pie-charts and Tables
•Depict information about the asset allocation and manager structure of the endowment and working capital assets
•Investment Pool Composition table shows a detailed summary of investments by source

Investment Loan Fund
•provides short-term loans to various OU departments to help further the educational mission of the university

Bonds
•Summary of outstanding bonds and the total principal remaining on each issue is included
•A graph depicting the amortization of each bond series over time is also included

Treasurer's Report
As of October 31, 2009

- **Investment Performance:**

	FYTD	CYTD
Ohio University Composite	8.91%	13.28%
Policy Index	9.34%	15.72%
Composite x Private Holdings	9.61%	16.64%

- **Asset Allocation vs. Policy Target:**

Global Equity vs. Policy	44.9%	vs	54.5%
Fixed Income vs. Policy	17.7%	vs	21.5%
Alternatives vs. Policy	37.4%	vs	24.0%

• Ohio University Composite represents overall performance of endowment and diversified pool investments

• Shows Composite return vs. three benchmarks: Allocation Index, Policy Index and Composite return excluding private equity and real asset investments

• Composite returns and the indices are calculated by Hirtle, Callaghan & Co.

• Composite return is calculated by multiplying actual asset class weights by actual manager net returns

• Policy Index is calculated by multiplying target asset class weights by passive benchmark returns; measures benefit of active management and effectiveness of deviations from policy weights

• Composite return excluding private equity and real asset investments shows contribution of the alternative investments to overall return

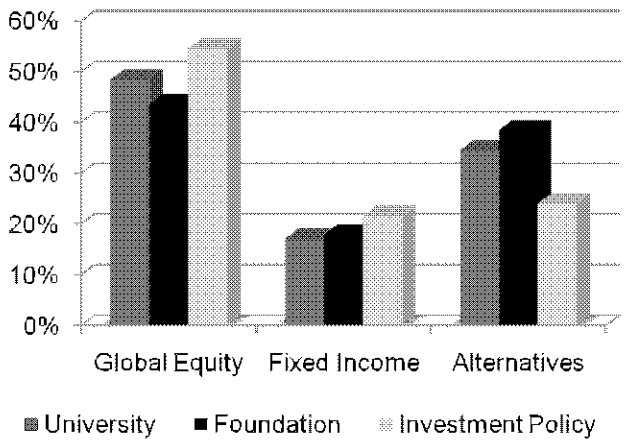
• Certain private equity and real asset investments are beginning to make significant distributions

• Expect that the portfolio will outperform the Allocation Index in the long-run

• Also, will add funds to underweight asset classes as new donations are added to the investment pool

Treasurer's Report
Endowment Allocation

- **Assets at 10/31/2009:**
  - University $44.0 million
  - Foundation $222.6 million



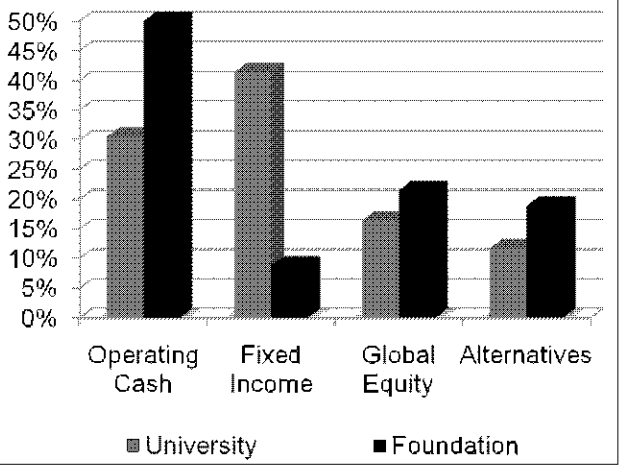
OHIO UNIVERSITY

•In materials, endowment allocation information presented on two separate pages with pie charts, one for OHIO and one for OUF
•Bar chart here compares allocations for OHIO, OUF and investment policy

•OUF and OHIO have about the same allocation to each broad asset class
•"Other" includes private equity, real assets, and opportunistic investments, with target weights of 9%, 8%, and 5.4%
•Recent decline in public equity market caused overweight to fixed income
•Rebalancing will be done gradually, as new funds are added and spending transfers are withdrawn

Treasurer's Report
Non-Endowment Allocation

- **Assets at 10/31/2009:**
  - University $108.7 million
  - Foundation $23.5 million



OHIO UNIVERSITY

•Non-Endowment asset allocation for OHIO differs widely from that of OUF
•OHIO has much greater need for liquidity to manage the cash outflows related to large expenses, especially payroll
•Diversified pool portion of OHIO's working capital is targeted at 50% of the total
•Has smaller allocation to equity and other less liquid asset classes, compared to OUF
•Diversified pool portion of OUF's working capital is targeted at 75% of the total, hence large allocation to equity
•"Other" asset class includes private equity, real assets, and opportunistic investments

Treasurer's Report
Investment Loan Fund Detail

- **As of October 31, 2009:**

Total Authorized Amount	$ 5,848,702
Amount Drawn	5,848,702
Plus Interest	1,327,582
Less Payments	4,602,607
Net Outstanding	$ 2,573,677

Investment Loan Program
•provides departments with short-term loans to fund small special projects
•lent from the University's diversified pool
•loan pool limited to 25% of the diversified pool
•total authorized amount = total funds approved for all loans still outstanding = approx $5.8 million
•amount drawn = amount individual units have called = approx $5.8 million
•since inception, OHIO has realized approx. $2.4 million in interest.
•interest earned on loans currently outstanding is approx. $1.3 million.

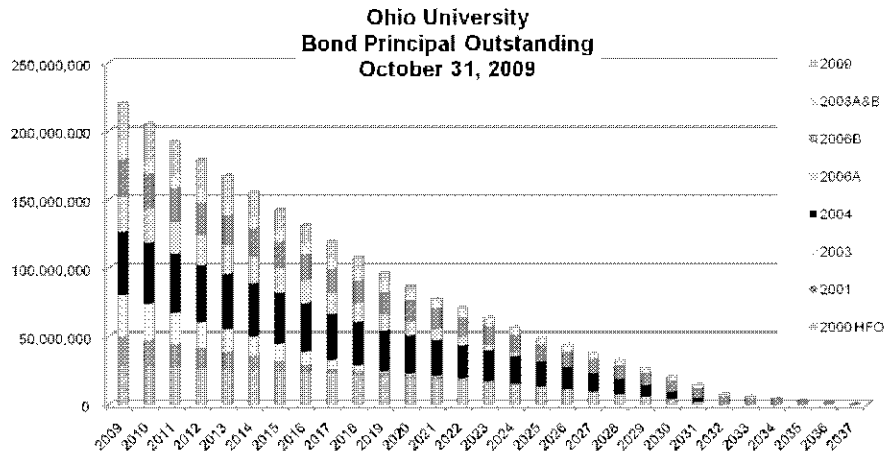
Treasurer's Report
Bond Principal Outstanding

- **As of October 31, 2009:**

Series 2000	28,865,000
Series 2001	20,910,000
Series 2003	30,500,000
Series 2004	46,285,000
Series 2006A	25,575,000
Series 2006B	27,075,000
Series 2008A&B	14,230,000
Series 2009	26,645,000
	$220,085,000

•OHIO has issued both taxable and tax-exempt bonds
•$2.0 million of the Series 2008 bonds are taxable; all else is tax-exempt
•Total principal outstanding as of 06/30/09 $220.1 million.
•Includes $28.9 million for Series 2000
    •issued by a subsidiary of OUF for University Courtyard apartments
    •non-recourse - neither OHIO nor OUF can be held liable for their payment
    •not included in OHIO's general ledger
    •are included on OUF's books

Treasurer's Report
Bond Principal Repayment



OHIO UNIVERSITY

- Amortization of bond principal over time, assuming no additional debt is issued
- Over the term of the debt, OHIO retires an average $8 million in principal annually
- During next 5 years, over $65 million will be retired
- During next 10 years, over $124 million will be retired

Ohio University
Campaign Timeline: Key Tasks

Campaign Planning

2009

Determine how to fund the campaign.

Recruit campaign chair and campaign cabinet.

Prepare and begin implementing plan to engage college/unit advisory boards.

Estimate dollar targets for university-wide and college/unit campaign priorities.

Prepare campaign case-stating materials.

Conduct campaign feasibility study targeted toward selected prospects to evaluate overall dollar goal.

Engage and cultivate top gift prospects.

Complete wealth screening and donor analytics and incorporate into prospect development systems.

Complete work on BSR Advance database to support campaign.

Conduct skill develop-ment sessions for staff, deans, etc.

Plan and begin implementing internal and external marketing and communication strategies for:

- Print and electronic media
- Website
- Electronic communications
- Other communication vehicles

Nucleus and Leadership Gifts

2010 to 2011

Engage campaign leadership in prospect cultivation and pre-selling campaign priorities.

Focus Foundation Board on increasing awareness about campaign priorities.

Raise awareness about campaign priorities among Ohio University faculty and staff, alumni, parents, and friends.

Partner with Ohio University National Alumni Board to increase campaign awareness among alumni.

Develop plan and begin holding regional "campaign awareness" events.

Cultivate and solicit top prospects.

Secure 100% major gift participation by all campaign volunteer leadership groups.

Continue executing internal and external marketing and communications strategies.

Continue raising awareness about campaign priorities internally and externally.

Hold festive campaign public kick-off and announce dollar goal.

Public Announcement/Kick-Off: 2011

Major and General Gifts

2011 to 2015

Continue cultivating and soliciting top prospects.

Cultivate and solicit other major gift prospects.

Recognize and steward campaign donors.

Adjust prospecting work and staffing, as needed, to achieve campaign goals.

Hold multiple campaign events for alumni, parents, and friends.

Conduct faculty and staff campaign.

Celebrate campaign victory.

Evaluate campaign.

Victory Celebration: 2015

84306:jsm:081709

Philanthropic giving transforms lives in difficult times

Alumni support enhances Ohio University's academic mission

When our nation faces challenges, when economies lag, when giving back becomes difficult, Ohio University alumni continue to make their alma mater a priority.

Private support provides the margin of excellence at Ohio University, making possible the scholarships, research and innovative programs that set the university apart from its peers. It is vital to success.

In fiscal year 2009, more than 27,000 alumni and friends made gifts through The Ohio University Foundation totaling $24.2 million and surpassing a $20 million goal. More than 96 percent of this support was directed toward academic programs and scholarships. "This broad base of support for our academic mission demonstrates the deep commitment and loyalty of our supporters to Ohio University," says Howard R. Lipman, vice president of University Advancement and president and CEO of The Ohio University Foundation.

An $83 million estate gift from Fritz J. (BSEE '42), and Dolores H. Russ — which will support academic excellence in the Russ College of Engineering and Technology — brought overall fundraising in fiscal year 2009 to $107 million.

Equally important are benefactors such as Mimi Bogard, AB '71, who has made 37 gifts through the Annual Fund in 30 different fiscal years in the 38 years since her graduation. Although each gift is less than $100, as a whole, they represent an extraordinary commitment to alma mater.

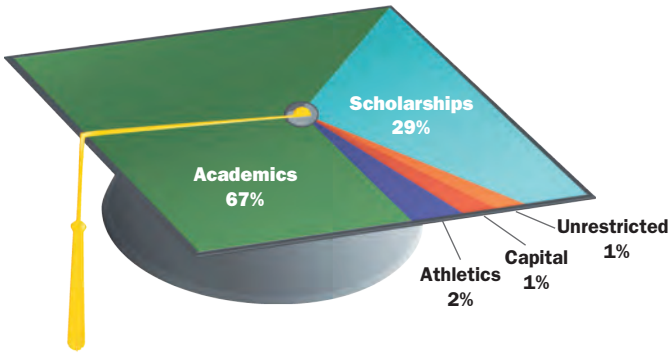
In fiscal year 2009, annual gifts of $1 to $10,000 added up to more than $4.75 million. When combined, these gifts transform lives. For example, Ohio University ranks sixth in the nation for graduation rate performance among national universities and liberal arts colleges — coming in 16 percent higher than predicted.

There's more evidence of excellence: The College of Osteopathic Medicine's classes of 2007 and 2008 scored No. 1 among the 22 osteopathic medical schools in the nation on the most recent Comprehensive Osteopathic Medical Licensing Examination. And the College of Business is recognized as one of the nation's top 50 undergraduate business programs.

"Private gifts — particularly in difficult times — support this level of academic achievement," says President Roderick J. McDavis. "They represent the difference between a good university and a great one!"

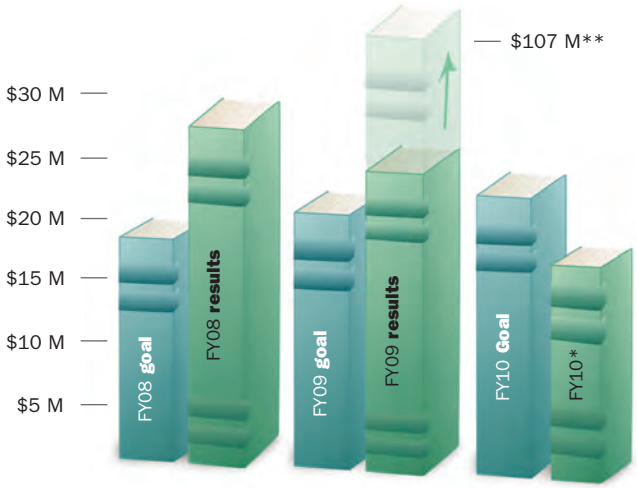
For more information on making a difference at Ohio University and to make a gift to the area that means the most to you, call 800-592-FUND (3863) or e-mail giving@ohio.edu. Secure online giving is available at www.ohio.edu/give.

Private Support FY09



Academics	$ 16.2 M	**Athletics**	$ 409 K
Scholarships	$ 7.1 M	**Capital**	$ 267 K
		Unrestricted	$ 229 K

Fundraising Results



Fundraising goal	**Fundraising totals**
FY08: $18 M	$27 M
FY09: $20 M	$24.1 (+ $83**) = $107.1 M
FY10: $22 M	$ 16.4 M*
	(*to date as of 11/20/09)
	(** Russ Estate Gift)

Graphs by: Matt Schario

Division of University Advancement
FY10 Fund Raising Report
Gifts and Commitments as of 11/30/09

	Total Gifts and Commitments (in Thousands): By Donor Type								
	November			Fiscal Year					
Donor Type	Goal	Actual	Variance	Goal	Actual	Variance	FY %	YTD Goal	YTD %
Alumni	$2,400	$287	($2,113)	$13,200	$14,862	$1,662	113%	$4,800	310%
Other Individuals	$800	$153	($647)	$4,400	$452	($3,948)	10%	$1,600	28%
Corporations	$160	$110	($50)	$880	$324	($556)	37%	$320	101%
Foundations	$600	$153	($447)	$3,300	$661	($2,639)	20%	$1,200	55%
Organizations	$40	$37	($3)	$220	$312	$92	142%	$80	390%
Total	**$4,000**	**$739**	**($3,261)**	**$22,000**	**$16,611**	**($5,389)**	**76%**	**$8,000**	**208%**
Other Gift Types:									
Gifts In Kind					$0				
Planned Gifts - Revocable					$400				
Pledge Payments					$1,646				
Bequest Payments					$156				
Total Gifts					**$18,813**				

	Total Gifts and Commitments (in Thousands): By Donor Type					
	November			Fiscal Year		
Donor Type	Outright Gifts	New Pledges	Total	Outright Gifts	New Pledges	Total
Alumni	$127	$160	$287	$14,383	$479	$14,862
Other Individuals	$82	$70	$153	$346	$106	$452
Corporations	$110	$0	$110	$302	$23	$324
Foundations	$153	$0	$153	$661	$0	$661
Organizations	$37	$0	$37	$312	$0	$312
Total	**$509**	**$230**	**$739**	**$16,003**	**$608**	**$16,611**

Division of University Advancement
FY10 Fund Raising Report 11/30/09
Constituent Groups

	Gifts and Commitments (in Thousands)								
	By Academic and Other Units								
	November			Fiscal Year					
College/Unit	Goal	Total	Variance	Goal	Gifts	New Pledges	Total	Variance	%
College of Arts and Sciences	$125	$103	($22)	$1,375	$237	$41	$277	($1,098)	20%
College of Business	$100	$138	$38	$3,000	$470	$99	$569	($2,431)	19%
Scripps College of Communication	$25	$98	$73	$1,800	$402	$46	$448	($1,352)	25%
College of Education	$25	$9	($16)	$500	$6,683	$40	$6,723	$6,223	1345%
Russ College of Engineering & Technology	$100	$135	$35	$1,850	$53	$217	$270	($1,580)	15%
College of Fine Arts	$25	$31	$6	$500	$7,067	$15	$7,082	$6,582	1416%
College of Health and Human Services	$25	$18	($7)	$500	$51	$29	$80	($420)	16%
Honors Tutorial College	$5	$2	($3)	$75	$32	$4	$36	($39)	48%
College of Osteopathic Medicine	$50	$15	($35)	$750	$184	$22	$206	($544)	28%
University College	$5	$2	($3)	$75	$4	$9	$12	($63)	16%
Intercollegiate Athletics	$20	$21	$1	$500	$161	$19	$180	($320)	36%
University Libraries	$20	$2	($18)	$250	$35	$3	$37	($213)	15%
Cutler Scholarship Program	$20	$21	$1	$1,500	$84	$0	$84	($1,416)	6%
Chillicothe Campus	$0	$8	$8	$0	$37	$0	$37	$37	NA
Eastern Campus	$0	$2	$2	$0	$8	$0	$8	$8	NA
Lancaster Campus	$0	$2	$2	$0	$3	$0	$4	$4	NA
Southern Campus	$0	$1	$1	$0	$35	$3	$38	$38	NA
Zanesville Campus	$0	$0	$0	$0	$13	$0	$13	$13	NA

DRAFT

Board of Trustees' Governance Committee
Ohio University
Thursday, January 14, 2010

Committee Chair Sandra J. Anderson, Trustees Brightbill and Jackson, Secretary of the Board Thomas E. Davis and General Counsel John J. Biancamano were present.

1. Student Trustee Nominating Process

Trustee Jackson briefed the Committee on the process for nominating candidates for the position of student trustee. A committee comprised of 10 students has met with Mr. Davis and Vice President for Student Affairs Kent Smith to discuss timing and the selection process. Ads have been placed soliciting candidates. The student committee will interview candidates and recommend five for consideration by President McDavis.

Trustee Jackson also reported that the Student Senate has recommended that student trustees be given office space to facilitate the performance of their responsibilities.

2. Guidelines for the Selection of National Trustees

Mr. Biancamano reviewed draft Guidelines for the Selection of National Trustees. These Guidelines formalize criteria discussed by the Board in February, 2003. Dr. Davis explained the process that has been used by the Board in the past to identify candidates for the position of national trustee. He recommended that the Governance Committee consult the President and the Vice President for Advancement in this regard. After some discussion, the Committee decided to add the following sentence to the draft Guidelines:

> 3. The Governance Committee may consult with the President, the Vice President for Advancement, appropriate members of the University community and other appropriate sources to identify potential candidates.

The Guidelines as amended were approved by a unanimous vote of the Committee.

3. Meeting Dates for Fiscal Year 2011

The Committee discussed proposed meeting dates for the year beginning July 1, 2010. Trustee Jackson pointed out that the proposed meeting in November will occur during finals week. Dr. Davis stated that it may be difficult to identify another meeting date that fits with the schedules of the Board members and that does not interfere with the University Foundation meeting. He will explore other options and the Committee will act on the schedule at the next meeting of the Board.

4. Proposed Amendments to the Board of Trustees Bylaws

Mr. Biancamano reviewed a proposed amendment to the Board Bylaws. The amendment adds explicit authorization for the appointment of two national trustees and defines their terms.

The Committee briefly discussed possible changes to Article VI, Section 2, which describes the Executive Committee. It was agreed that the Bylaw amendment will be presented to the full Board for approval at the next meeting.

DRAFT
Board National Trustee Guidelines v1
12/9/09

Guidelines for the Selection of National Trustees

Article VI, Section 1 (d) of the Board of Trustees By-Laws gives to the Governance Committee the responsibility for recommending candidates for the position of national trustee. To facilitate the performance of this responsibility, the Committee hereby adopts the following guidelines.

1. In making its recommendations, the Committee should consider individuals who have a broad national perspective on higher education issues and/or who may be able to provide expertise to the Board in business, organizational or technical areas.

2. National trustees should be individuals who have achieved success in their chosen fields and national or state prominence. They should be willing and able to devote the time necessary to service on the Board. There is a strong preference for graduates of Ohio University who are non-residents of the State of Ohio.

3. The Governance Committee will recommend individuals to fill the position of national trustee at the last Board meeting prior to the end of the fiscal year.

MEETING DATES FOR SUCCEEDING YEAR

Designation of Stated Meeting Dates for Years Beginning July 1, 2010 and Ending June 30, 2011

RESOLUTION 2010 –

RESOLVED that the following dates be designated the stated meeting dates for the year beginning July 1, 2010, and ending June 30, 2011.

September 9-10, 2010 (Retreat and Meeting)	**COMMENCEMENT**
November 18-10, 2010	June 10-11, 2011
February 24-25, 2011 (Zanesville Campus Location)	June 8-9, 2012
April 21-22, 2011	
June 23-24, 2011	

RESOLVED further that, if conditions dictate, the Executive Committee be authorized to change the date of the stated meetings.

For awareness, Founders' Day will be recognized on February 18, 2011.

Meeting dates for The Ohio University Foundation:

July 22-24, 2010
November 4-6, 2010
February 3-5, 2011
July 21-23, 2011

DRAFT
Board Bylaws 2010 Amd v1

The Ohio University Board of Trustees By-Laws as Amended

Revised January 23, 2009

Revised February 8, 2008

Revised July 14, 1989

Revised June 23, 1990

Revised September 20, 2002

Revised December 17, 2004

Article I. Corporate Authority and By-Laws

Section 1. Since by Federal and State law, there shall be and forever remain in the said university, a body politic and corporate, by the name and state of The President and Trustees of the Ohio University in the name and style of The Ohio University. The Ohio University Board of Trustees, hereinafter referred to as the Board, chooses to be governed by these By-Laws and the applicable provisions of Ohio law.

Section 2. The adoption of these By-Laws by the Board automatically nullifies all previous By-Laws.

Section 3. No By-Laws shall be enacted, amended, or repealed, except by a majority vote (5 votes) of the Board, and then only after thirty (30) days notice of a proposed change has been given to all members.

Section 4. In addition to the eleven trustees appointed by the Governor of the State of Ohio in accordance with Section 3337.01 of the Ohio Revised Code, the Board shall include two national trustees and a representative of the Ohio University Alumni Association. The two national trustees shall be appointed by the Board and shall serve terms of three years, with one term beginning on , 2009 and one term beginning on ....., 2010. The Alumni Association representative shall be appointed by the Board upon nomination by the Ohio University Alumni Association Board of Directors and shall serve a term of years, beginning on ....., 2009.

Section ~~4~~5. The two student trustees, ~~serving in accordance with Section 3337.01 (B) Ohio Revised Code (ORC), and~~ the two national trustees and the ~~chair/~~representative of the Ohio University Alumni Association ~~Board of Directors, who are appointed by the~~

~~Board,~~ may not vote on Board matters but their opinions and advice will be actively solicited and welcomed in Board deliberations.

Article II. Officers of the Board

Section 1. Officers of the Board shall be as follows:

(a) Chairperson

(b) Vice-Chairperson

(c) Secretary

(d) Treasurer

Section 2. The Chairperson shall preside at all meetings of the Board, and unless otherwise directed by the Board, shall have the authority to appoint members of and fill vacancies on all standing and special committees. He or she shall serve as Chairperson of the Executive Committee. Subject to these By-Laws, he or she shall fix the date and time of all regular, special, and emergency meetings, and perform such other duties as may be pertinent to the office of the Chairperson.

Section 3. The Vice-Chairperson, in the absence or incapacity of the Chairperson, shall assume the duties and obligations of the Chairperson.

Section 4. The Secretary shall keep minutes of all Board meetings and shall promptly distribute copies to all Board members. He or she shall be responsible for the orderly preservation of all records pertaining to Board business, and shall perform all other duties usual to the office or imposed by the Chairperson or by Board action.

Section 5. The Treasurer shall be responsible for the fiscal management of the University, including supporting budget preparation, the preparation of all officially required financial reports, investments, coordination of audits with auditors, including federal and state auditors, relationships with financial reporting agencies, and all other financial responsibilities generally or specifically assigned by the Board or the President.

Article III. Election of Officers

Section 1. The Chairperson, Vice-Chairperson, Secretary, and Treasurer shall be elected annually by the Board.

Section 2. The Chairperson and Vice-Chairperson shall each serve for one year and shall be eligible for re-election to their respective offices for a period up to three (3) years. The Secretary and the Treasurer shall be eligible for annual election to these offices without a yearly limitation.

Article IV. The President and Presidential Duties

Section 1. On the basis of mutual good faith and any contractual relationship pointing to continuous service, the President of the University shall be elected from year to year, and shall be entitled at all times to one (1) year severance notice or one (1) year salary if terminated.

Section 2. The President shall attend all meetings of the Board and shall, in an advisory capacity, have a voice in its deliberations. He or she shall have the authority to initiate any subject at Board meetings.

Section 3. The President shall be responsible to the Board for the administration and discipline of the University.

Article V. Meetings

Section 1. Regular Meetings. The Board shall hold no fewer than four (4) regular meetings a year, with the date and time fixed in accordance with the provisions of Article II. Section 2.

Section 2. Special and Emergency Meetings. Special and emergency meetings may be held upon the call of the Chairperson or upon the written request of three (3) Board members to the Secretary.

Section 3. Notice of Meetings. The Secretary shall notify all Board members and the President at least five days in advance of all regular and special meetings and at least one day in advance of all emergency meetings. The policy designated "Notification Procedures for Meetings," which has been adopted by the Board pursuant to Section 121.22 (P) ORC, is hereby incorporated by reference into this section, and the Secretary shall carry out his or her responsibilities under that policy in accordance with its provision for all meetings.

Section 4. Attendance. It shall be the policy of the Board to require full attendance at all meetings of the Board and committees in accordance with Section 3.17 ORC. Excuses for absence from meetings shall be communicated to the Secretary at least two (2) days before meetings. Persistent unreasonable absences in violation of Ohio law shall be cause, at the pleasure of the Chairperson, for reporting such delinquency to the appropriate authority of the State of Ohio.

Section 5. Quorum. For the purpose of doing business, a majority (5 members) of the Board membership shall constitute a quorum; however, a vote of two-thirds (6 votes) of the Board members shall be necessary to elect or remove a President; and a vote of a majority (5 votes) of the Board members shall be necessary to authorize the sale or lease of a University building or the planned demolition of a University building.

Section 6. Agenda. The Chairperson of the Board or the President of the University, except for emergency meeting, shall prepare and place in the hands of the Secretary a suggested agenda of each Board meeting in time for the Secretary to include it in the notice provided for in Section 3 of this Article.

Article VI. Standing and Special Committees

Section 1. Standing Committees of the Board, consisting of no fewer than three (3) members each, shall be appointed annually or for longer terms by the Chairperson of the Board, and each Standing Committee shall consider and make recommendations for action by the Board on the various policy matters enumerated below as follows:

(a) University Academics. Responsibilities will include the academic plan; enrollment management; student life; intercollegiate athletics; diversity; research and technology transfer policies and activities; information technology; communications and marketing; academic appointments; promotion and tenure policies and procedures; academic program reviews; and awarding of degrees.

(b) University Resources. Responsibilities will include financial operations; business organization and practices; human resources; university advancement; relations with local, state, and federal legislative and administrative agencies; recommending of the schedule of tuition and fees; borrowing of funds; naming, location, planning, construction, and maintenance and renovation of the University's facilities and grounds; the purchase, sale and lease of lands and buildings; reviewing and monitoring of all investments including the endowment; contract oversight on public utilities and other large contracts; and recommending of investment policy, advising the Board on investments and appointment of investment advisors to assure compliance with Section 3345.05 ORC.

(c) Audit. Responsibilities will include the oversight of the internal audit functions, annual or other periodic audits of financial operations, the recommendation of the appointment of an external audit firm to the Board of Trustees, the receipts of the reports of the internal auditor and the external audit firm, and the university's accountability and compliance procedures.

(d) Governance. Responsibilities will include the recommendation of general governance policies and procedures, the nomination of Board officers and recommendation of candidates for future trustees and national trustees. At the last meeting in each fiscal year, the Committee shall review these Bylaws to determine whether any changes are appropriate and shall recommend any such changes to the Board of Trustees.

(e) Executive. Responsibilities will include consulting with the President on the appointment of executive officers and business not specifically assigned to another Standing or Special Committee.

Section 2. The Executive Committee shall be made up of the Chair and Vice Chair of the Board of Trustees and the Chairs of University Academics and University Resources Committees and have broad powers to act in all matters not deemed by the Chairperson of the Board and the President of the University as of importance to command the immediate attention of the entire Board. All actions of the Executive Committee shall be subject to approval by the Board, except those wherein the Board has delegated to the Executive Committee or the President full power to act for the Board.

Section 3. Special committees may be appointed by the Chairperson of the Board for the purpose as the Board may deem necessary.

Section 4. The Chairperson of the Board and the President or designee shall be ex-officio members of all Standing Committees and Special Committees; however, neither is eligible to serve as a voting member of a Standing or Special Committee, in his or her ex-officio capacity.

Article VII. Parliamentary Authority

Section 1. When not in conflict with any of the provisions of these By-Laws, the Robert's Rules of Order Newly Revised shall govern the proceedings of the Board.

AUDIT COMMITTEE MEETING
OHIO UNIVERSITY – SOUTHERN CAMPUS
Collins Hall, Ohio Room
January 14, 2010 – 4:00 PM

Norman (Ned) Dewire, Trustee, called the meeting to order at 4:17pm. Trustee Gene Harris, Trustee Charles Stucky, Student Trustee Kyle Triplett and President McDavis were also present.

- **Status of Significant Findings**

Kathy Gilmore, Chief Audit Executive, presented on the status of all open significant findings, along with corrective action taken as reported by the unit audited. Action taken will be reviewed as part of Internal Audit's regularly scheduled follow-up process. Significant audit items for the audits of Campus Recreation, College of Education, College of Health and Human Services, Eastern Regional Campus, Facilities Department, Treasury Management, University Outreach and Lifelong Distance Learning and Zanesville Campus were discussed.

- **External Audit Presentation**

Robert Shenton, Keith Martinez and Jonathan Saxton of Plante Moran presented the results of the 2009 audit. Each discussed their role in the audit process. Discussed timeline of the audit, the opinion rendered on the financial statements and significant findings. Also discussed significant audit adjustments with the committee members. A detailed discussion was held. Questions for clarity were posed, answers were responded to in detail.

At 4:56p.m. Trustee Dewire motioned to enter executive session. Trustee Harris seconded the motion. Vote was unanimous. The focus of the Executive Session was for the sole purpose of an audit conference conducted by an independent certified public accountants with officials of the public office that is the subject of the audit, pursuant to the provisions of R.C. 121.22(D)(2). At 5:12 p.m. Trustee Dewire motioned to adjourn executive session. Trustee Harris seconded. Vote was Unanimous.

At 5:12 p.m. Trustee Dewire motioned to enter executive session. Trustee Harris seconded. Vote was Unanimous. The focus of the Executive Session was for the sole purpose of the

consideration of the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee or official, or the investigation of charges or complaints against a public employee, pursuant to the provisions of R.C. 121.22 (G)(1). At 5:20 p.m. Trustee Dewire motioned to adjourn executive session. Trustee Harris seconded. Vote was Unanimous.

There was no unfinished business.

Meeting adjourned at 5:20p.m.

HDL Center Suite 275
Athens OH 45701

T: 740.593.1865
F: 740.597.1842

Date: December 14, 2009

To: The President and Board of Trustees

From: Kathryn Gilmore, CPA, CIA, Chief Audit Executive

Subject: Current Status of Significant Open Audit Recommendations

In January 2009, I updated the Audit Committee regarding the status of significant audit issues reported by Internal Audit for the period of FY 05-06 through FY 07-08. At the upcoming January 14, 2010 Audit Committee meeting, I will present the current status of corrective action taken for all open significant audit findings. Internal Audit will review action taken for these audit findings, during our upcoming regularly scheduled follow-up audits.

Subsequent to January 2009, for follow-up audits conducted all audit findings were adequately addressed. These audits are listed below:

College of Arts and Sciences
College of Business
Intercollegiate Athletics
Payroll Automated Systems
Procurement Services
Russ College of Engineering
Vice President for Research

I will be pleased to answer any questions you might have prior to or during the January meeting.

Audit Committee

Norman (Ned) E. Dewire, Trustee

January 14, 2010

Agenda Tab 19

OHIO UNIVERSITY

Current Status of Significant Open Audit Recommendations

Chief Audit Executive

Kathryn Gilmore

OHIO UNIVERSITY

Agenda

- Introduction
- Report on Significant Audit Items for
  - Campus Recreation
  - College of Education
  - College of Health and Human Services
  - Eastern Regional Campus
  - Facilities Department
  - Treasury Management
  - University Outreach and Lifelong and Distance Learning
  - Zanesville Campus
- Conclusion

OHIO UNIVERSITY

Introduction

- January 2009 Internal Audit updated the Audit Committee on status of significant audit issues from FY 06 thru FY 08.
- Since that time all follow-up audit issues have been satisfactorily addressed.
- This presentation includes all open significant audit findings, along with corrective action taken as reported by the unit audited.
- Reported corrective action taken will be reviewed as part of Internal Audit's regularly scheduled follow-up process.

OHIO UNIVERSITY

Follow-up Audits Completed
All Findings Adequately Addressed

- College of Arts and Sciences
- College of Business
- Intercollegiate Athletics
- Payroll Automated Systems
- Procurement Services
- Russ College of Engineering
- Vice President for Research

OHIO UNIVERSITY

Current Status of Significant Open Audit Recommendations

OHIO UNIVERSITY

Overall Auditor Opinion Ratings

- Exceeds Expectations
- Meets Expectations
- Needs Improvement
- Inadequate

Campus Recreation

Report Date June 2009

Auditor Opinion Rating

Exceeds Expectations

Significant Audit Findings

One

OHIO UNIVERSITY

Campus Recreation

Virginia Graeme Baker Pool Safety Act

- Finding - Act required compliance with anti-entrapment regulations. Campus Recreation pool had not been inspected.
- Action - Through contact with Consumer Product Safety Commission, Facilities Management determined that the pool gutter drain style and unblockable main drain have no chance of entrapment and the inspection requirement is not applicable to our situation.

College of Education

Report Date June 2009

Auditor Opinion Rating

Meets Expectations

Significant Audit Findings

Two

OHIO UNIVERSITY

College of Education

Back-up Tape Storage

- Finding - Back-up tapes for the College Student Information System (SIS) were not stored offsite.
- Action -Tapes are now stored in a secured desk in another office.

College of Education

Sensitive Data

- Finding - Sensitive data was stored on College computers.
- Action - Dean requested that the Information Security Office perform a security assessment. Process of reviewing all computers and removing sensitive data is 85% complete.

College of Health and Human Services

Report Issued March 2009

Auditor Opinion Rating

Needs Improvement

Significant Audit Findings

Five

OHIO UNIVERSITY

College of Health and Human Services

Budget Process

- Finding - Three areas ended FY08 with operating deficits, due to budgets not being loaded correctly and an ineffective reappointment process.
- Action - College Budget Officer now works closely with the Dean and School Directors. Directors are now involved in the reappointment process.

College of Health and Human Services

Timely Deposits

- Finding - Deposits were not made timely in several areas.
- Action - Budget Officer now performs random audits to verify deposit compliance. Each area has increased efforts to make deposits timely.

College of Health and Human Services

<u>Reconciliation to Point-of-Sale System in WellWorks</u>

- Finding - Deposits were recorded but were not reconciled to point-of-sale system
- Action - Deposits are now recorded in the point-of-sale system and are reconciled.

College of Health and Human Services

Medical Billing

- Finding - Two medical billing functions existed in the College: Hearing Speech and Language, and Physical Therapy. Insufficient time was devoted to insurance billing and follow up on outstanding accounts in Physical Therapy. We recommended the College determine a more efficient medical billing method.
- Action - College moved to a centralized medical billing system.

OHIO UNIVERSITY

College of Health and Human Services

Atrium Café Cash Register

- Finding - Cash register was inadequate, register tapes were difficult and/or impossible to read.
- Action - New register was purchased and installed.

Eastern Regional Campus

Report Issued October 2008

Auditor Opinion Rating

Inadequate

Significant Audit Findings

Eight

OHIO UNIVERSITY

Eastern Regional Campus

Segregation of Cash Handling

- Finding - There was no appropriate segregation of the recording, deposit, and reconciliation processes.
- Action - Recording, deposit and reconciliation processes have been segregated. Dean's Administrative Coordinator records all deposits from all departments and Budget Unit Manager conducts the reconciliation process.

Eastern Regional Campus

Online Cashiering System

- Finding - System was located in administrative offices instead of Student Services, where payments were received.
- Action - System was installed and is used in Student Services. The Student Services Administrative Coordinator has been assigned to student cashiering duties with the Director of Student Services as the backup.

Eastern Regional Campus

Cash Handling Procedures

- Finding - No cash handling procedures or guidance existed. Receipts were not always recorded properly.
- Action - All who handle cash have reviewed OHIO Policy, must complete an interoffice deposit form, and submit funds and form to the Dean's Administrative Coordinator. Funds are safely secured. Budget Unit Manager reconciles deposits against bank statements.

Eastern Regional Campus

Change Fund Management

- Finding - Areas collected cash receipts without use of a properly monitored official change fund as required by OHIO policy.
- Action - Computer lab, library and café have established official change funds and are required to read OHIO policy, complete balance forms and submit them with cash transactions to the Dean's Administrative Coordinator within three days. Babysitting services fees are now charged directly to the student's account.

OHIO UNIVERSITY

Eastern Regional Campus

Security of Credit Card Records

- Finding - Records containing credit card numbers were not appropriately filed and secured as required by the Payment Card Industry.
- Action - Records are now kept in secure location.

Eastern Regional Campus

Unnecessary Collection of Sensitive Data

- Finding - Forms used for credit card payments identified student Social Security Numbers (SSNs) instead of personal identification numbers.
- Action - The credit card payment form was revised to eliminate all reference to the student's SSN. Staff has redacted all SSNs on credit card payment forms that had been collected in the past.

Eastern Regional Campus

Oracle FMS Report Distribution

- Finding - Those with budget responsibilities were not receiving monthly reports, while those who did not need access received reports.
- Action - Budget Unit Manager trained all employees with fiscal responsibility on appropriate access and review of FMS reports and funds available. These individuals and the Budget Unit Manager are now required to review and reconcile expenditures and revenue monthly.

OHIO UNIVERSITY

Eastern Regional Campus

Records Retention

- Finding - Lack of records retention schedules resulted in current records being unavailable while decades-old records were onsite.
- Action - Drafts of records retention schedules have been completed and forwarded to the University Records Manager for his review and approval. Upon approval, they will be implemented in each unit immediately.

Facilities Department

Report Issued September 2009

Auditor Opinion Rating

Needs Improvement

Significant Audit Findings

Five

OHIO UNIVERSITY

Facilities Department

Competitive Bidding

- Finding - Competitive bidding was not used to maximize buying power.
- Action - All necessary contracts are to be in place by 12/30/09. Buying power will be leveraged as part of University's overall procurement strategy with significant efficiencies expected in Facilities by 6/30/10.

Facilities Department

Inventory Purchases

- Finding - Inventory purchases were not reconciled to expenses in the maintenance management software (TMA).
- Action - TMA staff/software enhancement. Three positions were redirected to TMA planner/scheduler roles and were hired 12/2009. TMA software upgrade schedule established with IT. Applicable elements to be in place 1/2010.

Facilities Department

Vehicle Acquisition Policy

- Finding - University does not have a policy addressing vehicle acquisition.
- Action - Transportation and Parking section of Facilities with the guidance of the Procurement Office will draft a vehicle acquisition plan for the University and seek input prior to 12/30/10.

Facilities Department

Work Order Accuracy

- Finding - Time and materials were not accurately applied to work orders.
- Action - Existing staff coached 8/2009. Three positions were redirected to TMA planner/scheduler role and were hired 12/2009. TMA software upgrade schedule established with IT. Applicable elements to be in place 1/2010.

Facilities Department

Preventative Maintenance Work Orders

- Finding - Preventative maintenance work orders were not completed.
- Action - TMA scrubbed of low priority preventative maintenance work orders (PMs.) Higher priority PMs reassigned to zone maintenance shops 8/2009. TMA staff/software enhancements complete by 1/2010 will increase ability to accomplish PMs.

Treasury Management

Report Issued May 2009

Auditor Opinion Rating

Meets Expectations

Significant Audit Finding

One

OHIO UNIVERSITY

Treasury Management

Wire Transfer Approval

- Finding - Only one authorization was required for wire transfers.
- Action - Process now requires two approvals and is transitioning to Accounts Payable.

University Outreach and Lifelong and Distance Learning

Report Issued January 2009

Auditor Opinion Rating

Meets Expectations

Significant Audit Finding

Three

OHIO UNIVERSITY

University Outreach and Lifelong and Distance Learning

Online Applications

- Finding - Personal and sensitive information was collected on an unsecured website.
- Action - Website is now secure and has data encryption capabilities.

University Outreach and Lifelong and Distance Learning

Forms

- Finding - Forms required or requested SSNs.
- Action - Storage and collections of SSNs has been minimized and credit card processing procedures modified.

University Outreach and Lifelong and Distance Learning

Significant Purchases

- Finding - Contract which met the University's bidding threshold expired a year before it was re-submitted to Procurement.
- Action - Preferred venders are used and RFP completed.

Zanesville Campus

Report Issued September 2009

Auditor Opinion Rating

Meets Expectations

Significant Audit Finding

Four

OHIO UNIVERSITY

Zanesville Campus

Desktop Security and Sensitive Data Scans

- Finding - Most scanned computers contained sensitive data. Some also lacked proper security settings.
- Action - Campus security audit was scheduled with Information Security. Over Winter break, staff PCs will be scanned for sensitive data and security settings. External hard drives with fingerprint access will be provided those who need to maintain sensitive data locally.

OHIO UNIVERSITY

Zanesville Campus

Liability Waiver Forms

- Finding - No liability forms were on file for users of the Fitness Center.
- Action - Signed liability forms are now required for everyone using the Fitness Center and are kept on file for three years.

Zanesville Campus

<u>Segregation of Duties over ALE Accounts</u>

- Finding - There was little segregation of duties regarding the Arts, Lecture & Entertainment (ALE) accounts and controls in place were not always followed.
- Action - Staff members were trained and are processing checks, segregating check activities. The Associate Dean will be added to the signature card so that two signatures other than that of the Budget Unit Manager will be on checks. The Budget Unit Manager will continue to reconcile the account.

Zanesville Campus

Access Control

- Finding - Some ex-employees were still listed as having keys, including sub-master keys.
- Action - Keys will be retrieved from those leaving campus employment and an annual audit of keys will be conducted. The key list has been updated, retrieval of outstanding keys issued over the last two years continues, and locks will be re-keyed as necessary.

Conclusion

Ohio University
Board of Trustees
Audit Committee

2009 Audit Report Presentation







January 14, 2010

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Ohio University
Audit Presentation Agenda

- Ohio University Audit Team Leaders
- Required Communications
- Summary of Audit Differences
- New Pronouncements
- Appendix – Definitions

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Ohio University
Audit Team Leaders

Robert Shenton (Columbus)	**Partner** Robert.Shenton@plantemoran.com	**(614) 222-9064**
Keith Martinez (Columbus)	**Manager** Keith.Martinez@plantemoran.com	**(614) 222-9086**
Jonathan Saxton (Columbus)	**In-Charge** Jonathan.Saxton@plantemoran.com	**(614) 222-9114**

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Ohio University
Required Communications

- **Plante & Moran Report**
  - Opinion on FY 2009 Financial Statements
  - Foundation presented as a component unit
  - Issued an "unqualified opinion" on the financial statements
  - Our second report addresses internal control over financial reporting and compliance and other matters as required by *Generally Accepted Governmental Auditing Standards (GAGAS)*
  - GAGAS was not applied to the Foundation which follows *Financial Accounting Standards Board* (FASB) reporting requirements.
- **Plante & Moran Responsibilities under GAAS and GAGAS**
  - To gain a basic understanding of the internal controls, policies and procedures in order to design an effective and efficient audit approach, not for the purpose of providing assurance on the internal control structure.
  - To test compliance with certain provisions of laws, regulations, contracts and grants that have a direct and material effect.
  - To gain an understanding of internal control over financial reporting.
  - To express an opinion on the University's financial statements.
  - To provide reasonable, not absolute, assurance of detecting material misstatement.

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Ohio University
Required Communications (continued)

- **Significant Accounting Policies**
  - The significant accounting policies used by Ohio University are described in the notes, specifically footnote 1, to the financial statements. These existing policies were consistently applied and there were no changes in significant accounting policies to report for FY 2009.
    - The University applied the guidance in GASB 49, *Accounting and Financial Reporting for Pollution Remediation*. Accordingly, the accounting change has been retroactively applied to prior periods presented. A description of the pollution remediation and the future expected payments is described in footnote 17. The impact of the prior period adjustment is described in footnote 18.
    - The University approved an Early Retirement Incentive Plan (ERIP) buyout for eligible employees in the Ohio Public Employees' Retirement System (OPERS). Further detail is provided in footnote 12.

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Ohio University
Required Communications (continued)

- **Management Judgments and Accounting Estimates**
  - We are required to report to you amounts in the financial statements that are subject to management's judgment in what is recorded as well as items, that by their nature, are significant accounting estimates.
  - Significant estimates made by management include:
    - The fair value of alternative investments (hedge funds, limited partnerships, etc), footnote 2
    - The allowance for doubtful accounts receivables, footnote 3
    - The allowance for doubtful student loan notes receivable, footnote 4
    - Accrued personnel costs including vacation and sick leave, footnote 6 and 10
    - Accrued self insurance liabilities including healthcare and dental, footnote 14
    - Liability for pollution remediation, footnote 17
- **Significant Auditing Adjustments:**
  - There was one adjusting journal entry which was posted as a result of the audit. In completing the audit of Housing for Ohio, Inc., it was determined that land which had been turned over to the University from Housing for Ohio, Inc. had never been recorded on the University's books. Under a land lease agreement between Housing for Ohio, Inc. and the University, revenue associated with the lease was to be recognized over the life of the lease.
  - Management has taken responsibility for passed adjustments as immaterial to the overall financial statements both individually and in the aggregate. We have concurred. Details of passed adjustments are presented on page 9.

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Ohio University
Required Communications (continued)

- **Quality of Accounting Policies**
  - Ohio University's accounting policies are consistent in their application and the information presented in the financial statements and related disclosures is complete and presented clearly.
- **Disagreements with Management**
  - There were no disagreements with Management on financial accounting and reporting matters.
- **Consultation with Other Accountants**
  - To the best of our knowledge, Management has had no consultations with other independent accountants regarding accounting or auditing matters or alternative presentations.
- **Discussion Prior to Retention**
  - All discussions with Management occurred in the normal course of our professional relationship and the responses were not a condition of our retention. This is our second year as Ohio University's auditors.
- **Management Cooperation**
  - Management cooperated with us and provided us with complete access to the books and records of Ohio University.

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Ohio University
Required Communications (continued)

- **Communications with Management**
  - There were no communications with Management other than our engagement letter, Managements' representation letter to us and a management letter. In the course of our audit, the University's Internal Counsel provided us a schedule of current litigation and similar matters of a significant nature for our review.
- **Significant Additions to Managements' Representations**
  - There were no significant additions to managements' representations.
- **Independence**
  - The Plante & Moran audit team was involved with Ohio University throughout the year in performance of the audits.
- **Internal Audit**
  - We have received and have reviewed the reports issued throughout FY 2009.
  - As part of the external audit, Internal Audit staff completed a portion of the Chapter 7 testing of the Ohio Compliance Supplement.

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Ohio University
Required Communications (continued)

- **Other Services**
  - Plante Moran completed audits for:
    - The Ohio University Foundation
    - Housing for Ohio, Inc.
    - Inn-Ohio of Athens, Inc.
    - Russ Research Center LLC
    - Ohio University India MBA Program
    - WOUB
    - NCAA Agreed-upon Procedures
  - Review of income tax entries, preparation of income tax returns and maintenance of tax and AMT depreciation schedules for Inn-Ohio of Athens, Inc.
- **Related Party Transactions**
  - Related organizations include The Ohio University Foundation and its subsidiaries.

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Ohio University
Summary of Audit Differences

Client:	Ohio University								
Y/E:	6/30/2009	SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS							
Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities	Net Assets	Revenue	Expenses	Income
KNOWN MISSTATEMENTS:									
A1	A/P liabilities related to FY09 but not recorded; invoices received after third close below $10,000			$ 916,000				$ 916,000	$ (916,000)
A2									
ESTIMATE ADJUSTMENTS:									
B1									
B2									
IMPLIED ADJUSTMENTS:									
C1									
C2									
		$ -	$ -	-	$ -	$ -	$ -	-	-
	Total	**$ -**	**$ -**	**$ 916,000**	**$ -**	**$ -**	**$ -**	**$ 916,000**	**$ (916,000)**

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Ohio University
New Pronouncements

Current Year's Impact – Reporting Changes

- **GASB 49 – Pollution Remediation**
  - Requires an institution to record a liability for the cost of cleanup when management know/reasonably believes the site is polluted AND an "obligating event" occurs which are defined as:
    - Pollution poses an imminent danger to the public or environment and institution has little or no discretion to avoid fixing the problem
    - The institution has violated a pollution prevention-related permit or license
    - A regulator has identified the institution as a responsible (or potentially responsible) party
    - The institution is named in a lawsuit (or evidence indicates it will be)
    - The institution begins to clean up pollution or conducts related remediation activities
  - This resulted in a significant impact on the financial statements for the year ended June 30, 2009.

- **GASB 52 – Land and Other Real Estate Held as Investments by Endowments**
  - Land and real estate received for endowment purposes and held for investment is now required to be recorded at fair market value. The University has no such investments.

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Ohio University
New Pronouncements (continued)

Future Year's Impact – Reporting Changes

- **GASB 51 – Accounting and Reporting for Intangible Assets**
  - Required for June 30, 2010 Financial Statements
  - Defines intangible assets and the proper timing of capitalization and related amortization
  - For Ohio University, costs associated with the new software system implementation and development of intellectual property

- **GASB 53 – Accounting and Financial Reporting for Derivative Instruments**
  - Required for June 30, 2010 Financial Statements
  - The fair value of derivatives will be reported as assets or liabilities in the financial statements and related footnotes
  - If an effective hedge, the fair value will be recorded as a deferred asset or liability
  - The University does have a swap agreement related to the fair value of bonds which needs to be analyzed.

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Ohio University
Appendix - Definitions

- **Control Deficiency**
  - A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that even if the control operates as designed, the control objective is not always met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively. Control deficiencies may involve one or more of the five interrelated components of internal control.
- **Significant Deficiency**
  - A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.
- **Material Weakness**
  - A "material weakness" in internal control is a "significant deficiency" for which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that could be material in relation to the financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.
  - No material weaknesses have been identified during the 2009 audit.
- **FASB**
  - Financial Accounting Standards Board is the governing accounting body that issues reporting pronouncements for private sector organizations. The Ohio University Foundation prepares their financial statements in accordance with these pronouncements and guidance.
- **Fraud**
  - The term "fraud" includes "misstatements" arising from fraudulent financial reporting and misstatements arising from misappropriation of assets.
  - "Misstatements" arising from "fraudulent financial reporting" are intentional misstatements, or omissions of amounts or disclosures in financial statements intended to deceive financial statement users.
  - "Misstatements" arising from "misappropriation of assets" involve the theft of assets where the effect of the theft causes the financial statements not to be presented in conformity with GAAP.
  - The University is responsible for the design and implementation of programs and controls to prevent and detect fraud.
- **GAAP**
  - Generally Accepted Accounting Principles. Used by almost all entities in the USA to prepare periodic financial statements.

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Ohio University
Appendix - Definitions

- **GAAS**
  - Generally Accepted Auditing Standards. The standards that govern the conduct of independent audits of non-public companies, as determined by the Auditing Standards Board (ASB) of the AICPA.
- **GAGAS**
  - Generally Accepted Governmental Auditing Standards. Informally known as "Yellow Book", these standards guide all audits of governmental units.
- **GASB**
  - Governmental Accounting Standards Board is the governing accounting body that issues reporting pronouncements. For governmental entities. Ohio University prepares their financial statements in accordance with these pronouncements and guidance.
- **Unqualified Opinion**
  - A signed representation by an auditor as to the reliability and fairness of a set of financial statements. The opinion could be qualified, unqualifed, except for or adverse. For Ohio University, the opinion is unqualified which is the best opinion to have from an auditor.
- **Auditor Opinion Date**
  - The date the audit is completed and the auditor can provide their opinion. This is defined as the date the audit fieldwork and reviews are completed and the date management has reviewed the financial statements and provided a signed representation letter to the auditors.
- **Material Misstatement**
  - To present accidental or intentional untrue financial statement information that influences a company's value and such
- **Significant Adjustments**
  - A material error in financial reporting discovered by the auditor during performance of their audit fieldwork which was large enough that it was required to be booked to the financial statements and disclosed to the audit committee or board.
- **Passed Adjustments**
  - A summary of proposed account adjustments not recorded by management and reviewed by auditors and determined, individually or in the aggregate, not to have a significant effect on the financial reporting process and therefore they are not recorded in the financial statements.

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Ohio University
Appendix - Definitions

- **Allowance**
  - An estimate determined by management based on past history of write off of student and contribution's receivable of the amount of student and contribution receivables at June 30 that are not expected to be received.
- **NCAA Agreed Upon Procedures**
  - National Collegiate Athletic Association requires procedures to be performed in accordance with their bylaws. These procedures relate to the classification of revenues and expenses by athletic program and the content within the respective line items of revenues and expenses.
- **A-133 Audit**
  - The U.S. Office of Management and Budget (OMB) Circular A-133 which sets forth standards for obtaining consistency and uniformity among Federal agencies for the audit of States, local governments, and non-profit organizations expending Federal awards. This is also known as "Single Audit" and is focused on programs funded with federal dollars. At Ohio University, this primarily consists of student financial aid and research and development grants.
- **990T**
  - Corporate income tax form for exempt organization unrelated income. This primarily relates to income earned on limited partnerships that is considered taxable by the IRS (real estate and natural resources), and non-educational use of institutional property.
- **Non-Exchange Transaction**
  - Revenues received by the University that are deemed not related to the University providing a service. They consist primarily of investment income, gifts and state operating appropriations. State appropriations are subject to annual approval by state legislature and are reported based on the state operating budget that funds the appropriation to the University.

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Thank You!

For the opportunity to serve Ohio University.

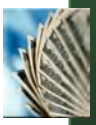
Higher Education Group

Robert Shenton
614.222.9064
Robert.Shenton@PlanteMoran.com

Keith Martinez
614.222.9086
Keith.Martinez@PlanteMoran.com

Jonathan Saxton
614.222.9114
Jonathan.Saxton@PlanteMoran.com





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ELECTION OF ACTING TREASURER

RESOLUTION 2010 - 3144

RESOLVED that Michael Angelini be elected Acting Treasurer of Ohio University for the period beginning January 6, 2010, and ending June 30, 2010.